

**NOTICE TO ALL PROPERTY OWNERS OF THE  
CSA #41 FITCH MOUNTAIN 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 Fitch Mountain Water District and to receive protests against the proposal.

**Date: September 13, 2016**  
**Time: 2:10 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 Fitch Mountain Protest, 2300 County Center Drive, Suite B100, Santa Rosa, California, 95403, by *5:00 p.m. on September 12, 2016*; 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 September 13, 2016*.

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, September 12, 2016, 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 September 13, 2016, 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 per 1,000 gallons used.

**2. Proposed Increases**

The proposed rate increase would result in a total revenue increase of four percent (4%) per year over a five-year period. The following table shows the current and proposed rates, and if approved, would become effective thirty (30) days after approval by the Board of Supervisors. The following chart provides the estimated rates for subsequent fiscal years which do not include the automatic annual inflationary increases as described in Section 3 below.

<u>CSA No. 41, Fitch Mountain</u>	Current Rates	Proposed Rates (effective 10/31/16)	Proposed Rates (effective 7/1/17)	Proposed Rates (effective 7/1/18)	Proposed Rates (effective 7/1/19)	Proposed Rates (effective 7/1/20)
Proposed Revenue Change (%)	-	4%	4%	4%	4%	4%
Base Rate (meter charge)	-	-	-	-	-	-
5/8" meter	\$48.00	\$43.35	\$45.08	\$46.89	\$48.76	\$50.71
1" meter	\$50.41	\$101.03	\$105.07	\$109.27	\$113.65	\$118.19
1-1/2" meter	\$52.75	\$197.17	\$205.05	\$213.25	\$221.78	\$230.66
2" meter	\$55.12	\$312.53	\$325.03	\$338.03	\$351.55	\$365.61
Water Usage (per 1,000 gal)	-	-	-	-	-	-
1-15,000 gal/ESD	\$8.08	-	-	-	-	-
15-20,000 gal/ESD	\$10.84	-	-	-	-	-
>20,000 gal/ESD	\$18.04	-	-	-	-	-
Per 1,000 gallons of water consumed	-	\$11.29	\$11.74	\$12.21	\$12.70	\$13.21

*Note: Rates do not include the annual inflationary increase that will be extended by the proposed Ordinance. The CPI has not yet been published by the Bureau of Labor Statistics as of the preparation of this notice.*

**3. Basis for Calculation of Rates**

As required by California Water Code, Section 31007, the proposed Fitch Mountain 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 Fitch Mountain Water District (District).

The District’s 2016-2017 budget sets out all of the District’s estimated costs (operating, debt service obligations, and capital rehabilitation and replacement). The District recently completed a rate study, which projected annual revenue requirements over the next five years,

allocated costs to water customers served, and evaluated and recommended a rate structure to collect service charges sufficient to meet the District's financial needs. This study included allocating costs to customers based on three types of costs: commodity costs (total water consumption), capacity costs (system infrastructure), and customer costs (meter reading, billing and related administrative costs).

Based on the rate study results, the District is 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 1,000 gallons). New rates will continue to charge a monthly Base Rate that increases with meter size, but customers will now have a "uniform tier" Water Usage rate – in which the charge for each unit of water is the same.

New rates are designed to collect 50% of total annual revenue from Base Rate charges and 50% from Water Usage charges. As demonstrated by the rate study, 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. The District's rate consultant and the Board of Supervisors consider this to be a fair and equitable manner of collecting the costs of providing water service, providing financial stability for the District, and encouraging water conservation.

#### ***4. Reason for Imposing Rates.***

Water system rates for the Fitch Mountain Water District have not been adjusted since Fiscal Year 2013-2014. 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 Fitch Mountain Water District.

#### ***5. 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, a new section has been added to the Fitch Mountain Water District ordinance, including a new fee of \$5.00 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 device.

#### ***6. Additional Information***

Community members of the Fitch Mountain Water District were provided an opportunity to ask questions about the current budget that necessitates the changes to how rates are being collected from customers at an informational meeting held on May 31, 2016. Copies of the proposed ordinance that includes 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 Donna Caldwell at the address listed above.

Dated: July 27, 2016

COUNTY OF SONOMA  
DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

By: \_\_\_\_\_  
Johannes J. Hoevertsz  
Deputy Director