

**NOTICE TO ALL PROPERTY OWNERS OF THE
CSA #41 SALMON CREEK WATER DISTRICT**

**PROPOSAL TO INCREASE WATER RATES AND
PUBLIC HEARING ON THE PROPOSED RATE INCREASE**

NOTICE IS HEREBY GIVEN that the County of Sonoma Board of Supervisors will hold a public hearing at the following date, time, and location to consider a proposed increase in the water rates charged to the customers of the Salmon Creek Water District and to receive protests against the proposal.

Date: October 26, 2021
Time: 1:30 p.m.
Location: Board of Supervisors Chambers
575 Administration Drive, Room 102A
Santa Rosa, California, 95403

At the hearing, all interested persons will be entitled to address the Board of Supervisors concerning the proposed rate increase.

Procedure to Protest the Proposed Water Rate Increases. Under Proposition 218, if you are the owner of record for a parcel or a tenant directly liable for payment of fees subject to the proposed rate increases, you may submit a *written* protest regarding the proposed rate increases. In order to be considered, *written* protests must be submitted in the following manner: 1) *written* protests must be *actually received (not postmarked)* by the Department of Transportation and Public Works, Attention: CSA #41 Salmon Creek Protest, 2300 County Center Drive, Suite B100, Santa Rosa, California, 95403, by *5:00 p.m. on October 25, 2021*; or 2) *written* protests will be accepted if *hand delivered* to the Clerk of the Board *prior to the close of the public hearing on October 26, 2021*.

Either prior to, or at the public hearing, property owners or tenants may submit written protests in respect to the proposed rates. 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 the current tenant(s) will be allowed and must be received no later than the following deadlines:

- A property owner may submit a written protest rejecting the charge. If submitted by mail, the written protest must be received (**NOT** postmarked) by 5:00 p.m. on Monday, October 25, 2021, at the mailing address on the form.
- Alternatively, a property owner may submit his/her protest by hand delivering it. If hand delivered, a property owner may deliver his/her written protest no later than the close of the public hearing on October 26, 2021, to the Clerk of the Board at the address set forth in the above opening paragraph.

Detailed Information. The following additional information regarding the nature of the proposed rate increase is provided in accordance with Proposition 218 (Section 6 of Article XIII D of the California Constitution).

1. **Background.** At the present time, the monthly water rate is made up of two components: the Base Rate component and the Water Usage component. The Base Rate applies to all customers and is dependent on the size of the installed water meter; the Water Usage applies to each customer on a per 100 cubic feet use in a three-tiered rate structure.

2. **Proposed Increases.** The multi-tiered rate structure is proposed to remain unchanged but includes a proposed rate increase of up to three percent (3%) per year over a five-year period. The rate increase on Water Usage and Base Rate (meter charges) would be applied if warranted after a financial review by County staff. At a minimum, an annual inflationary increase will be assessed to both the Base Rate and Water Usage components of monthly fees. The rate proposals were presented to the Salmon Creek Community Water Committee on November 10, 2020. If approved, proposed rates would become effective July 1, 2022. The following table shows the current and proposed rates, which do not include the automatic annual inflationary increases.

CSA #41 Salmon Creek Zone of Benefit - Rates	Current FY 21-22	Proposed 3% increase (effective 7/1/22)	Proposed 3% increase (effective 7/1/23)	Proposed 3% increase (effective 7/1/24)	Proposed 3% increase (effective 7/1/25)	Proposed 3% increase (effective 7/1/26)
Base Rate (Meter Charge)						
5/8" meter	\$ 71.85	\$ 74.01	\$ 76.23	\$ 78.51	\$ 80.87	\$ 83.29
1" meter	\$ 74.63	\$ 76.87	\$ 79.18	\$ 81.55	\$ 84.00	\$ 86.52
1-1/2" meter	\$ 78.36	\$ 80.71	\$ 83.13	\$ 85.63	\$ 88.19	\$ 90.84
2" meter	\$ 82.05	\$ 84.51	\$ 87.04	\$ 89.65	\$ 92.34	\$ 95.11
Water Usage Charges (per 100 cubic feet consumed)						
1 to 2,000 cubic feet	\$ 15.46	\$ 15.92	\$ 16.40	\$ 16.89	\$ 17.40	\$ 17.92
2,001 to 2,700 cubic feet	\$ 19.45	\$ 20.03	\$ 20.63	\$ 21.25	\$ 21.89	\$ 22.54
Over 2,700 cubic feet	\$ 34.63	\$ 35.67	\$ 36.74	\$ 37.84	\$ 38.98	\$ 40.15

3. **Basis for Calculation of Rates.** As required by California Water Code, Section 31007, the proposed Salmon Creek Water District rates are set so as to generate sufficient revenue to pay the operating expenses and provide for repairs and depreciation of water works owned and operated by the Salmon Creek Water District (District).

The District's 2021-2022 budget details the District's estimated costs (operating, debt service obligations, and capital rehabilitation and replacement). The District recently reviewed and analyzed rates and costs to the system and existing fund balance. The analysis projected annual revenue requirements over the next five years, allocated costs to

water customers served, and evaluated the existing rate structure to collect service charges sufficient to meet the District's financial needs.

Based on the analysis, the District is not changing how rates are being collected from customers. Currently, rates are collected using a monthly Base Rate (or meter charge) that increases with meter size, and three-tiered Water Usage (volumetric) rates (per 100 cubic feet). The analysis also revealed that existing rates may not cover projected costs required to provide water service unless adjusted for inflation and other rising costs. Even though the Salmon Creek water treatment plant and associated distribution network was upgraded with new equipment in the last 10 years, reserves are necessary to be accumulated to replace system components when they come to the end of their useful life. Further reserves are also necessary to account for unforeseen operating costs that can occur over time. Evaluating these items, the rate analysis determined that up to a 3% increase may be necessary to generate revenue for day-to-day operations and account for necessary reserves to service the system over the next 5 years.

As demonstrated by the analysis, revenues derived from the water rate do not exceed the funds required to provide the property related service. Revenues derived from the water rates will not be used for any purpose other than that for which the rate is charged. The amount of the water rate does not exceed the proportional cost of the service provided. County staff consider this to be a fair and equitable manner of collecting the costs of providing water service and providing financial stability for the District.

4. ***Reason for Imposing Rates.*** The reason for the increase to fees is to continue providing water service to your property in compliance with State requirements while meeting rising costs for operating and maintaining the system which include providing for repairs and depreciation of the water system, unforeseen emergencies, and other lawful obligations and expenses of the Salmon Creek Water District.

5. ***Additional Charges for Delivery of Water from Outside Sources.*** Additional charges for the actual cost of water from outside the Salmon Creek Water District and the delivery costs associated with transporting the water to the Salmon Creek Water District tanks would be charged based on the same Water Usage component (per 100 cubic feet) as established within the Salmon Creek Water District's ordinance. This would be an additional charge on each customer's monthly bills and would only apply if the current water source does not provide sufficient water for the District's needs.

6. ***Backflow Prevention Devices.*** Those properties that have the ability to reconnect to water wells or any other unapproved water source are required to have a backflow prevention device installed and maintained in order to comply with the California Code of Regulations, Title 17 Public Health, Division 1 State Department of Health Services, Chapter 5 Sanitation (Environmental), Subchapter 1 Engineering (Sanitary) Group 4 Drinking Water, Sections 7601 to 7605. In order to ensure compliance with these regulations, the Salmon Creek Water District ordinance will continue to include a backflow prevention charge, currently at \$5.58 per month. This fee covers the cost of annual testing of the required backflow prevention device only. Any additional costs required for repair,

maintenance, and/or replacement shall be billed directly to the customer on the monthly billing. This section only applies to those customers that are required to have backflow prevention devices.

7. **Additional Information.** Committee members of the Salmon Creek Water District were provided an opportunity to ask questions about the current budget that necessitates changes to how rates are being collected from customers at an informational meeting held on November 10, 2020.

Copies of the proposed ordinance increasing the water system rates will be filed with and available for review approximately one week before the public hearing at the Department of Transportation and Public Works, 2300 County Center Drive, Suite B100, Santa Rosa, California, 95403. Additional questions can be addressed to Adrian Diaz at the address listed above.

Dated: September 10, 2021

COUNTY OF SONOMA
DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

By: Trish Pisenti
Trish Pisenti
Deputy Director