

**NOTICE TO ALL PROPERTY OWNERS OF THE
CSA #41 JENNER 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 Jenner Water District and to receive protests against the proposal.

Date: November 2, 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.

****Please note that you may have recently received a Public Hearing Notice in the mail dated September 10th with a Board meeting date of October 26th, 2021 at 1:30P.M. Please disregard that notice as the Public Hearing has been rescheduled to November 2, 2021 at 1:30 P.M.***

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 Jenner Protest, 2300 County Center Drive, Suite B100, Santa Rosa, California, 95403, by 5:00 p.m. on November 1, 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 November 2, 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, November 1, 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 November 2, 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 and the type of customer (residential or commercial); the Water Usage applies to each customer on a per 1,000 gallons use in single-tiered rate structure.

2. **Proposed Increases.** There would be one Base Rate for each meter for each customer, which does not take into consideration the size of the meter or if a customer is residential or commercial. The proposed rate structure, for water usage, is a two-tiered rate structure with rates established per 1,000 gallons of water consumed for the first 5,000 gallons per month and per 1,000 gallons for over 5,000 gallons per month. The proposed increase is an annual 2% rate increase, over a five (5) year period, and represents the maximum amount allowed for the rate increase. The 2% increase would be subject to an annual financial analysis by County staff in order to determine if an increase should be assessed or not. In addition and at a minimum, an annual inflationary increase (CPI) would also be assessed to both the Base Rate and Water Usage components of monthly fees. If approved, proposed rates would become effective July 1, 2022.

Presented in the table below are current and proposed rates, which do not include the annual inflationary increases.

CSA #41 Jenner Zone of Benefit Monthly Rates	Current FY 21-22	Proposed Tiered Restructure	Proposed 2% increase (effective 7/1/22)	Proposed 2% increase (effective 7/1/23)	Proposed 2% increase (effective 7/1/24)	Proposed 2% increase (effective 7/1/25)	Proposed* 2% increase (effective 7/1/26)
Residential Meter Charge							
5/8" meter	\$ 63.24	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98	\$ 78.52
1" meter	\$ 153.34	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98	\$ 78.52
1-1/2" meter	\$ 303.53	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98	\$ 78.52
2" meter	\$ 483.76	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98	\$ 78.52
Commercial Meter Charge							
5/8" meter	\$ 261.62	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98	\$ 78.52
1" meter	\$ 648.97	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98	\$ 78.52
1-1/2" meter	\$ 1,294.76	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98	\$ 78.52
2" meter	\$ 2,069.73	\$ 71.12	\$ 72.54	\$ 73.99	\$ 75.47	\$ 76.98	\$ 78.52
Water Usage Charges							
per 1,000 gallons of water consumed	\$ 10.73						
per 1,000 gallons, up to 5,000 gallons	\$ 6.16		\$ 6.28	\$ 6.41	\$ 6.54	\$ 6.67	\$ 6.80
per 1,000 gallons, above 5,000 gallons	\$ 21.19		\$ 21.61	\$ 22.05	\$ 22.49	\$ 22.94	\$ 23.40

3. **Basis for Calculation of Rates.** As required by California Water Code, Section 31007, the proposed Jenner 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 Jenner Water District (District).

The Jenner Water 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. This analysis included allocating costs to customers by water usage.

Based on the rate analysis, the District is changing how rates are being collected from customers. The current Base Rate applies to all customers and is dependent on the size of the installed water meter and the type of customer (residential or commercial), and a single-tiered Water Usage (volumetric) rates (per 1,000 gallons). Based on an analysis by staff, it was determined that the effort to provide fixed services was the same for each customer, regardless of meter size, such that consolidating to a single meter rate was more equitable. Therefore, the new proposed rate will provide for a single Base Rate regardless of meter size or whether the user is commercial or residential. The second component of the proposed rate increase is the change from a single tier Water Usage Rate to a two-tiered Water Usage rate. These two-tiered systems will allow the District to charge customers more equitably, as larger consumption of water places a bigger strain on the water system and therefore higher costs to the system as a whole.

4. **Annual Property Related Fee.** The property related fee will be collected on the Sonoma County tax roll to pay for a loan to replace meters for each water customer of the Jenner Water District, which will be financed through the small water systems loan program at a resultant assessment of \$60.28 per connection/meter located on each property per year for 10 years. This reflects the financing of a principal amount of \$532.84 per connection at a rate of 2.5% over the set period, with total payments equating to \$602.77 over 10 years. In order for the annual property related fee to be added on to the 2022-2023 Tax Roll, there must not be a successful majority protest from the District property owners. If there is a successful majority protest, the District will continue with the purchase of meters, however, the loan will be paid back out of revenues generated by water sales, which could lead to further rate increases in future years if revenues are unable to keep up with expenses.

It is worth noting that the Jenner Water District paid off its \$956,800 loan from the State last year. This represents the elimination of the annual property related fee of \$430 to each property.

5. **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 Jenner Water District.

6. **Additional Charges for Delivery of Water from Outside Sources.** Additional charges for the actual cost of water from outside the Jenner Water District and the delivery costs

associated with transporting the water to the Jenner Water District tanks would be charged based on the new, uniform Water Usage rate (per 1,000 gallons). 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.

7. **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 Freestone 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.

8. **Additional Information.** Community members of the 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 November 19, 2020 and a subsequent meeting with the Committee on June 3, 2021. 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 Adrian Diaz at the address listed above.

Dated: September 14, 2021

COUNTY OF SONOMA
DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

By: Trish Pisenti
Trish Pisenti
Deputy Director