



Sonoma Water

AIRPORT-LARKFIELD WIKIUP SANITATION ZONE 2026 WRITTEN BASIS OF SEWER SERVICE CHARGE

DATE: March 2026

TO: Sonoma Water Management

FROM: Jake Spaulding, Financial Services Division Manager

SUBJECT: AIRPORT-LARKFIELD-WIKIUP SANITATION ZONE 2026 WRITTEN BASIS OF SEWER SERVICE CHARGE

The purpose of this Memorandum is to provide a written basis for the sewer service charges and update current and projected costs and cost-of-service based rates. Key guiding principles include developing rates that are fair and equitable to all customer classes, distributing costs equally among ratepayers, and complying with the legal requirements of Proposition 218 and other California laws. Figure 1 below demonstrates the challenge that the Zone faces in recovering the costs of providing service, and generating adequate funding for operations, maintenance, capital infrastructure upgrades, and debt service due to its small customer base.

This memorandum provides the basis for a 7.5% rate increase in FY 2026-2027. Revenue from sewer service charges comprises approximately 90% of the total revenue needed to provide service.

In June 2024, the Town of Windsor/Windsor Water District (Windsor) and Sonoma Water entered into an agreement whereby Windsor is responsible for collecting and treating wastewater from the Zone on a contractual basis. The agreement serves the best interests of the ratepayers of both Windsor and the Zone by providing environmental benefits, increasing efficiency and water-supply resiliency, and avoiding expensive capital projects.

Costs are projected to increase over the planning period shown in Figure 1 below. Costs will be incurred to decommission the Airport treatment plant and to pay Windsor for operations and maintenance among other expenditures. The Zone faces an ongoing operations deficit and there was a critical need for infrastructure improvements and upgrades prior to contracting with Windsor for operations and maintenance. Sonoma Water General Fund subsidies to the Zone over the past five years have been more than \$2.4 million. Stewarding financially sound utilities and providing safe, high quality wastewater service that will protect the community and the environment requires that rates keep pace

with rising costs. Figure 1 and Table 1 below provide documentation in support of the proposed 7.5% rate increases.

Figure 1: Cash Flow Projection with 7.5% Rate Increases

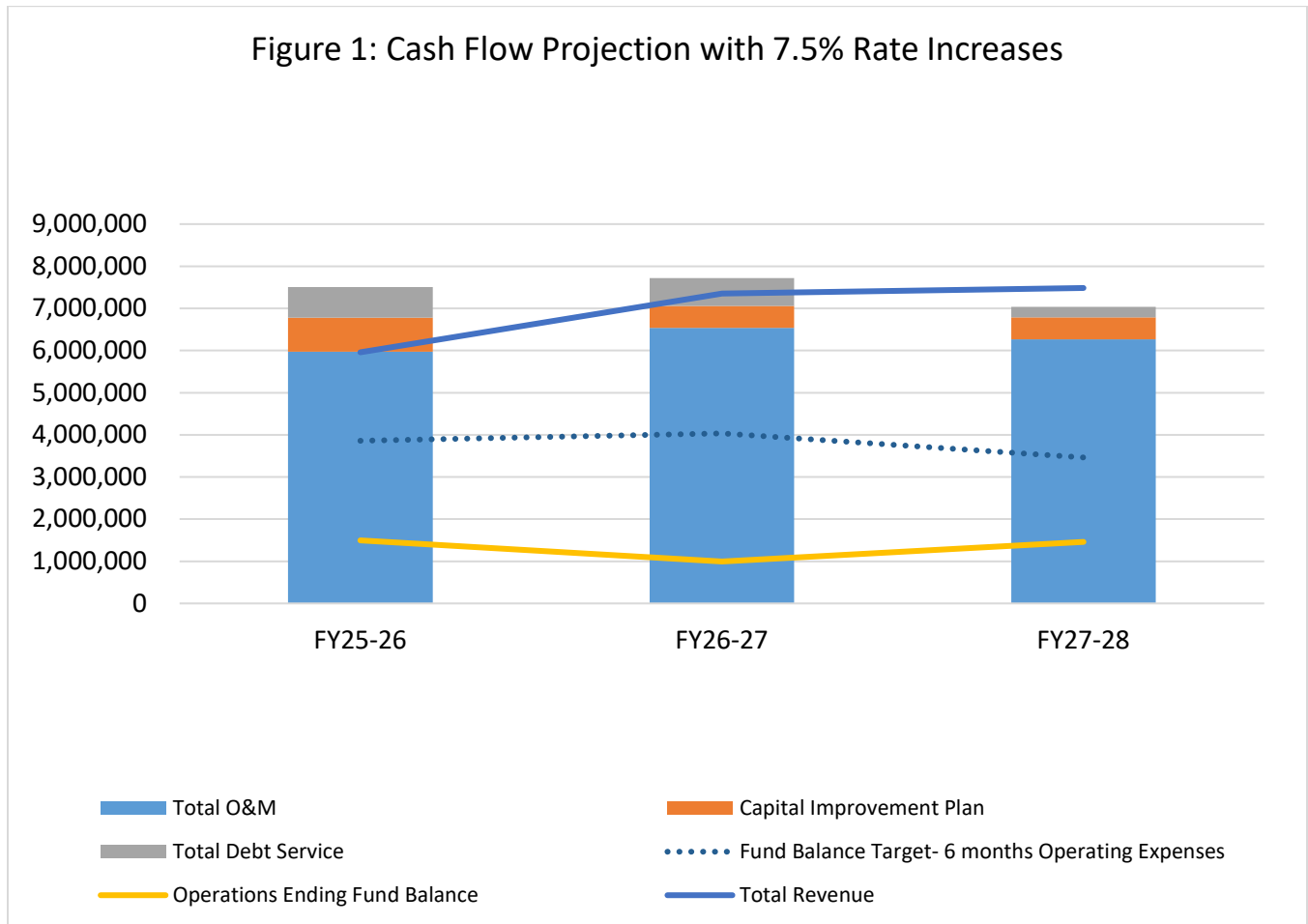


Table 1: Cash Flow Projection and Revenue Requirement

Fiscal Year	Estimated FY25-26	Projected FY26-27	Projected FY27-28
Proposed Rate Increase	8.5%	7.5%	7.5%
Rate	1,444	1,552	1,668
Equivalent Single Family Dwellings	4,137	4,125	4,155
BEGINNING FUND BALANCE	3,872,457	2,353,191	1,981,553
REVENUE			
Sanitation Charges	5,311,491	6,393,155	6,803,789
Interest on Pooled Cash	67,800	67,570	43,084
State/Federal Grants ¹	0	0	0
Transfers from General Fund	200,000	450,000	200,000
Rent/Disposal Fees from OCSD	379,000	438,900	437,000
Total Revenue	5,958,291	7,349,625	7,483,872
EXPENDITURES			
Total O&M	5,973,534	6,534,410	6,262,800
Capital Improvement Plan	805,854	522,500	522,950
Total Debt Service	727,714	664,353	250,000
Total Expenditures	7,507,102	7,721,263	7,035,750
Net Revenue	(1,548,811)	(371,638)	448,122
Ending Fund Balance - All Funds - Proposed 7.5% Rate Increase	2,353,191	1,981,553	2,429,675
Operations Ending Fund Balance	1,495,484	994,543	1,458,809
<i>Fund Balance Target- 6 months Operating Expenses</i>	<i>3,858,000</i>	<i>4,034,000</i>	<i>3,463,000</i>

The total expenditures budget divided by ESDs and the proposed ESD rate are shown in the table below. The proposed FY 2026/2027 rate is the lowest the rate can be set given the structural deficit of the Zone, and the need to maintain reserves.

Fiscal Year	FY25-26	FY26-27	FY27-28
Total Expenditures Divided by ESDs	1,815	1,872	1,693
Proposed ESD Rate	1,444	1,552	1,668

Proportionality of costs for users is maintained by using the Equivalent Single Family Dwelling (ESD) methodology. A standard single-family home constitutes one ESD. Parcels with other uses (for example, apartments and commercial buildings) are assigned a number of ESDs using standard equivalency factors that estimate the probable quantity and quality of sewage effluent normally generated by such uses in comparison to a single-family home. The assigned cost per ratepayer is the ESD cost multiplied by the number of ESDs assigned to the parcel. The ESDs are assigned in Exhibit A of the proposed rate ordinance, which is attached to this memorandum.

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR AIRPORT SANITATION ZONE

Use Category	Billing Basis			2026-2027	
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Residential					
Single-Family	280	200	200	connections	1.00
Condominium (Over 900 square ft)	280	200	200	dwelling units	1.00
Condominium (Under 900 square ft)	224	200	200	dwelling units	0.80
Multiple-Family (Apts,Duplex/Triplex)	224	200	200	dwelling units	0.80
Mobile home park	224	200	200	spaces	0.80
Mobile home (Individual)	224	200	200	units	0.80
JADU	-	200	200	units	0.00
ADU, under 751 sq ft*	112	200	200	units	0.40
ADU, 751-900 sq ft*	224	200	200	units	0.80
ADU, over 900 sq ft*	280	200	200	units	1.00
Commercial					
Appliance repair	190	200	200	1,000 sq. ft.	0.68
Art gallery	190	200	200	1,000 sq. ft.	0.68
Auto dealers					
With service facilities	190	180	280	connection	0.75
Without service facilities	38	180	280	add per service bay	0.15
Auto repair	190	200	200	connection	0.68
Bakery	38	300	300	per service bay	0.18
Beer Making/Brewery	190	1000	600	1,000 sq. ft.	2.02
Butcher				see note 1 below	
Banks & financial institutions	190	130	80	1,000 sq. ft.	0.47
Barber shop	19	130	80	per chair	0.05
Beauty shop	38	130	80	per chair	0.09
Bars & taverns	20	200	200	per seat	0.07
Camp ground or RV park					
with hookups	125	200	200	site	0.45
without hookups	75	200	200	site	0.27
Cannabis production/manufacturing				see note 1 below	
Car washes					
manual	190	20	150	per bay	0.42
automatic	125	210	210	per bay	0.46
Cheese Maker				see note 1 below	
Churches, hall & lodges	2	200	200	per seat	0.01
Coffee shops with some food service	6	1000	600	per seat	0.06
Dry cleaners	285	150	110	1,000 sq. ft.	0.78
Fire stations	190	200	200	1,000 sq. ft.	0.68
with sleeping quarters and kitchens	220	300	300	1,000 sq. ft.	1.05
without sleeping quarters and kitchens	190	210	210	1,000 sq. ft.	0.70
Garages	95	180	280	per service bay	0.37
Gas Stations (no other automotive services)					
with convenience store	70	480	480	1,000 sq. ft.	0.48
without convenience store	38	210	210	1,000 sq. ft.	0.14
Gym					
with shower	400	300	300	1,000 sq. ft.	1.90
without shower	50	210	210	1,000 sq. ft.	0.18
High Tech Medical Manufacturing				see note 1 below	
Hospitals					
Convalescent	125	250	100	per bed	0.41
General	175	250	100	per bed	0.57
Veterinarian	6	250	100	per cage	0.02
Hotels/motels/B&B	100	310	120	sleeping rooms	0.37
Hydroponic Cultivation (including cannabis)	1.2	210	210	per plant	0.004427
Laundromats	500	150	110	washing machines	1.37
High efficiency washers	250	210	210	washing machines	0.92
Library	190	200	200	1,000 sq. ft.	0.68
Machine shops	152	180	280	1,000 sq. ft.	0.60
Markets	38	800	800	1,000 sq. ft.	0.40
Nail Salon	10	210	210	per seat	0.04
Offices					
Business	76	130	80	1,000 sq. ft.	0.19
Chiropractic Office	190	210	210	Exam. room	0.70
Dental	190	130	80	Exam. room	0.47
Medical (clinic)					
with central handwashing stations	175	300	300	Exam. room	0.83
with office, surgery, lab and treatment rooms	190	300	300	Exam. room	0.90
offices with sink	125	300	300	Exam. room	0.59
offices without sink	100	300	300	Exam. room	0.48
Veterinarian					
with office, surgery, and treatment rooms	130	300	300	Exam. room	0.62
Pet Groomers	260	210	210	1,000 sq. ft.	0.96
Post office	190	130	80	1,000 sq. ft.	0.47
Resort				see note 1 below	

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR AIRPORT SANITATION ZONE

Use Category	Billing Basis			2026-2027	
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Restaurants					
Dine-in					
With DW & garbage disp.	6	1000	600	per seat	0.06
With DW or garbage disp.	6	619	371	per seat	0.04
Without DW & garbage disp.	6	238	143	per seat	0.02
Take-out	475	238	143	1,000 sq. ft.	1.64
Rest homes	125	250	100	per bed	0.41
Retail stores	38	150	150	1,000 sq. ft.	0.11
Schools					
Elementary	9	130	100	per student day	0.02
High	14	130	100	per student day	0.04
with entertainment facilities	19	300	300	per student day	0.09
Service stations	380	180	280	set of gas pumps	1.49
	38	180	280	add per service bay	0.15
Shoe repair	190	200	200	1,000 sq. ft.	0.68
Spa with various beauty treatments	38	300	300	per chair	0.18
Supermarkets	76	300	300	1,000 sq. ft.	0.36
Tasting Rooms					
Ale, Winery (no food)	120	210	210	1,000 sq. ft.	0.44
Ale, Winery (with food)	240	480	480	1,000 sq. ft.	1.65
Theaters	2	200	200	per seat	0.01
Trash Enclosures				see note 1 below	
Warehouse				see note 1 below	
Winery				see note 1 below	
Others as determined by the Engr.				see note 1 below	
Industrial				see note 1 below	

ALL COMMERCIAL ESDs TO BE DETERMINED BY THE GENERAL MANAGER USING THE FOLLOWING FORMULA:

$$ESD = (TSS \times FLOW \times 0.33) / (SFD \ TSS \times SFD \ FLOW) + (BOD \times FLOW \times 0.33) / (SFD \ BOD \times SFD \ FLOW) + (FLOW \times (0.34 / SFD \ FLOW))$$

Note 1: For non-standard uses, uses and when agreement on a use category cannot be reached, the General Manager, in his or her sole discretion, may
 a) base charges on the user's actual or estimated contribution of wastewater into the District's facilities in terms of flow, biological oxygen demand (BOD), and total suspended solids (TSS), and
 b) calculate the user's charge using the above Charge Formula. The user shall provide verifiable data, as requested by the General Manager, for the charge to be determined.
 Note 2: In general, users with annual average TSS and/or BOD over 1,000 mg/L and users with annual average Flow greater than 5,000 gallons per day should be considered Monitored Users and use the Monitored User Charge Formula.

Definitions	Flow = Gallons per Day	TSS = Total Suspended Solids
	BOD = Biological Oxygen Demand	DW = dishwasher
	ESD = Equivalent Single Family Dwelling	disp. = disposal

* Note that no Capacity Charge is assessed when existing structures are converted in accordance with CGC 65852.2 (e)(1)(A) as determined by the County of Sonoma or the jurisdiction having authority per the Building Code.



Sonoma Water

GEYSERVILLE SANITATION ZONE FY 2026/2027 WRITTEN BASIS OF SEWER SERVICE CHARGE

DATE: March 2026

TO: Sonoma Water Management

FROM: Jake Spaulding, Financial Services Division Manager

SUBJECT: GEYSERVILLE SANITATION ZONE FY 2026/2027 WRITTEN BASIS OF SEWER SERVICE CHARGE

The purpose of this Memorandum is to provide a written basis for the sewer service charges and update current and projected costs and cost-of-service based rates. Key guiding principles include developing rates that are fair and equitable to all customer classes, distributing costs equally among ratepayers, and complying with the legal requirements of Proposition 218 and other California laws. Figure 1 below demonstrates the challenge that the Zone faces in recovering the costs of providing service, and generating adequate funding for operations, maintenance, and capital infrastructure upgrades due to its small customer base.

This memorandum provides the basis for an 8.6% rate increase in FY 2026-2027. Revenue from sewer service charges comprises approximately 53% of the total revenue needed to provide service.

Costs are projected to increase over the planning period shown in Figure 1 below. The increased costs are for aging infrastructure including the Force Main Replacement Project scheduled in FY 2028-2029. Estimated costs for the Force Main Replacement Project are \$1.6 million over the next three years. The 8.6% rate increase is needed to build reserves to fund the Force Main Replacement Project and apply for grant funding. Offsetting revenue from a future grant application is necessary to fund construction projects.

The Zone faces an ongoing operations deficit and has a critical need for infrastructure upgrades. Sonoma Water General Fund subsidies to the Zone over the past five years have been more than \$2.2 million, and \$1.3 million is projected for the next three years making up approximately 28 percent of the total estimated revenue for the Zone (with grant revenue making up another 26 percent). Stewarding financially sound utilities and providing safe, high quality wastewater service that will protect the community and the environment requires that rates keep pace with rising costs. Figure 1 and Table 1 below provide documentation in support of the proposed 8.6 percent rate increases.

Figure 1: Cash Flow Projection with 8.6% Rate Increases

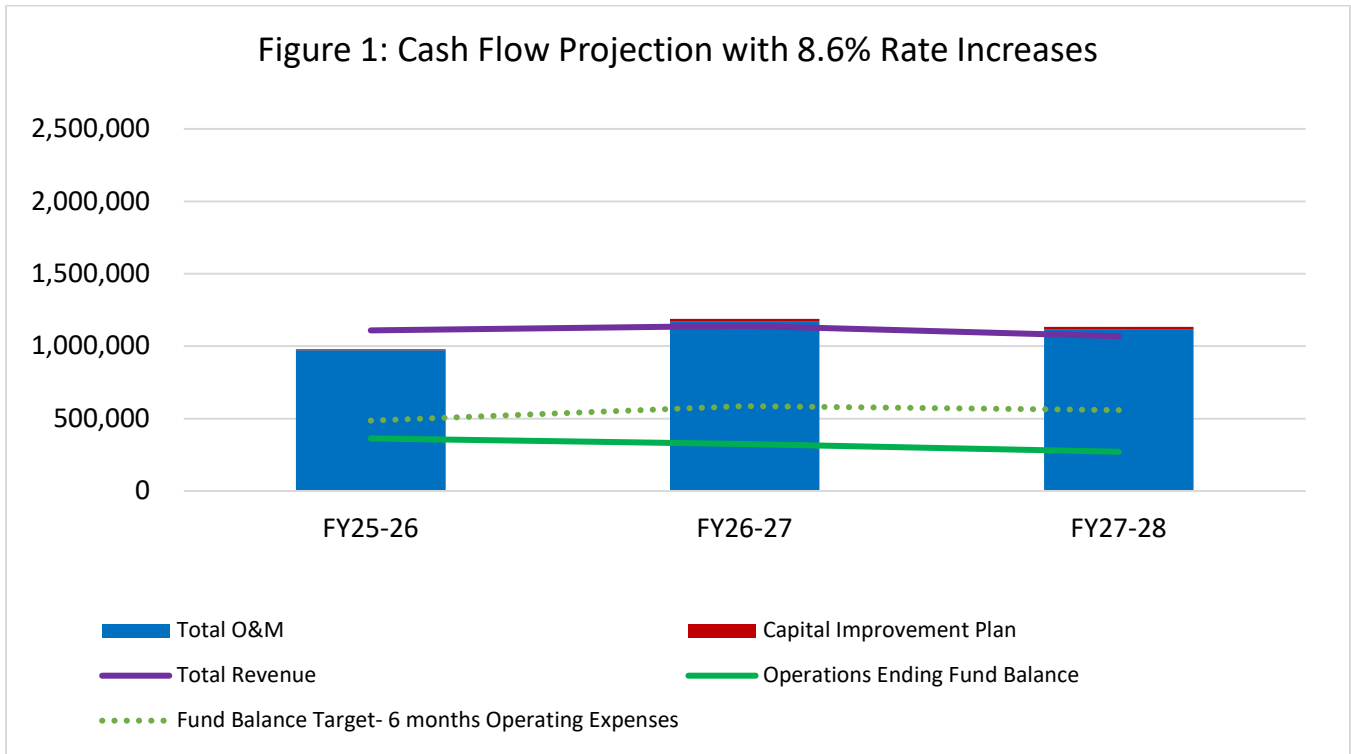


Table 1: Cash Flow Projection and Revenue Requirement

Fiscal Year	Estimated FY25-26	Projected FY26-27	Projected FY27-28
Proposed Rate Increase	8.6%	8.6%	8.6%
Rate	1,680	1,824	1,980
Equivalent Single Family Dwellings	370	371	373
BEGINNING FUND BALANCE	533,303	668,888	640,625
<u>REVENUE</u>			
Sanitation Charges	522,700	620,700	649,300
Interest on Pooled Cash	15,870	19,643	19,200
State/Federal Grants	0	0	0
Transfers from General Fund	575,000	500,000	400,000
Other Rev	0	20,000	20,000
Total Revenue	1,113,570	1,160,343	1,088,500
<u>EXPENDITURES</u>			
Total O&M	972,985	1,173,606	1,118,300
Capital Improvement Plan	5,000	15,000	15,000
Total Expenditures	977,985	1,188,606	1,133,300
Net Revenue	135,585	(28,263)	(44,800)
Ending Fund Balance - Proposed 8.6% Rate Increase	668,888	640,625	595,825
Operations Ending Fund Balance	361,630	324,009	269,709
<i>Fund Balance Target- 6 months Operating Expenses</i>	<i>485,903</i>	<i>586,303</i>	<i>558,650</i>

The proposed rate increase for the Equivalent Single Family Dwelling (ESD) value relies upon the Zone obtaining additional revenues from other sources of funding such as loans and grants. The total expenditures budget divided by ESDs, the total expenditures budget minus grant/loan revenue divided by ESDs, and the proposed ESD rate are shown in the table below. The proposed ESD rate is the lowest the rate can be set given the need to maintain reserves, the structural deficit of the Zone, and the risks and uncertainties associated with receiving other sources of funding.

Fiscal Year	FY25-26	FY26-27	FY27-28
Total Expenditures Divided by ESDs	2,643	3,204	3,042
Expenditures budget minus grant/loan revenue divided by ESDs	2,643	3,204	3,042
Proposed ESD Rate	1,680	1,824	1,980

Proportionality of costs for users is maintained by using the Equivalent Single Family Dwelling (ESD) methodology. A standard single-family home constitutes one ESD. Parcels with other uses (for

example, apartments and commercial buildings) are assigned a number of ESDs using standard equivalency factors that estimate the probable quantity and quality of sewage effluent normally generated by such uses in comparison to a single-family home. The assigned cost per ratepayer is the ESD cost multiplied by the number of ESDs assigned to the parcel. The ESDs are assigned in Exhibit A of the proposed rate ordinance, which is attached to this memorandum.

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR GEYSERVILLE SANITATION ZONE

Use Category		Billing Basis			2026-2027	
		Flow	BOD	TSS	Use	ESD
		gallons	mg/l	mg/l		
Residential						
	Single-Family	200	315	315	connections	1.00
	Condominium (Over 900 square ft)	200	315	315	dwelling units	1.00
	Condominium (Under 900 square ft)	160	315	315	dwelling units	0.80
	Multiple-Family (Apts,Duplex/Triplex)	160	315	315	dwelling units	0.80
	Mobile home park	160	315	315	spaces	0.80
	Mobile home (Individual)	160	315	315	units	0.80
	JADU	-	315	315	units	0.00
	ADU, under 751 sq ft*	80	315	315	units	0.40
	ADU, 751-900 sq ft*	160	315	315	units	0.80
	ADU, over 900 sq ft*	200	315	315	units	1.00
Commercial						
	Appliance repair	190	200	200	1,000 sq. ft.	0.72
	Art gallery	190	200	200	1,000 sq. ft.	0.72
	Auto dealers					
	With service facilities	190	180	280	connection	0.78
		38	180	280	add per service bay	0.16
	Without service facilities	190	200	200	connection	0.72
	Auto repair	38	325	325	per service bay	0.19
	Bakery	190	1000	600	1,000 sq. ft.	1.92
	Beer Making/Brewery				see note 1 below	
	Butcher				see note 1 below	
	Banks & financial institutions	190	130	80	1,000 sq. ft.	0.53
	Barber shop	19	130	80	per chair	0.05
	Beauty shop	38	130	80	per chair	0.11
	Bars & taverns	20	200	200	per seat	0.08
	Camp ground or RV park					
	with hookups	125	200	200	site	0.47
	without hookups	75	200	200	site	0.28
	Cannabis production/manufacturing				see note 1 below	
	Car washes					
	manual	190	20	150	per bay	0.49
	automatic	125	228	228	per bay	0.51
	Cheese Maker				see note 1 below	
	Churches, hall & lodges	2	200	200	per seat	0.01
	Coffee shops with some food service	6	1000	600	per seat	0.06
	Dry cleaners	285	150	110	1,000 sq. ft.	0.87
	Fire stations	190	200	200	1,000 sq. ft.	0.72
	with sleeping quarters and kitchens	220	325	325	1,000 sq. ft.	1.12
	without sleeping quarters and kitchens	190	228	228	1,000 sq. ft.	0.78
	Garages	95	180	280	per service bay	0.39
	Gas Stations (no other automotive services)					
	with convenience store	70	520	520	1,000 sq. ft.	0.50
	without convenience store	38	228	228	1,000 sq. ft.	0.16
	Gym					
	with shower	400	325	325	1,000 sq. ft.	2.04
	without shower	50	228	228	1,000 sq. ft.	0.20
	High Tech Medical Manufacturing				see note 1 below	
	Hospitals					
	Convalescent	125	250	100	per bed	0.44
	General	175	250	100	per bed	0.62
	Veterinarian	6	250	100	per cage	0.02
	Hotels/motels/B&B	100	310	120	sleeping rooms	0.40
	Hydroponic Cultivation (including cannabis)	1.2	228	228	per plant	0.004906
	Laundromats					
	High efficiency washers	250	228	228	washing machines	1.02
	Regular washers	500	150	110	washing machines	1.53
	Library	190	200	200	1,000 sq. ft.	0.72
	Machine shops	152	180	280	1,000 sq. ft.	0.62
	Markets	38	800	800	1,000 sq. ft.	0.38
	Nail Salon	10	228	228	per seat	0.04
	Offices					
	Business	76	130	80	1,000 sq. ft.	0.21
	Chiropractic Office	190	228	228	Exam. room	0.78
	Dental	190	130	80	Exam. room	0.53
	Medical (clinic)					
	with central handwashing stations	175	325	325	Exam. room	0.89
	with office, surgery, lab and treatment rooms	190	325	325	Exam. room	0.97
	offices with sink	125	325	325	Exam. room	0.64

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR GEYSERVILLE SANITATION ZONE

Use Category	Billing Basis			2026-2027	
	Flow	BOD	TSS	Use	ESD
	gallons	mg/l	mg/l		
offices without sink	100	325	325	Exam. room	0.51
Veterinarian					
with office, surgery, and treatment rooms	130	325	325	Exam. room	0.66
Pet Groomers	260	228	228	1,000 sq. ft.	1.06
Post office	190	130	80	1,000 sq. ft.	0.53
Resort	see note 1 below				
Restaurants					
Dine-in					
With DW & garbage disp.	6	1000	600	per seat	0.06
With DW or garbage disp.	6	619	371	per seat	0.04
Without DW & garbage disp.	6	238	143	per seat	0.02
Take-out	475	238	143	1,000 sq. ft.	1.76
Rest homes	125	250	100	per bed	0.44
Retail stores	38	150	150	1,000 sq. ft.	0.12
Schools					
Elementary	9	130	100	per student day	0.03
High	14	130	100	per student day	0.04
with entertainment facilities	19	325	325	per student day	0.10
Service stations	380	180	280	set of gas pumps	1.56
	38	180	280	add per service bay	0.16
Shoe repair	190	200	200	1,000 sq. ft.	0.72
Spa with various beauty treatments	38	325	325	per chair	0.19
Supermarkets	76	325	325	1,000 sq. ft.	0.39
Tasting Rooms					
Ale, Winery (no food)	120	228	228	1,000 sq. ft.	0.49
Ale, Winery (with food)	240	520	520	1,000 sq. ft.	1.72
Theaters	2	200	200	per seat	0.01
Trash Enclosures	see note 1 below				
Warehouse	see note 1 below				
Winery	see note 1 below				
Others as determined by the Engr.	see note 1 below				

ALL COMMERCIAL ESDs TO BE DETERMINED BY THE GENERAL MANAGER USING THE FOLLOWING FORMULA:

$$ESD = (TSS \times FLOW \times 0.33) / (SFD \ TSS \times SFD \ FLOW) + (BOD \times FLOW \times 0.33) / (SFD \ BOD \times SFD \ FLOW) + (FLOW \times (0.34 / SFD \ FLOW))$$

Note 1: For non-standard uses, uses and when agreement on a use category cannot be reached, the General Manager, in his or her sole discretion, may
a) base charges on the user's actual or estimated contribution of wastewater into the District's facilities in terms of flow, biological oxygen demand (BOD), and total suspended solids (TSS), and
b) calculate the user's charge using the above Charge Formula. The user shall provide verifiable data, as requested by the General Manager, for the charge to be determined.
Note 2: In general, users with annual average TSS and/or BOD over 1,000 mg/L and users with annual average Flow greater than 5,000 gallons per day should be considered Monitored Users and use the Monitored User Charge Formula.

Definitions	Flow = Gallons per Day	TSS = Total Suspended Solids	
	BOD = Biological Oxygen Demand	DW = dishwasher	
	ESD = Equivalent Single Family Dwelling	disp. = disposal	

* Note that no Capacity Charge is assessed when existing structures are converted in accordance with CGC 65852.2 (e)(1)(A) as determined by the County of Sonoma or the jurisdiction having authority per the Building Code.



Sonoma Water

PENNGROVE SANITATION ZONE FY 2026/2027 WRITTEN BASIS OF SEWER SERVICE CHARGE

DATE: March 2026

TO: Sonoma Water Management

FROM: Jake Spaulding, Financial Services Division Manager

SUBJECT: PENNGROVE SANITATION ZONE FY 2026-2027 WRITTEN BASIS OF SEWER SERVICE CHARGE

The purpose of this Memorandum is to provide a written basis for the sewer service charges and update current and projected costs and cost-of-service based rates. Key guiding principles include developing rates that are fair and equitable to all customer classes, distributing costs equally among ratepayers, and complying with the legal requirements of Proposition 218 and other California laws. Figure 1 below demonstrates the challenge that the Zone faces in recovering the costs of providing service, and generating adequate funding for operations, maintenance, and capital infrastructure upgrades due to its small customer base.

This memorandum provides the basis for a 7.8% rate increase in FY 2026-2027. Revenue from sewer service charges comprises approximately 63% of the total revenue needed to provide service.

Costs are projected to increase over the planning period shown in Figure 1 below. The increased costs are for projects to address aging infrastructure including Force Main Replacement, Collection System Rehabilitation and Repair, and other projects. Estimated costs for the Force Main Replacement Project are \$7.5 million over the next three years. The Force Main Replacement Project was initially planned to begin in FY 23-24 but due to the increased scope and cost of the project, the start has been delayed to allow time to build reserves and apply for grant funding. The 7.8% rate increase is needed to build reserves to fund design of the Force Main Replacement Project. Offsetting revenue from a future grant application is necessary to fund construction of the Project in FY 2027/2028.

The Zone faces an ongoing operations deficit and has a critical need for infrastructure improvements and upgrades. Sonoma Water General Fund subsidies to the Zone over the past five years have been approximately \$1 million, and \$2.0 million is projected for the next three years making up 16 percent of the total estimated revenue for the Zone. Stewarding financially sound utilities and providing safe, high quality wastewater service that will protect the community and the environment requires that rates

keep pace with rising costs. Figure 1 and Table 1 below provide documentation in support of the proposed 7.8% rate increases.

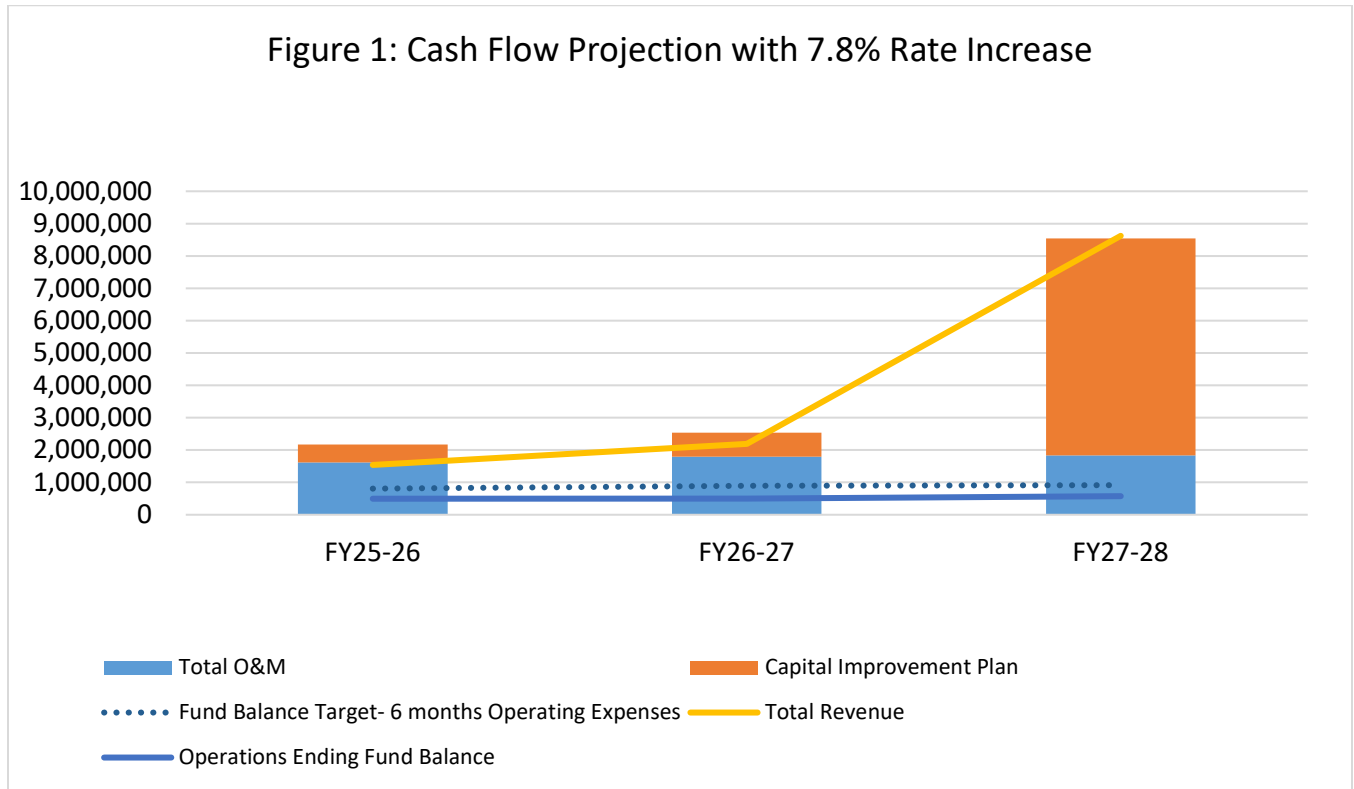


Table 1: Cash Flow Projection and Revenue Requirement

Fiscal Year	Estimated FY25-26	Projected FY26-27	Projected FY27-28
Rate Increase	7.8%	7.8%	7.8%
Rate	2,298	2,476	2,670
Equivalent Single Family Dwellings	556	565	564
BEGINNING FUND BALANCE	1,478,888	828,546	482,794
<u>REVENUE</u>			
Sanitation Charges	1,106,800	1,378,200	1,467,600
Interest on Pooled Cash	28,740	17,233	14,500
Transfers from General Fund	390,000	780,000	750,000
Capital Contribution	0	15,000	6,389,801
Total Revenue	1,525,540	2,190,433	8,621,901
<u>EXPENDITURES</u>			
Total O&M	1,619,182	1,791,899	1,831,850
Capital Improvement Plan	556,700	744,285	6,714,575
Total Expenditures	2,175,882	2,536,184	8,546,425
Net Revenue	(650,342)	(345,752)	75,476
Ending Fund Balance - Proposed Rate Increase	828,546	482,794	558,270
Operations Ending Fund Balance	472,509	480,670	555,520
<i>Fund Balance Target- 6 months Operating Expenses</i>	<i>807,972</i>	<i>894,950</i>	<i>914,925</i>

The proposed rate increase for the Equivalent Single Family Dwelling (ESD) value relies upon the Zone obtaining additional revenues from other sources of funding such as loans and grants. The total expenditures budget divided by ESDs, the total expenditures budget minus grant/loan revenue divided by ESDs, and the proposed ESD rate are shown in the table below. The proposed rate is the lowest the rate can be set given the structural deficit of the Zone, the need to maintain reserves, and the risks and uncertainties associated with receiving other sources of funding.

	Projected FY25-26	Projected FY26-27	Projected FY27-28
Fiscal Year			
Total Expenditures Divided by ESDs	3,913	4,498	15,164
Expenditures budget minus grant/loan revenue divided by ESDs	3,913	4,471	3,826
Proposed ESD Rate	2,298	2,476	2,670

Proportionality of costs for users is maintained by using the Equivalent Single Family Dwelling (ESD) methodology. A standard single-family home constitutes one ESD. Parcels with other uses (for example, apartments and commercial buildings) are assigned a number of ESDs using standard equivalency factors that estimate the probable quantity and quality of sewage effluent normally generated by such uses in comparison to a single-family home. The assigned cost per ratepayer is the ESD cost multiplied by the number of ESDs assigned to the parcel. The ESDs are assigned in Exhibit A of the proposed rate ordinance, which is attached to this memorandum.

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR PENNGROVE SANITATION ZONE

Use Category	Billing Basis			2026-2027	
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Residential					
Single-Family	180	305	305	connections	1.00
Condominium (Over 900 square ft)	180	305	305	dwelling units	1.00
Condominium (Under 900 square ft)	144	305	305	dwelling units	0.80
Multiple-Family (Apts, Duplex/Triplex)	144	305	305	dwelling units	0.80
Mobile home park	144	305	305	spaces	0.80
Mobile home (Individual)	144	305	305	units	0.80
JADU	-	305	305	units	0.00
ADU, under 751 sq ft*	72	305	305	units	0.40
ADU, 751-900 sq ft*	144	305	305	units	0.80
ADU, over 900 sq ft*	180	305	305	units	1.00
Commercial					
Appliance repair	190	200	200	1,000 sq. ft.	0.82
Art gallery	190	200	200	1,000 sq. ft.	0.82
Auto dealers					
With service facilities	190	180	280	connection	0.88
Without service facilities	38	180	280	add per service bay	0.18
Without service facilities	190	200	200	connection	0.82
Auto repair	38	325	325	per service bay	0.22
Bakery	190	1000	600	1,000 sq. ft.	2.19
Beer Making/Brewery				see note 1 below	
Butcher				see note 1 below	
Banks & financial institutions	190	130	80	1,000 sq. ft.	0.60
Barber shop	19	130	80	per chair	0.06
Beauty shop	38	130	80	per chair	0.12
Bars & taverns	20	200	200	per seat	0.09
Camp ground or RV park					
with hookups	125	200	200	site	0.54
without hookups	75	200	200	site	0.32
Cannabis production/manufacturing				see note 1 below	
Car washes					
manual	190	20	150	per bay	0.55
automatic	125	228	228	per bay	0.58
Cheese Maker				see note 1 below	
Churches, hall & lodges	2	200	200	per seat	0.01
Coffee shops with some food service	6	1000	600	per seat	0.07
Dry cleaners	285	150	110	1,000 sq. ft.	0.98
Fire stations					
with sleeping quarters and kitchens	220	325	325	1,000 sq. ft.	1.28
without sleeping quarters and kitchens	190	228	228	1,000 sq. ft.	0.88
Garages	95	180	280	per service bays	0.44
Gas Stations (no other automotive services)					
with convenience store	70	520	520	1,000 sq. ft.	0.57
without convenience store	38	228	228	1,000 sq. ft.	0.18
Gym					
with shower	400	325	325	1,000 sq. ft.	2.32
without shower	50	228	228	1,000 sq. ft.	0.23
High Tech Medical Manufacturing				see note 1 below	
Hospitals					
Convalescent	125	250	100	per bed	0.50
General	175	250	100	per bed	0.70
Veterinarian	6	250	100	per cage	0.02
Hotels/motels/B&B	100	310	120	per guest room	0.37
Hydroponic Cultivation (including cannabis)	1.2	228	228	per plant	0.01
Laundromats	500	150	110	washing machines	1.73
High efficiency washers	250	228	228	washing machines	1.16
Library	190	200	200	1,000 sq. ft.	0.82
Machine shops	152	180	280	1,000 sq. ft.	0.71
Markets	38	800	800	1,000 sq. ft.	0.44
Nail Salon	10	228	228	per seat	0.05
Offices					
Business	76	130	80	1,000 sq. ft.	0.24
Chiropractic Office	190	228	228	Exam. room	0.88
Dental	190	130	80	Exam. room	0.60
Medical	190	130	80	Exam. room	0.60
with central handwashing stations	175	325	325	Exam. room	1.01
with office, surgery, lab and treatment rooms	190	325	325	Exam. room	1.10
offices with sink	125	325	325	Exam. room	0.72
offices without sink	100	325	325	Exam. room	0.58
Veterinarian					
with office, surgery, and treatment rooms	130	325	325	Exam. room	0.75
Pet Groomers	260	228	228	1,000 sq. ft.	1.20
Post office	0	130	80	1,000 sq. ft.	0.00
Resort				see note 1 below	

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR PENNGROVE SANITATION ZONE

Use Category	Billing Basis			2026-2027	
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Restaurants					
Dine-in					
With DW & garbage disp.	6	1000	600	per seat	0.07
With DW or garbage disp.	6	619	371	per seat	0.05
Without DW & garbage disp.	6	238	143	per seat	0.03
Take-out	475	238	143	1,000 sq. ft.	1.99
Rest homes	125	250	100	per bed	0.50
Retail stores	38	150	150	1,000 sq. ft.	0.14
Schools					
Elementary	9	130	100	per student day	0.03
High	14	130	100	per student day	0.05
with entertainment facilities	19	325	325	per student day	0.11
Service stations	380	180	280	set of gas pumps	1.77
	38	180	280	add per service bay	0.18
Shoe repair	190	200	200	1,000 sq. ft.	0.82
Spa with various beauty treatments	38	325	325	per chair	0.22
Supermarkets	76	325	325	1,000 sq. ft.	0.44
Tasting Rooms					
Ale, Winery (no food)	120	228	228	1,000 sq. ft.	0.56
Ale, Winery (with food)	240	520	520	1,000 sq. ft.	1.95
Theaters	2	200	200	per seat	0.01
Trash Enclosures				see note 1 below	
Warehouse				see note 1 below	
Winery				see note 1 below	
Others as determined by the Engr.				see note 1 below	

ALL COMMERCIAL ESDs TO BE DETERMINED BY THE GENERAL MANAGER USING THE FOLLOWING FORMULA:

$$ESD = (TSS \times FLOW \times 0.33) / (SFD \ TSS \times SFD \ FLOW) + (BOD \times FLOW \times 0.33) / (SFD \ BOD \times SFD \ FLOW) + (FLOW \times (0.34 / SFD \ FLOW))$$

Note 1: For non-standard uses, uses and when agreement on a use category cannot be reached, the General Manager, in his or her sole discretion, may

a) base charges on the user's actual or estimated contribution of wastewater into the District's facilities in terms of flow, biological oxygen demand (BOD), and total suspended solids (TSS), and

b) calculate the user's charge using the above Charge Formula. The user shall provide verifiable data, as requested by the General Manager, for the charge to be determined.

Note 2: In general, users with annual average TSS and/or BOD over 1,000 mg/L and users with annual average Flow greater than 5,000 gallons per day should be considered Monitored Users and use the Monitored User Charge Formula.

Definitions	Flow = Gallons per Day	TSS = Total Suspended Solids	
	BOD = Biological Oxygen Demand	DW = dishwasher	
	ESD = Equivalent Single Family Dwelling	disp. = disposal	

* Note that no Capacity Charge is assessed when existing structures are converted in accordance with CGC 65852.2 (e)(1)(A) as determined by the County of Sonoma or the jurisdiction having authority per the Building Code.



Sonoma Water

SEA RANCH SANITATION ZONE FY 2026/2027 WRITTEN BASIS OF SEWER SERVICE CHARGE

DATE: March 2026

TO: Sonoma Water Management

FROM: Jake Spaulding, Financial Services Division Manager

SUBJECT: SEA RANCH SANITATION ZONE FY 2026/2027 WRITTEN BASIS OF SEWER SERVICE CHARGE

The purpose of this Memorandum is to provide a written basis for the sewer service charges and update current and projected costs and cost-of-service based rates. Key guiding principles include developing rates that are fair and equitable to all customer classes, distributing costs equally among ratepayers, and complying with the legal requirements of Proposition 218 and other California laws. Figure 1 below demonstrates the challenge that the Zone faces in recovering the costs of providing service, and generating adequate funding for operations, maintenance, and capital infrastructure upgrades due to its small customer base.

This memorandum provides the basis for an 8.9% rate increase in FY 2026-2027. Revenue from sewer service charges comprises approximately 84% to 99% of the total revenue needed to provide service.

Excluding capital projects, costs are projected to increase over the planning period shown in Figure 1 below. The increased costs are for aging infrastructure including valve and pump replacements at the Main Lift Station. The 8.9% rate increase is needed to build reserves to fund operations, maintenance, and capital expenditures.

The Zone faces an ongoing operations deficit and has a critical need for infrastructure upgrades. Sonoma Water General Fund subsidizes to the Zone projected over the next five to six years total \$332K making up approximately 4% to 6% of the total estimated revenue for the Zone annually. Stewarding financially sound utilities and providing safe, high quality wastewater service that will protect the community and the environment requires that rates keep pace with rising costs. Figure 1 and Table 1 below provide documentation in support of the proposed 8.9 percent rate increases.

Figure 1: Cash Flow Projection with 8.9% Rate Increases

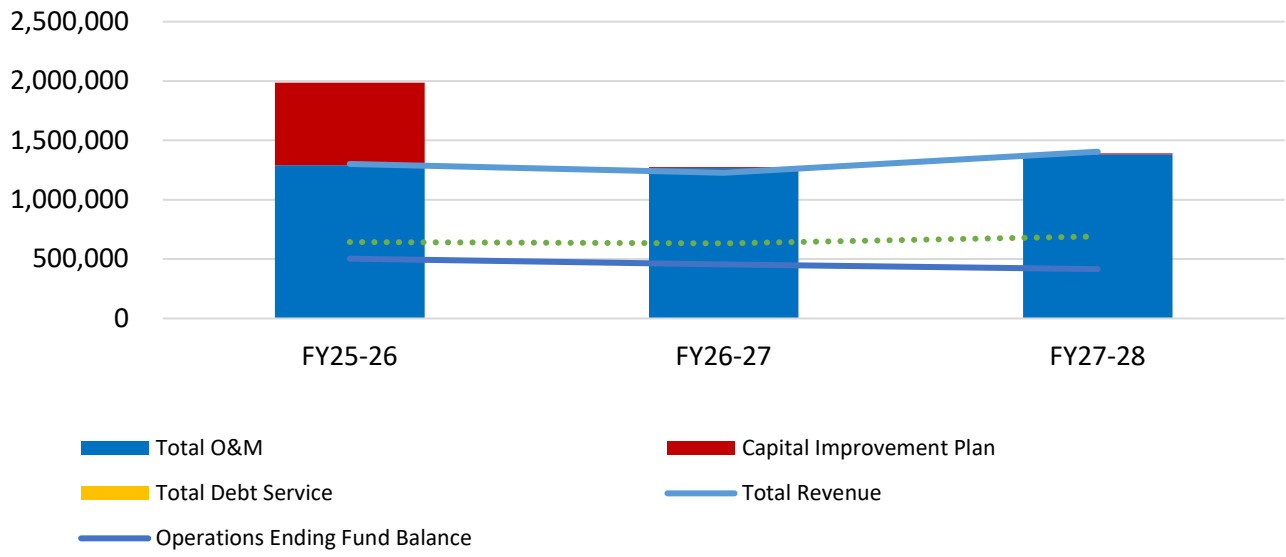


Table 1: Cash Flow Projection and Revenue Requirement

Fiscal Year	Estimated FY25-26	Projected FY26-27	Projected FY27-28
Proposed Rate Increase	8.9%	8.9%	8.9%
Rate	1,806	1,966	2,142
Equivalent Single Family Dwellings	626	606	631
BEGINNING FUND BALANCE	1,243,180	558,194	510,321
<u>REVENUE</u>			
Sanitation Charges	1,086,300	1,210,100	1,307,400
Interest on Pooled Cash	14,220	16,028	15,300
Transfers from General Fund	200,000	1,000	82,000
Total Revenue	1,300,520	1,227,128	1,404,700
<u>EXPENDITURES</u>			
Total O&M	1,290,506	1,267,500	1,383,600
Capital Improvement Plan	695,000	7,500	7,650
Total Expenditures	1,985,506	1,275,000	1,391,250
Net Revenue	(684,986)	(47,872)	13,450
Ending Fund Balance - Proposed 8.9% Rate Increase	558,194	510,321	523,771
Operations Ending Fund Balance	503,590	454,055	415,805
<i>Fund Balance Target- 6 months Operating Expenses</i>	<i>643,802</i>	<i>632,750</i>	<i>690,800</i>

The total expenditures budget divided by ESDs and the proposed ESD rate are shown in the table below. The proposed ESD rate is the lowest the rate can be set given the need to maintain reserves, the structural deficit of the Zone, and the risks and uncertainties associated with receiving other sources of funding.

Fiscal Year	FY25-26	FY26-27	FY27-28
Total Expenditures Divided by ESDs	3,172	2,104	2,206
Proposed ESD Rate	1,806	1,966	2,142

Proportionality of costs for users is maintained by using the Equivalent Single Family Dwelling (ESD) methodology. A standard single-family home constitutes one ESD. Parcels with other uses (for example, apartments and commercial buildings) are assigned a number of ESDs using standard equivalency factors that estimate the probable quantity and quality of sewage effluent normally generated by such uses in comparison to a single-family home. The assigned cost per ratepayer is the ESD cost multiplied by the number of ESDs assigned to the parcel. The ESDs are assigned in Exhibit A of the proposed rate ordinance, which is attached to this memorandum.

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR SEA RANCH SANITATION ZONE

Use Category		Billing Basis			2026-2027	
		Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Residential	Single-Family	200			connections	1.0
	JADU	-			units	0.00
	ADU, under 751 sq ft*	80			units	0.40
	ADU, 751-900 sq ft*	160			units	0.80
	ADU, over 900 sq ft*	200			units	1.00
Commercial		see note 1 below				

ALL COMMERCIAL ESDs TO BE DETERMINED BY THE GENERAL MANAGER USING THE FOLLOWING FORMULA:

$$ESD = (TSS \times FLOW \times 0.33) / (SFD \ TSS \times SFD \ FLOW) + (BOD \times FLOW \times 0.33) / (SFD \ BOD \times SFD \ FLOW) + (FLOW \times (0.34 / SFD \ FLOW))$$

Note 1: For non-standard uses, uses and when agreement on a use category cannot be reached, the General Manager, in his or her sole discretion, may
 a) base charges on the user's actual or estimated contribution of wastewater into the District's facilities in terms of flow, biological oxygen demand (BOD), and total suspended solids (TSS), and
 b) calculate the user's charge using the above Charge Formula. The user shall provide verifiable data, as requested by the General Manager, for the charge to be determined.

Definitions	Flow = Gallons per Day	TSS = Total Suspended Solids	
	BOD = Biological Oxygen Demand	DW = dishwasher	
	ESD = Equivalent Single Family Dwelling	disp. = disposal	

* Note that no Capacity Charge is assessed when existing structures are converted in accordance with CGC 65852.2 (e)(1)(A) as determined by the County of Sonoma or the jurisdiction having authority per the Building Code.



Sonoma Water

OCCIDENTAL COUNTY SANITATION DISTRICT FY 2026/2027 WRITTEN BASIS FOR SEWER SERVICE CHARGE

DATE: March 2026

TO: Sonoma Water Management

FROM: Jake Spaulding, Financial Services Division Manager

**SUBJECT: OCCIDENTAL COUNTY SANITATION DISTRICT FY 2026/2027 WRITTEN BASIS OF SEWER
SERVICE CHARGE**

The purpose of this Memorandum is to provide a written basis for the sewer service charges and update current and projected costs and cost-of-service based rates. Key guiding principles include developing rates that are fair and equitable to all customer classes, distributing costs equally among ratepayers, and complying with the legal requirements of Proposition 218 and other California laws. Figure 1 below demonstrates the challenge that the District faces in recovering the costs of providing service, and generating adequate funding for operations, maintenance, capital infrastructure upgrades, and debt service due to its small customer base.

This memorandum provides the basis for a 4.7% rate increase in FY 2026-2027. Revenue from sewer service charges comprises approximately 32% of the total revenue needed to provide service.

Costs are projected to increase over the planning period shown in Figure 1 below. The increased costs are for projects to address aging infrastructure including the Occidental to Graton Pipeline Project, Collection System Rehabilitation and Repairs, and other projects. The 4.7% rate increase is necessary to fund an estimated \$14 million in capital improvements over the next five years. Offsetting revenue from a future grant application is necessary to fund construction of the Project.

The District faces an ongoing operations deficit and has a critical need for infrastructure improvements and upgrades. Sonoma Water General Fund subsidies to the District over the past five years have been more than \$4.8 million, and an additional \$6.2 million is projected for the next three years making up more than 76% of the total estimated revenue for the District. Stewarding financially sound utilities and providing safe, high quality wastewater service that will protect the community and the environment

requires that rates keep pace with rising costs. Figure 1 and Table 1 below provide documentation in support of the proposed 4.7% rate increases.

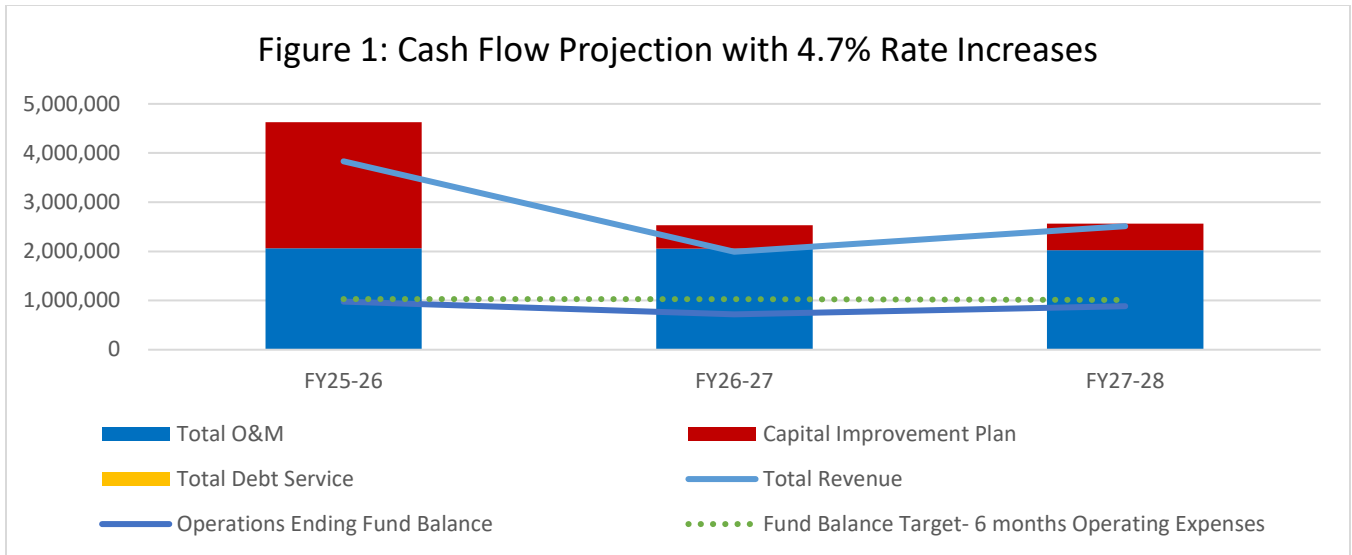


Table 1: Cash Flow Projection and Revenue Requirement

Fiscal Year	Estimated FY25-26	Projected FY26-27	Projected FY27-28
Proposed Rate Increase	4.7%	4.7%	4.7%
Rate	3,146	3,294	3,449
Equivalent Single Family Dwellings	273	273	203
BEGINNING FUND BALANCE	2,278,809	1,691,301	1,149,958
REVENUE			
Sanitation Charges	688,500	631,700	627,300
Interest on Pooled Cash	52,500	42,614	34,500
Transfers from General Fund	1,850,000	1,318,000	1,858,000
Miscellaneous Revenue	1,450,000	0	0
Total Revenue	4,041,000	1,992,314	2,519,800
EXPENDITURES			
Total O&M	2,062,485	2,059,514	2,024,770
Capital Improvement Plan	2,566,286	474,420	538,320
Total Expenditures	4,628,771	2,533,934	2,563,090
Net Revenue	(587,508)	(541,344)	(43,290)
Ending Fund Balance	1,691,301	1,149,958	890,301
Operations Ending Fund Balance	987,875	729,087	896,217
<i>Fund Balance Target- 6 months Operating Expenses</i>	<i>1,030,286</i>	<i>1,029,119</i>	<i>1,011,885</i>

The proposed rate increase for the Equivalent Single Family Dwelling (ESD) value relies upon the District obtaining additional revenues from other sources of funding such as loans and grants. The total expenditures budget divided by ESDs, the total expenditures budget minus grant/loan revenue divided by ESDs, and the proposed ESD rate are shown in the table below. The proposed rate is the lowest the rate can be set given the need to maintain reserves, the structural deficit of the District, and the risks and uncertainties associated with receiving other sources of funding.

Fiscal Year	FY25-26	FY26-27	FY27-28
Total Expenditures Divided by ESDs	16,954	9,281	12,648
Expenditures budget minus grant/loan revenue divided by ESDs	16,954	9,281	12,648
Proposed ESD Rate	3,146	3,294	3,448

Proportionality of costs for users is maintained by using the Equivalent Single Family Dwelling (ESD) methodology. A standard single-family home constitutes one ESD. Parcels with other uses (for example, apartments and commercial buildings) are assigned a number of ESDs using standard

equivalency factors that estimate the probable quantity and quality of sewage effluent normally generated by such uses in comparison to a single-family home. The assigned cost per ratepayer is the ESD cost multiplied by the number of ESDs assigned to the parcel. The ESDs are assigned in Exhibit A of the proposed rate ordinance, which is attached to this memorandum.

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR OCCIDENTAL CSD

Use Category	Billing Basis			2026-2027	
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Residential					
Single-Family	66	250	250	connections	1.00
Condominium (Over 900 square ft)	66	250	250	dwelling units	1.00
Condominium (Under 900 square ft)	52.8	250	250	dwelling units	0.80
Multiple-Family (Apts,Duplex/Triplex)	52.8	250	250	dwelling units	0.80
Mobile home park	52.8	250	250	spaces	0.80
Mobile home (Individual)	52.8	250	250	units	0.80
JADU	-	250	250	units	0.00
ADU, under 751 sq ft*	26.4	250	250	units	0.40
ADU, 751-900 sq ft*	52.8	250	250	units	0.80
ADU, over 900 sq ft*	66	250	250	units	1.00
Commercial					
Appliance repair	190	200	200	1,000 sq. ft.	2.50
Art gallery	190	200	200	1,000 sq. ft.	2.50
Auto dealers					
With service facilities	190	180	280	connection	2.73
With service facilities	38	180	280	add per service bay	0.55
Without service facilities	190	200	200	connection	2.50
Auto repair	38	325	325	per service bay	0.69
Bakery	190	1000	600	1,000 sq. ft.	7.06
Beer Making/Brewery				see note 1 below	
Butcher				see note 1 below	
Banks & financial institutions	190	130	80	1,000 sq. ft.	1.78
Barber shop	19	130	80	per chair	0.18
Beauty shop	38	130	80	per chair	0.36
Bars & taverns	20	200	200	per seat	0.26
Camp ground or RV park					
with hookups	125	200	200	site	1.64
without hookups	75	200	200	site	0.99
Cannabis production/manufacturing				see note 1 below	
Car washes					
manual	190	20	150	per bay	1.62
automatic	125	228	228	per bay	1.78
Cheese Maker				see note 1 below	
Churches, hall & lodges	2	200	200	per seat	0.03
Coffee shops with some food service	6	1000	600	per seat	0.22
Dry cleaners	285	150	110	1,000 sq. ft.	2.95
Fire stations					
with sleeping quarters and kitchens	220	325	325	1,000 sq. ft.	3.99
without sleeping quarters and kitchens	190	228	228	1,000 sq. ft.	2.71
Garages	95	180	280	per service bay	1.36
Gas Stations (no other automotive services)					
with convenience store	70	520	520	1,000 sq. ft.	1.82
without convenience store	38	228	228	1,000 sq. ft.	0.54
Gym					
with shower	400	325	325	1,000 sq. ft.	7.26
without shower	50	228	228	1,000 sq. ft.	0.71
High Tech Medical Manufacturing				see note 1 below	
Hospitals					
Convalescent	125	250	100	per bed	1.52
General	175	250	100	per bed	2.13
Veterinarian	6	250	100	per cage	0.07
Hotels/motels/B&B	100	310	120	per guest room	0.37
Hydroponic Cultivation (including cannabis)	1.2	228	228	per plant	0.02
Laundromats					
High efficiency washers	250	228	228	washing machines	3.57
Regular washers	500	150	110	washing machines	5.18
Library	190	200	200	1,000 sq. ft.	2.50
Machine shops	152	180	280	1,000 sq. ft.	2.18
Markets	38	800	800	1,000 sq. ft.	1.41
Nail Salon	10	228	228	per seat	0.14
Offices					
Business	76	130	80	1,000 sq. ft.	0.71
Chiropractic Office	190	228	228	Exam. room	2.71
Dental	190	130	80	Exam. room	1.78
Medical (clinic)					
with central handwashing stations	175	325	325	Exam. room	3.18
with office, surgery, lab and treatment rooms	190	325	325	Exam. room	3.45
offices with sink	125	325	325	Exam. room	2.27
offices without sink	100	325	325	Exam. room	1.82
Veterinarian					
with office, surgery, and treatment rooms	130	325	325	Exam. room	2.36
Pet Groomers	260	228	228	1,000 sq. ft.	3.71
Post office	190	130	80	1,000 sq. ft.	1.78

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR OCCIDENTAL CSD

Use Category	Billing Basis			2026-2027	
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Resort	see note 1 below				
Restaurants	see note 1 below				
Dine-in	see note 1 below				
With DW & garbage disp.	6	1000	600	per seat	0.22
With DW or garbage disp.	6	619	371	per seat	0.15
Without DW & garbage disp.	6	238	143	per seat	0.08
Take-out	475	238	143	1,000 sq. ft.	6.07
Rest homes	125	250	100	per bed	1.52
Retail stores	38	150	150	1,000 sq. ft.	0.42
Schools	see note 1 below				
Elementary	9	130	100	per student day	0.09
High	14	130	100	per student day	0.14
with entertainment facilities	19	325	325	per student day	0.34
Service stations	380	180	280	set of gas pumps	5.45
	38	180	280	add per service bay	0.55
Shoe repair	190	200	200	1,000 sq. ft.	2.50
Spa with various beauty treatments	38	325	325	per chair	0.69
Supermarkets	76	325	325	1,000 sq. ft.	1.38
Tasting Rooms	see note 1 below				
Ale, Winery (no food)	120	228	228	1,000 sq. ft.	1.71
Ale, Winery (with food)	240	520	520	1,000 sq. ft.	6.23
Theaters	2	200	200	per seat	0.03
Trash Enclosures	see note 1 below				
Warehouse	see note 1 below				
Winery	see note 1 below				
Others as determined by the Engr.	see note 1 below				

ALL COMMERCIAL ESDs TO BE DETERMINED BY THE GENERAL MANAGER USING THE FOLLOWING FORMULA:

$$ESD = (TSS \times FLOW \times 0.33) / (SFD \ TSS \times SFD \ FLOW) + (BOD \times FLOW \times 0.33) / (SFD \ BOD \times SFD \ FLOW) + (FLOW \times (0.34 / SFD \ FLOW))$$

Note 1: For non-standard uses, uses and when agreement on a use category cannot be reached, the General Manager, in his or her sole discretion, may
 a) base charges on the user's actual or estimated contribution of wastewater into the District's facilities in terms of flow, biological oxygen demand (BOD), and total suspended solids (TSS), and
 b) calculate the user's charge using the above Charge Formula. The user shall provide verifiable data, as requested by the General Manager, for the charge to be determined.
 Note 2: In general, users with annual average TSS and/or BOD over 1,000 mg/L and users with annual average Flow greater than 5,000 gallons per day should be considered Monitored Users and use the Monitored User Charge Formula.

Definitions	Flow = Gallons per Day	TSS = Total Suspended Solids	
	BOD = Biological Oxygen Demand	DW = dishwasher	
	ESD = Equivalent Single Family Dwelling	disp. = disposal	

* Note that no Capacity Charge is assessed when existing structures are converted in accordance with CGC 65852.2 (e)(1)(A) as determined by the County of Sonoma or the jurisdiction having authority per the Building Code.



Sonoma Water

RUSSIAN RIVER COUNTY SANITATION DISTRICT FY 2026/2027 WRITTEN BASIS FOR SEWER SERVICE CHARGE

DATE: March 2026

TO: Sonoma Water Management

FROM: Jake Spaulding, Financial Services Division Manager

SUBJECT: RUSSIAN RIVER COUNTY SANITATION DISTRICT FY 2026/2027 WRITTEN BASIS OF SEWER SERVICE CHARGE

The purpose of this Memorandum is to provide a written basis for the sewer service charges and update current and projected costs and cost-of-service based rates. Key guiding principles include developing rates that are fair and equitable to all customer classes, distributing costs equally among ratepayers, and complying with the legal requirements of Proposition 218 and other California laws. Figure 1 below demonstrates the challenge that the District faces in recovering the costs of providing service, and generating adequate funding for operations, maintenance, capital infrastructure upgrades, and debt service due to its small customer base.

This memorandum provides the basis for an 8.5% rate increase in FY 2026-2027. Revenue from sewer service charges comprises approximately 74% of the total revenue needed to provide service.

Costs are projected to increase over the planning period shown in Figure 1 below. The increased costs are for projects to address aging infrastructure including the Headworks, Lift Station, and Force Main Improvements Project, sewer system capacity improvements, aboveground diesel tank installation, underground storage tank removal, ultraviolet light disinfection system retrofit, and other projects. The 8.5% rate increase is necessary to fund an estimated \$55 million in capital improvements over the next five years, and to build reserves and apply for grant funding. Offsetting revenue from a future grant application is necessary to fund future construction projects.

The District faces an ongoing operations deficit and has a critical need for infrastructure improvements and upgrades. Sonoma Water General Fund subsidies to the District over the past five years have been more than \$9.0 million, and \$4.5 million is projected for the next three years making up 15% of the total estimated revenue for the District, excluding grant revenue. Stewarding financially sound utilities and

providing safe, high quality wastewater service that will protect the community and the environment requires that rates keep pace with rising costs. Figure 1 and Table 1 below provide documentation in support of the proposed 8.5% rate increases.

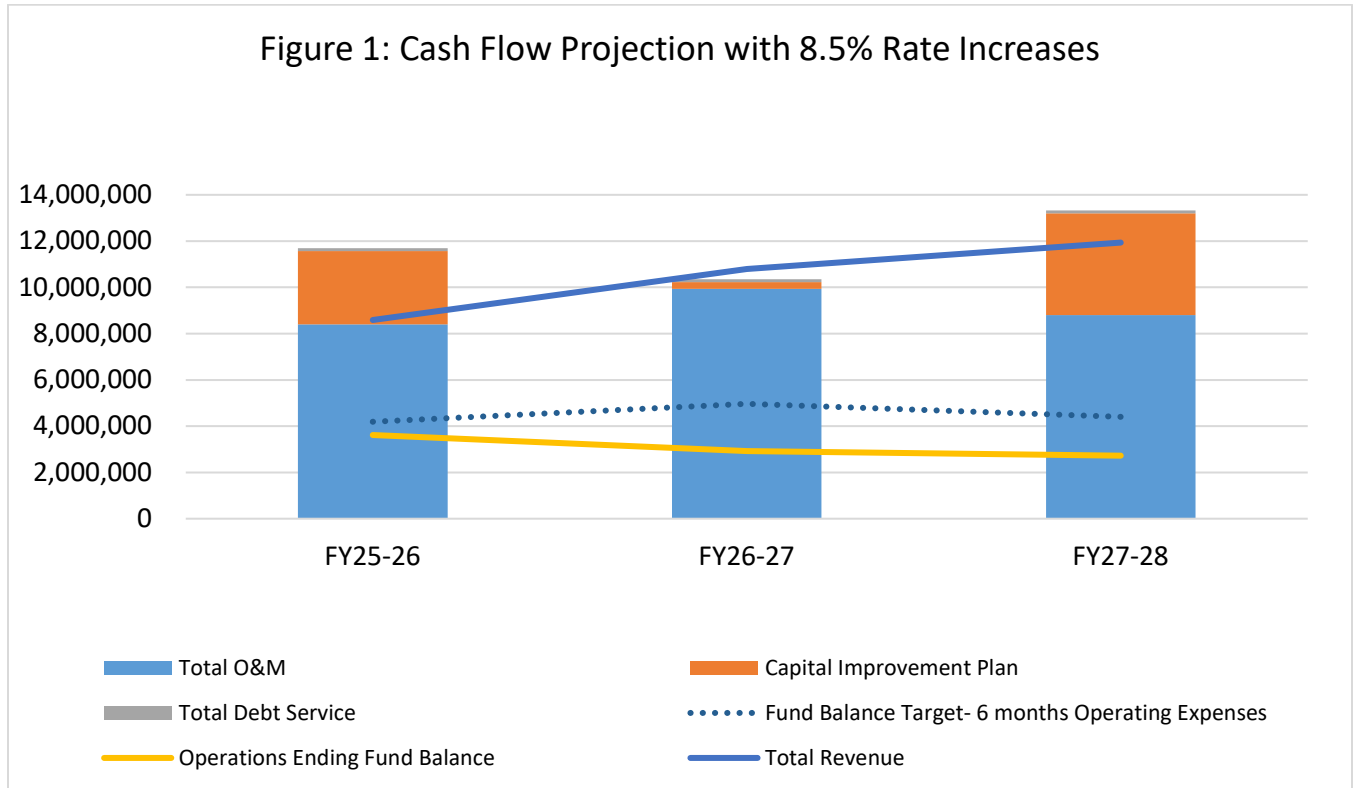


Table 1: Cash Flow Projection and Revenue Requirement

Fiscal Year	Estimated FY25-26	Projected FY26-27	Projected FY27-28
Proposed Rate Increase	8.5%	8.5%	8.5%
Rate	2,486	2,696	2,926
Equivalent Single Family Dwellings	3,232	3,252	3,252
BEGINNING FUND BALANCE	6,354,199	3,624,084	4,096,470
<u>REVENUE</u>			
Sanitation Charges	7,393,300	8,027,223	8,235,400
Interest on Pooled Cash	96,000	103,114	111,400
State/Federal Grants	0	543,551	2,636,484
County Funding of Regional WW Study in West County (42601)	52,366	0	0
General Fund Contributions	900,000	2,145,000	1,020,000
Loans	50,000	10,000	10,000
Total Revenue	8,491,666	10,828,888	12,013,284
<u>EXPENDITURES</u>			
Total O&M	8,396,886	9,942,461	8,807,650
Capital Improvement Plan	3,174,417	289,930	4,386,974
Total Debt Service	126,807	124,111	124,111
Total Expenditures	11,698,110	10,356,502	13,318,735
Net Revenue	(3,206,444)	472,386	(1,305,451)
Change in Encumbrances/Adjustments			
Ending Fund Balance - Proposed 8.5% Rate Increase	3,147,755	3,620,141	2,314,690
Operations Ending Fund Balance	3,141,006	2,448,371	2,234,310
<i>Fund Balance Target- 6 months Operating Expenses</i>	<i>4,191,000</i>	<i>4,966,000</i>	<i>4,399,000</i>

The proposed rate increase for the Equivalent Single Family Dwelling (ESD) value relies upon the District obtaining additional revenues from other sources of funding such as loans and grants. The total expenditures budget divided by ESDs, the total expenditures budget minus grant/loan revenue divided by ESDs, and the proposed ESD rate are shown in the table below. The proposed rate is the lowest the rate can be set given the need to maintain reserves, the structural deficit of the District, and the risks and uncertainties associated with receiving other sources of funding.

	FY25-26	FY26-27	FY27-28
Total Expenditures Divided by ESDs	3,619	3,185	4,096
Expenditures budget minus grant/loan revenue divided by ESDs	3,619	3,024	3,310
Proposed ESD Rate	2,486	2,696	2,926

Proportionality of costs for users is maintained by using the Equivalent Single Family Dwelling (ESD) methodology. A standard single-family home constitutes one ESD. Parcels with other uses (for example, apartments and commercial buildings) are assigned a number of ESDs using standard equivalency factors that estimate the probable quantity and quality of sewage effluent normally generated by such uses in comparison to a single-family home. The assigned cost per ratepayer is the ESD cost multiplied by the number of ESDs assigned to the parcel. The ESDs are assigned in Exhibit A of the proposed rate ordinance, which is attached to this memorandum.

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR RUSSIAN RIVER CSD

Use Category	Billing Basis			2026-2027	
	Flow	BOD	TSS	Use	ESD
	gallons	mg/l	mg/l		
Residential					
Single-Family	120	200	200	connections	1.00
Condominium (Over 900 square ft)	120	200	200	dwelling units	1.00
Condominium (Under 900 square ft)	96	200	200	dwelling units	0.80
Multiple-Family (Apts,Duplex/Triplex)	96	200	200	dwelling units	0.80
Mobile home park	96	200	200	spaces	0.80
Mobile home (Individual)	96	200	200	units	0.80
JADU	-	200	200	units	0.00
ADU, under 751 sq ft*	48	200	200	units	0.40
ADU, 751-900 sq ft*	96	200	200	units	0.80
ADU, over 900 sq ft*	120	200	200	units	1.00
Commercial					
Appliance repair	190	200	200	1,000 sq. ft.	1.58
Art gallery	190	200	200	1,000 sq. ft.	1.58
Auto dealers					
With service facilities	190	180	280	connection	1.74
With service facilities	38	180	280	add per service bay	0.35
Without service facilities	190	200	200	connection	1.58
Auto repair	38	325	325	per service bay	0.45
Bakery	190	1000	600	1,000 sq. ft.	4.72
Beer Making/Brewery			see note 1 below		
Butcher			see note 1 below		
Banks & financial institutions	190	130	80	1,000 sq. ft.	1.09
Barber shop	19	130	80	per chair	0.11
Beauty shop	38	130	80	per chair	0.22
Bars & taverns	20	200	200	per seat	0.17
Camp ground or RV park					
with hookups	125	200	200	site	1.04
without hookups	75	200	200	site	0.63
Cannabis production/manufacturing			see note 1 below		
Car washes					
manual	190	20	150	per bay	0.98
automatic	125	228	228	per bay	1.14
Cheese Maker			see note 1 below		
Churches, hall & lodges	2	200	200	per seat	0.02
Coffee shops with some food service	6	1000	600	per seat	0.15
Dry cleaners	285	150	110	1,000 sq. ft.	1.83
Fire stations					
with sleeping quarters and kitchens	220	325	325	1,000 sq. ft.	2.59
without sleeping quarters and kitchens	190	228	228	1,000 sq. ft.	1.73
Garages	95	180	280	service bays	0.87
Gas Stations (no other automative services)					
with convenience store	70	520	520	1,000 sq. ft.	1.20
without convenience store	38	228	228	1,000 sq. ft.	0.35
Gym					
with shower	400	325	325	1,000 sq. ft.	4.71
without shower	50	228	228	1,000 sq. ft.	0.46
High Tech Medical Manufacturing			see note 1 below		
Hospitals					
Convalescent	125	250	100	per bed	0.96
General	175	250	100	per bed	1.34
Veterinarian	6	250	100	per cage	0.05
Hotels/motels/B&B	100	310	120	sleeping rooms	0.87
Hydroponic Cultivation (including cannabis)	1.2	228	228	per plant	0.01
Laundromats					
High efficiency washers	250	228	228	washing machines	2.28
Regular washers	500	150	110	washing machines	3.20
Library	190	200	200	1,000 sq. ft.	1.58
Machine shops	152	180	280	1,000 sq. ft.	1.39
Markets	38	800	800	1,000 sq. ft.	0.94
Nail Salon	10	228	228	per seat	0.09
Offices					
Business	76	130	80	1,000 sq. ft.	0.43
Chiropractic Office	190	228	228	Exam. room	1.73
Dental	190	130	80	Exam. room	1.09
Medical (clinic)					
with central handwashing stations	175	325	325	Exam. room	2.06
with office, surgery, lab and treatment rooms	190	325	325	Exam. room	2.24
offices with sink	125	325	325	Exam. room	1.47
offices without sink	100	325	325	Exam. room	1.18

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR RUSSIAN RIVER CSD

Use Category	Billing Basis			2026-2027	
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Veterinarian					
with office, surgery, and treatment rooms	130	325	325	Exam. room	1.53
Pet Groomers	260	228	228	1,000 sq. ft.	2.37
Post office	190	130	80	1,000 sq. ft.	1.09
Resort	see note 1 below				
Restaurants					
Dine-in					
With DW & garbage disp.	6	1000	600	per seat	0.15
With DW or garbage disp.	6	619	371	per seat	0.10
Without DW & garbage disp.	6	238	143	per seat	0.05
Take-out	475	238	143	1,000 sq. ft.	3.83
Rest homes	125	250	100	per bed	0.96
Retail stores	38	150	150	1,000 sq. ft.	0.26
Schools					
Elementary	9	130	100	per student day	0.05
High	14	130	100	per student day	0.08
with entertainment facilities	19	325	325	per student day	0.22
Service stations	380	180	280	set of gas pumps	3.48
	38	180	280	add per service bay	0.35
Shoe repair	190	200	200	1,000 sq. ft.	1.58
Spa with various beauty treatments	38	325	325	per chair	0.45
Supermarkets	76	325	325	1,000 sq. ft.	0.89
Tasting Rooms					
Ale, Winery (no food)	120	228	228	1,000 sq. ft.	1.09
Ale, Winery (with food)	240	520	520	1,000 sq. ft.	4.11
Theaters	2	200	200	per seat	0.02
Trash Enclosures	see note 1 below				
Warehouse	see note 1 below				
Winery	see note 1 below				
Others as determined by the Engr.	see note 1 below				

ALL COMMERCIAL ESDs TO BE DETERMINED BY THE GENERAL MANAGER USING THE FOLLOWING FORMULA:

$$ESD = (TSS \times FLOW \times 0.33) / (SFD TSS \times SFD FLOW) + (BOD \times FLOW \times 0.33) / (SFD BOD \times SFD FLOW) + (FLOW \times (0.34 / SFD FLOW))$$

Note 1: For non-standard uses, uses and when agreement on a use category cannot be reached, the General Manager, in his or her sole discretion, may
a) base charges on the user's actual or estimated contribution of wastewater into the District's facilities in terms of flow, biological oxygen demand (BOD), and total suspended solids (TSS), and

b) calculate the user's charge using the above Charge Formula. The user shall provide verifiable data, as requested by the General Manager, for the charge to be determined.

Note 2: In general, users with annual average TSS and/or BOD over 1,000 mg/L and users with annual average Flow greater than 5,000 gallons per day should be considered Monitored Users and use the Monitored User Charge Formula.

Definitions	Flow = Gallons per Day		
	BOD = Biological Oxygen Demand	DW = dishwasher	
	ESD = Equivalent Single Family Dwelling	disp. = disposal	

* Note that no Capacity Charge is assessed when existing structures are converted in accordance with CGC 65852.2 (e)(1)(A) as determined by the County of Sonoma or the jurisdiction having authority per the Building Code.



Sonoma Water

SONOMA VALLEY COUNTY SANITATION DISTRICT FY 2026/2027 WRITTEN BASIS FOR SEWER SERVICE CHARGE

DATE: March 2026

TO: Sonoma Water Management

FROM: Jake Spaulding, Financial Services Division Manager

**SUBJECT: SONOMA VALLEY COUNTY SANITATION DISTRICT FY 2026/2027 WRITTEN BASIS OF
SEWER SERVICE CHARGE**

The purpose of this Memorandum is to provide a written basis for the sewer service charges and update current and projected costs and cost-of-service based rates. Key guiding principles include developing rates that are fair and equitable to all customer classes, distributing costs equally among ratepayers, and complying with the legal requirements of Proposition 218 and other California laws. Figure 1 below demonstrates the challenge that the District faces in recovering the costs of providing service, and generating adequate funding for operations, maintenance, capital infrastructure upgrades, and debt service.

This memorandum provides the basis for a 6.0% rate increase in FY 2026-2027. Revenue from sewer service charges comprises approximately 94% of the total revenue needed to provide service.

Costs are projected to increase over the planning period shown in Figure 1 below. The increased costs are for projects to address aging infrastructure including Trunk Main Replacement, Pumping & Piping Upgrade, Disinfection System Upgrade, Kohler Creek Bank Repair, Trunk Main Seismic Hazard Mitigation, Recycled Water Management Unit Restoration, and other projects. The 6% rate increase is necessary to fund an estimated \$46 million in capital improvements over the next five years and debt service on an estimated \$28 million in revenue bond proceeds.

The District faces an ongoing operations deficit and critical need for infrastructure improvements and upgrades. Stewarding financially sound utilities and providing safe, high quality wastewater service that will protect the community and the environment requires that rates keep pace with rising costs. Figure 1 and Table 1 below provide documentation in support of the proposed 6% rate increases.

Figure 1: Cash Flow Projection with 6% Rate Increases

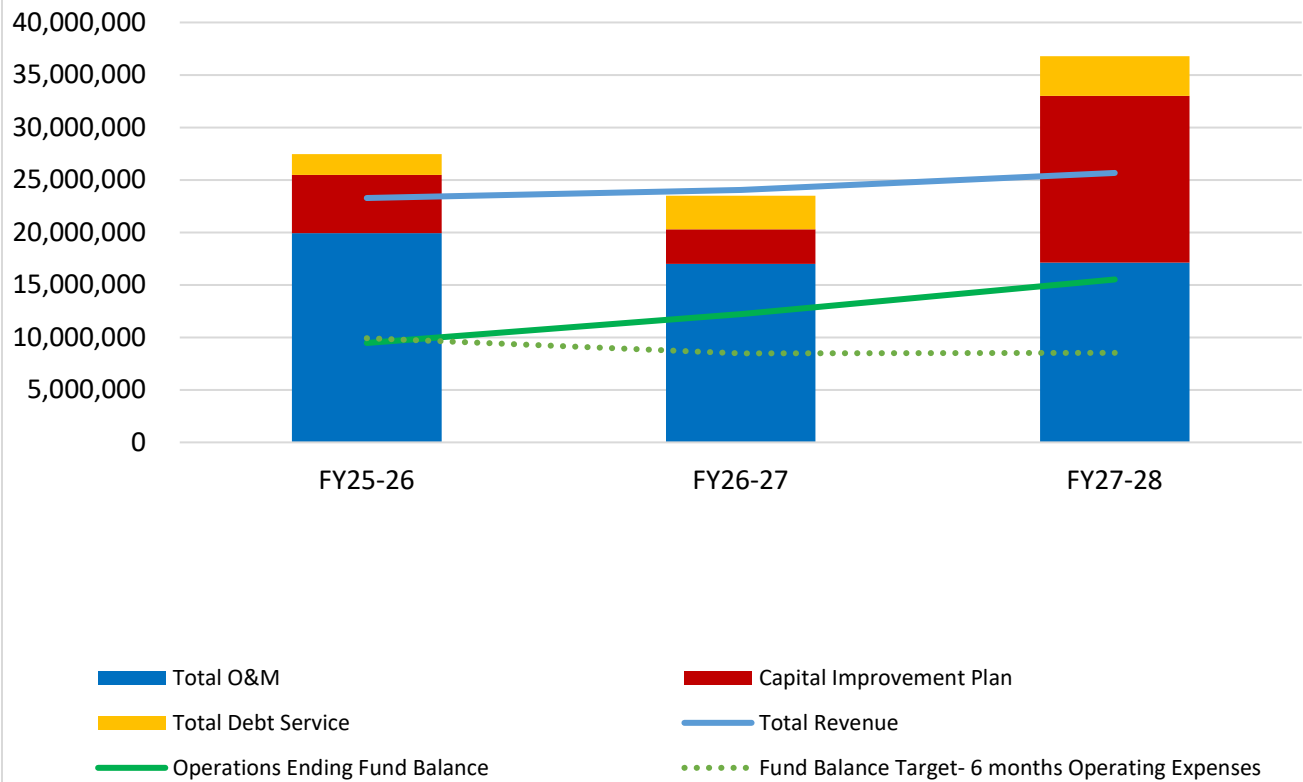


Table 1: Cash Flow Projection and Revenue Requirement

Fiscal Year	Estimated FY25-26	Projected FY26-27	Projected FY27-28
Proposed Rate Increase	6.0%	6.0%	6.0%
Rate	1,428	1,514	1,605
Equivalent Single Family Dwellings	17,919	17,947	17,959
BEGINNING FUND BALANCE	21,879,420	17,046,627	46,569,994
<u>REVENUE</u>			
Sanitation Charges	20,851,879	22,660,250	23,808,762
Interest on Pooled Cash	516,000	963,240	1,356,500
State/Federal Grants	1,847,730	0	0
Miscellaneous Revenue	63,479	325,002	399,976
Total Revenue	23,279,088	24,043,492	25,665,938
<u>EXPENDITURES</u>			
Total O&M	19,930,492	17,014,695	17,117,520
Capital Improvement Plan	6,143,191	3,269,555	15,886,209
Total Debt Service	1,998,680	3,200,229	3,777,904
Total Expenditures	28,072,363	23,484,479	36,781,633
<u>DEBT SERVICE</u>			
SWRCB SRF Loan Watmaugh Collection System	147,120	147,120	147,120
SWRCB SRF Loan Biosolids System Upgrade	202,113	202,113	202,113
Bonds: 2005/2013/2022 Revenue Bond	1,649,447	1,653,947	1,646,572
Bond Funding (\$39M): P&I + Fees	0	1,197,050	1,782,100
TOTAL DEBT SERVICE	1,998,680	3,200,229	3,777,904
Net Revenue	(4,793,275)	555,089	(11,116,595)
Bond Proceeds for 3 Years of Capital Expenditures	0	28,000,000	0
Ending Fund Balance - All Funds - Proposed 6.0% Rate Increase	17,046,628	46,569,993	34,471,581
Operations Ending Fund Balance	9,470,310	12,210,415	15,518,778
<i>Fund Balance Target- 6 months Operating Expenses</i>	<i>9,924,000</i>	<i>8,479,000</i>	<i>8,530,000</i>

The proposed rate increase for the Equivalent Single Family Dwelling (ESD) value relies upon the District obtaining additional revenues from other sources of funding such as revenue bonds, loans, and grants. The total expenditures budget divided by ESDs, the total expenditures budget minus grant/bond revenue divided by ESDs, and the proposed ESD rate are shown in the table below. The proposed rate

is the lowest the rate can be set given the need to maintain reserves, the structural deficit of the District, and the risks and uncertainties associated with receiving other sources of funding.

Fiscal Year	FY25-26	FY26-27	FY27-28
Total Expenditures Divided by ESDs	1,678	1,487	2,258
Expenditures budget minus grant/loan revenue divided by ESDs	1,460	1,290	2,026
Proposed ESD Rate	1,428	1,514	1,605

Proportionality of costs for users is maintained by using the Equivalent Single Family Dwelling (ESD) methodology. A standard single-family home constitutes one ESD. Parcels with other uses (for example, apartments and commercial buildings) are assigned a number of ESDs using standard equivalency factors that estimate the probable quantity and quality of sewage effluent normally generated by such uses in comparison to a single-family home. The assigned cost per commercial ratepayer is the ESD cost multiplied by the number of ESDs assigned to the parcel. The assigned cost for residential properties includes a fixed charged plus volumetric charge based on winter water use. The proposed rate ordinance and Exhibit A to the rate ordinance that are attached to this memorandum describe the assigned ESDs and the sewer service charges for different uses.

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR SONOMA VALLEY CSD

Use Category		Billing Basis 2026-2027				
		Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Residential						
	Single-Family	200	200	200	connections	1.00
	Condominium (Over 900 square ft)	200	200	200	dwelling units	1.00
	Condominium (Under 900 square ft)	160	200	200	dwelling units	0.80
	Multiple-Family (Apts, Duplex/Triplex)	160	200	200	dwelling units	0.80
	Mobile home park	160	200	200	spaces	0.80
	Mobile home (Individual)	160	200	200	units	0.80
	JADU	-	200	200	units	0.00
	ADU, under 751 sq ft*	80	200	200	units	0.40
	ADU, 751-900 sq ft*	160	200	200	units	0.80
	ADU, over 900 sq ft*	200	200	200	units	1.00
Commercial						
	Appliance repair	190	200	200	1,000 sq. ft.	0.95
	Art gallery	190	200	200	1,000 sq. ft.	0.95
	Auto dealers					
	With service facilities	190	180	280	connection	1.04
	With service facilities	38	180	280	add per service bay	0.21
	Without service facilities	190	200	200	connection	0.95
	Auto repair	38	275	275	per service bay	0.24
	Bakery	190	1,000	600	1,000 sq. ft.	2.83
	Banks & financial institutions	190	130	80	1,000 sq. ft.	0.65
	Barber shop	19	130	80	per chair	0.07
	Bars & taverns	20	200	200	per seat	0.10
	Beauty shop	38	130	80	per chair	0.13
	Beer Making/Brewery				see note 1 below	
	Butcher				see note 1 below	
	Camp ground or RV park					
	with hookups	125	200	200	per site	0.63
	without hookups	75	200	200	per site	0.38
	Cannabis production/manufacturing				see note 1 below	
	Car washes					
	manual	190	20	150	per bay	0.59
	automatic	125	193	193	per bay	0.61
	Cheese Maker				see note 1 below	
	Churches, hall & lodges	2	200	200	per seat	0.01
	Coffee shops with some food service	6	1,000	600	per seat	0.09
	Dry cleaners	285	150	110	1,000 sq. ft.	1.10
	Fire stations					
	with sleeping quarters and kitchens	220	275	275	1,000 sq. ft.	1.37
	without sleeping quarters and kitchens	190	193	193	1,000 sq. ft.	0.93
	Garages	95	180	280	per service bay	0.52
	Gas Stations (no other automotive services)					
	with convenience store	70	440	440	1,000 sq. ft.	0.63
	without convenience store	38	193	193	1,000 sq. ft.	0.19
	Gym					
	with shower	400	275	275	1,000 sq. ft.	2.50
	without shower	50	193	193	1,000 sq. ft.	0.24
	Hauled Waste				see note 1 below	
	High Tech Medical Manufacturing				see note 1 below	
	Hospitals					
	Convalescent	125	250	100	per bed	0.57
	General	175	250	100	per bed	0.80
	Veterinarian	6	250	100	per cage	0.03
	Hotels/Motels/B&B	100	426	165	sleeping rooms	0.66
	Hydroponic Cultivation (including cannabis)	1.2	193	193	per plant	0.01
	Laundromats					
	High efficiency washers	250	193	193	washing machines	1.22
	Regular washers	500	206	151	washing machines	2.32
	Library	190	200	200	1,000 sq. ft.	0.95
	Machine shops	152	180	280	1,000 sq. ft.	0.84
	Markets	38	800	800	1,000 sq. ft.	0.57
	Nail salon	10	193	193	Seat	0.05
	Offices					
	Business	76	130	80	1,000 sq. ft.	0.26
	Chiropractic Office	190	130	80	Exam. room	0.65
	Dental	190	130	80	Exam. room	0.65
	Medical (clinic)					
	with central handwashing stations	175	275	275	Exam. room	1.09
	with office, surgery, lab and treatment rooms	190	275	275	Exam. room	1.19
	offices with sink	125	275	275	Exam. room	0.78
	offices without sink	100	275	275	Exam. room	0.62
	Veterinarian					
	with office, surgery, and treatment rooms	130	275	275	Exam. room	0.81
	Pet Groomers	260	193	193	1,000 sq. ft.	1.27

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR SONOMA VALLEY CSD

Use Category	Billing Basis 2026-2027				
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Post office	190	130	80	1,000 sq. ft.	0.65
Resort	see note 1 below				
Restaurants					
Dine-in					
With DW & garbage disp.	6	1,000	600	per seat	0.09
With DW or garbage disp.	6	619	371	per seat	0.06
Without DW & garbage disp.	6	238	143	per seat	0.03
Take-out	475	238	143	1,000 sq. ft.	2.30
Rest homes	125	250	100	per bed	0.57
Retail stores	38	150	150	1,000 sq. ft.	0.16
Schools					
Elementary	9	130	100	per student day	0.03
High	14	130	100	per student day	0.05
with entertainment facilities	19	275	275	per student day	0.12
Service stations	380	180	280	set of gas pumps	2.09
	38	180	280	add per service bay	0.21
Shoe repair	190	200	200	1,000 sq. ft.	0.95
Spa with various beauty treatments	38	275	275	per chair	0.24
Supermarkets	76	275	275	1,000 sq. ft.	0.47
Tasting Rooms					
Ale, Winery (no food)	120	193	193	1,000 sq. ft.	0.59
Ale, Winery (with food)	240	440	440	1,000 sq. ft.	2.15
Theaters	2	200	200	per seat	0.01
Trash Enclosures	see note 1 below				
Warehouse	see note 1 below				
Winery	see note 1 below				
Others as determined by the General Manager	see note 1 below				

ESD Formula:

ALL COMMERCIAL ESDs TO BE DETERMINED BY THE GENERAL MANAGER USING THE FOLLOWING FORMULA:

$$ESD = (TSS \times FLOW \times 0.33) / (SFD TSS \times SFD FLOW) + (BOD \times FLOW \times 0.33) / (SFD BOD \times SFD FLOW) + (FLOW \times (0.34 / SFD FLOW))$$

Monitored User Charge Formula:

Charge Formula: Sum of the following:

	Flow	\$0.017608	per gallon/day (gpd) multiplied by 365 days or the number of days in the billing period
	BOD	\$1.021300	per pound/day (lb/day) multiplied by 365 days or the number of days in the billing period
	TSS	\$0.175058	per pound/day (lb/day) multiplied by 365 days or the number of days in the billing period

Note 1: For non-standard uses, uses and when agreement on a use category cannot be reached, the General Manager, in his or her sole discretion, may
a) base charges on the user's actual or estimated contribution of wastewater into the District's facilities in terms of flow, biological oxygen demand (BOD), and total suspended solids (TSS), and
b) calculate the user's charge using the above Charge Formula. The user shall provide verifiable data, as requested by the General Manager, for the charge to be determined.
Note 2: In general, users with annual average TSS and/or BOD over 1,000 mg/L and users with annual average Flow greater than 5,000 gallons per day should be considered Monitored Users and use the Monitored User Charge Formula.

Definitions			
Flow = Gallons per Day		TSS = Total Suspended Solids	
BOD = Biological Oxygen Demand		DW = dishwasher	
ESD = Equivalent Single Family Dwelling		disp. = disposal	

* Note that no Capacity Charge is accessed when existing structures are converted in accordance with CGC 65852.2 (e)(1)(A) as determined by the County of Sonoma or the jurisdiction having authority per the Building Code.



Sonoma Water

SOUTH PARK COUNTY SANITATION DISTRICT FY 2026/2027 WRITTEN BASIS FOR SEWER SERVICE CHARGE

DATE: March 2026

TO: Sonoma Water Management

FROM: Jake Spaulding, Financial Services Division Manager

**SUBJECT: SOUTH PARK COUNTY SANITATION DISTRICT FY 2026/2027 WRITTEN BASIS OF SEWER
SERVICE CHARGE**

The purpose of this Memorandum is to provide a written basis for the sewer service charges and update current and projected costs and cost-of-service based rates. Key guiding principles include developing rates that are fair and equitable to all customer classes, distributing costs equally among ratepayers, and complying with the legal requirements of Proposition 218 and other California laws. Figure 1 below demonstrates the challenge that the District faces in recovering the costs of providing service, and generating adequate funding for operations, maintenance, capital infrastructure upgrades, and debt service.

This memorandum provides the basis for a 3.5% rate increase in FY 2026-2027. Revenue from sewer service charges comprises more than 94% of the total revenue needed to provide service.

Costs are projected to increase over the planning period shown in Figure 1 below. The increased costs are for projects to address aging infrastructure including a number of collection system replacements, among other projects. The 3.5% rate increase is necessary to fund an estimated \$9.5 million in capital improvements over the next five years.

The District faces an operations deficit and critical need for infrastructure improvements and upgrades. Stewarding financially sound utilities and providing safe, high quality wastewater service that will protect the community and the environment requires that rates keep pace with rising costs. Figure 1 and Table 1 below provide documentation in support of the proposed 3.5% rate increases.

Figure 1: Cash Flow Projection with 3.5% Rate Increases

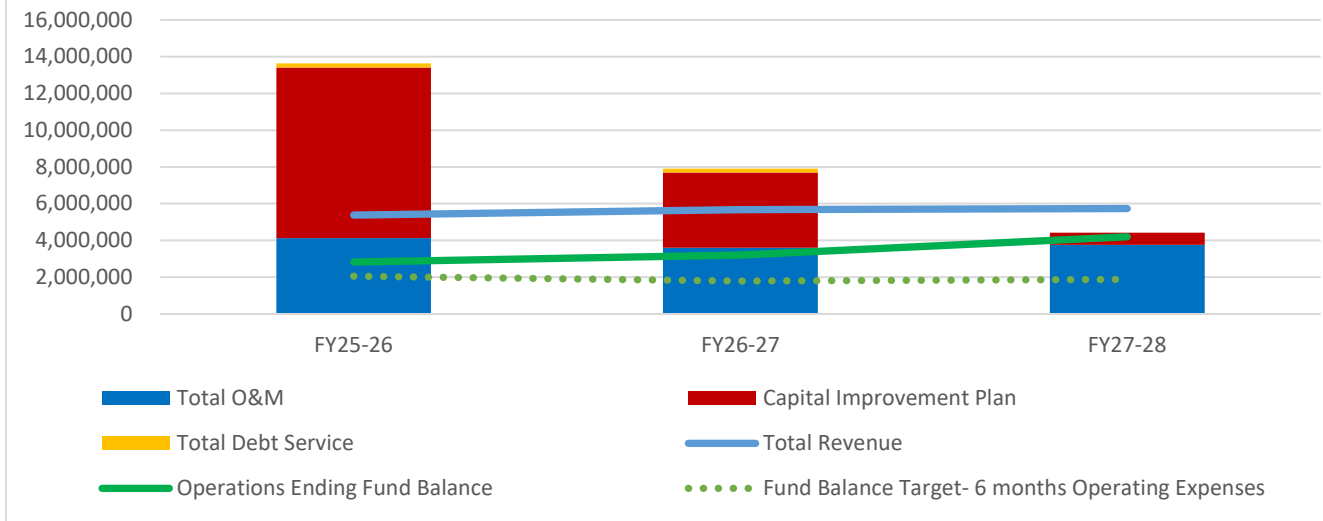


Table 1: Cash Flow Projection and Revenue Requirement

Fiscal Year	Estimated FY25-26	Projected FY26-27	Projected FY27-28
Proposed Rate Increase	3.5%	3.5%	3.5%
Rate	1,232	1,274	1,319
Equivalent Single Family Dwellings	4,499	4,521	4,490
BEGINNING FUND BALANCE	19,005,626	10,760,000	8,523,723
REVENUE			
Sanitation Charges	5,110,500	5,343,600	5,481,800
Interest on Pooled Cash	270,000	289,256	255,200
Total Revenue	5,380,500	5,677,856	5,737,000
EXPENDITURES			
Total O&M	4,134,204	3,598,119	3,764,100
Capital Improvement Plan	9,276,994	4,096,727	661,685
Total Debt Service	214,928	219,287	0
Total Expenditures	13,626,126	7,914,133	4,425,785
Net Revenue	(8,245,626)	(2,236,277)	1,311,215
Ending Fund Balance	10,760,000	8,523,723	9,834,938
Operations Ending Fund Balance	2,825,913	3,207,610	4,200,210
<i>Fund Balance Target- 6 months Operating Expenses</i>	<i>2,057,198</i>	<i>1,792,060</i>	<i>1,875,050</i>

The total expenditures budget divided by ESDs, the total expenditures budget minus grant/bond revenue divided by ESDs, and the proposed ESD rate are shown in the table below. The proposed rate is the lowest the rate can be set given the need to maintain reserves for capital expenditures.

	FY25-26	FY26-27	FY26-27
Total Expenditures Divided by ESDs	3,029	1,751	986
Proposed ESD Rate	1,232	1,274	1,319

Proportionality of costs for users is maintained by using the Equivalent Single Family Dwelling (ESD) methodology. A standard single-family home constitutes one ESD. Parcels with other uses (for example, apartments and commercial buildings) are assigned a number of ESDs using standard equivalency factors that estimate the probable quantity and quality of sewage effluent normally generated by such uses in comparison to a single-family home. The assigned cost for commercial and residential ratepayers is the ESD cost multiplied by the number of ESDs assigned to the parcel plus 12 months of water use for commercial properties and winter water use for residential customers. The proposed draft rate ordinance and Exhibit A to the rate ordinance that are attached to this memorandum describe the assigned ESDs and the sewer service charges for different uses.

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR SOUTH PARK CSD

Use Category	Billing Basis			2026-2027	
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Residential					
Single-Family	233	237	237	connections	1.00
Condominium (Over 900 square ft)	233	237	237	dwelling units	1.00
Condominium (Under 900 square ft)	186.4	237	237	dwelling units	0.80
Multiple-Family (Apts, Duplex/Triplex)	186.4	237	237	dwelling units	0.80
Mobile home park	186.4	237	237	spaces	0.80
Mobile home (Individual)	186.4	237	237	units	0.80
JADU	-	237	237	units	0.00
ADU, under 751 sq ft*	93.2	237	237	units	0.40
ADU, 751-900 sq ft*	186.4	237	237	units	0.80
ADU, over 900 sq ft*	233	237	237	units	1.00
Commercial					
Appliance repair	190	200	200	1,000 sq. ft.	0.73
Art gallery	190	200	200	1,000 sq. ft.	0.73
Auto dealers					
With service facilities	190	180	280	connection	0.80
With service facilities	38	180	280	add per service bay	0.16
Without service facilities	190	200	200	connection	0.73
Auto repair	38	248	248	per service bay	0.17
Bakery	190	1000	600	1,000 sq. ft.	2.09
Beer Making/Brewery				see note 1 below	
Butcher				see note 1 below	
Banks & financial institutions	190	130	80	1,000 sq. ft.	0.52
Barber shop	19	130	80	per chair	0.05
Beauty shop	38	130	80	per chair	0.10
Bars & taverns	20	200	200	per seat	0.08
Car washes, self service	190	20	150	per stall	0.47
Camp ground or RV park					
with hookups	125	200	200	site	0.48
without hookups	75	200	200	site	0.29
Cannabis production/manufacturing				see note 1 below	
Car washes					
manual	190	20	150	per bay	0.47
automatic	125	174	174	per bay	0.44
Cheese Maker				see note 1 below	
Churches, hall & lodges	2	200	200	per seat	0.01
Coffee shops with some food service	6	1000	600	per seat	0.07
Dry cleaners	285	150	110	1,000 sq. ft.	0.86
Fire stations	190	200	200	1,000 sq. ft.	0.73
with sleeping quarters and kitchens	220	248	248	1,000 sq. ft.	0.97
without sleeping quarters and kitchens	190	174	174	1,000 sq. ft.	0.67
Garages	95	180	280	per service bay	0.40
Gas Stations					
with convenience store	70	397	397	1,000 sq. ft.	0.43
without convenience store	38	174	174	1,000 sq. ft.	0.13
Gym					
with shower	400	248	248	1,000 sq. ft.	1.77
without shower	50	174	174	1,000 sq. ft.	0.18
High Tech Medical Manufacturing				see note 1 below	
Hospitals					
Convalescent	125	250	100	per bed	0.44
General	175	250	100	per bed	0.62
Veterinarian	6	250	100	per cage	0.02
Hotels/motels/B&B	100	310	120	sleeping rooms	0.40
Hydroponic Cultivation (including cannabis)	1.2	174	174	per plant	0.004247
Laundromats					
High efficiency washers	250	174	174	washing machines	0.88
Regular washers	500	150	110	washing machines	1.51
Library	190	200	200	1,000 sq. ft.	0.73
Machine shops	152	180	280	1,000 sq. ft.	0.64
Markets	38	800	800	1,000 sq. ft.	0.42
Nail Salon	10	174	174	per seat	0.04
Offices					
Business	76	130	80	1,000 sq. ft.	0.21
Chiropractic Office	190	174	174	Exam. room	0.67
Dental	190	130	80	Exam. room	0.52
Medical (clinic)					
with central handwashing stations	175	248	248	Exam. room	0.77
with office, surgery, lab and treatment rooms	190	248	248	Exam. room	0.84
offices with sink	125	248	248	Exam. room	0.55
offices without sink	100	248	248	Exam. room	0.44
Veterinarian					
with office, surgery, and treatment rooms	130	248	248	Exam. room	0.58
Pet Groomers	260	174	174	1,000 sq. ft.	0.92

EXHIBIT A

EQUIVALENT SINGLE-FAMILY DWELLING BILLING UNIT FOR SOUTH PARK CSD

Use Category	Billing Basis			2026-2027	
	Flow gallons	BOD mg/l	TSS mg/l	Use	ESD
Post office	190	130	80	1,000 sq. ft.	0.52
Resort	see note 1 below				
Restaurants	see note 1 below				
Dine-in	see note 1 below				
With DW & garbage disp.	6	1000	600	per seat	0.07
With DW or garbage disp.	6	619	371	per seat	0.04
Without DW & garbage disp.	6	238	143	per seat	0.02
Take-out	475	238	143	1,000 sq. ft.	1.77
Rest homes	125	250	100	per bed	0.44
Retail stores	38	150	150	1,000 sq. ft.	0.12
Schools	see note 1 below				
Elementary	9	130	100	per student day	0.03
High	14	130	100	per student day	0.04
with entertainment facilities	19	248	248	per student day	0.08
Service stations	380	180	280	set of gas pumps	1.60
	38	180	280	add per service bay	0.16
Shoe repair	190	200	200	1,000 sq. ft.	0.73
Spa with various beauty treatments	38	248	248	per chair	0.17
Supermarkets	76	248	248	1,000 sq. ft.	0.34
Tasting Rooms	see note 1 below				
Ale, Winery (no food)	120	174	174	1,000 sq. ft.	0.42
Ale, Winery (with food)	240	397	397	1,000 sq. ft.	1.49
Theaters	2	200	200	per seat	0.01
Trash Enclosures	see note 1 below				
Warehouse	see note 1 below				
Winery	see note 1 below				
Others as determined by the Engr.	see note 1 below				

ALL COMMERCIAL ESDs TO BE DETERMINED BY THE GENERAL MANAGER USING THE FOLLOWING FORMULA:

$$ESD = (TSS \times FLOW \times 0.33) / (SFD TSS \times SFD FLOW) + (BOD \times FLOW \times 0.33) / (SFD BOD \times SFD FLOW) + (FLOW \times (0.34 / SFD FLOW))$$

Note 1: For non-standard uses, uses and when agreement on a use category cannot be reached, the General Manager, in his or her sole discretion, may

a) base charges on the user's actual or estimated contribution of wastewater into the District's facilities in terms of flow, biological oxygen demand (BOD), and total suspended solids (TSS), and

b) calculate the user's charge using the above Charge Formula. The user shall provide verifiable data, as requested by the General Manager, for the charge to be determined.

Note 2: In general, users with annual average TSS and/or BOD over 1,000 mg/L and users with annual average Flow greater than 5,000 gallons per day should be considered Monitored Users and use the Monitored User Charge Formula.

Definitions	Flow = Gallons per Day	TSS = Total Suspended Solids		
	BOD = Biological Oxygen Demand	DW = dishwasher		
	ESD = Equivalent Single Family Dwelling	disp. = disposal		

* Note that no Capacity Charge is assessed when existing structures are converted in accordance with CGC 65852.2 (e)(1)(A) as determined by the County of Sonoma or the jurisdiction having authority per the Building Code.