



## **Sonoma Mountain County Water District**

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### To Our Water Customers

The objective of the Sonoma Mountain County Water District is to supply water to you, our customers, safely, reliably, and at as low a cost as we can and still maintain our system's integrity.

To that end, after a significant rate increase in 2011, the District undertook a major capital project, to install a second functional well and pump, such that we have water supply redundancy for reliability. As an unexpected benefit, the water from this new pump is about  $\frac{1}{3}$  lower in iron and manganese, which reduces the load on your water filters and purification systems. Because of this, we have been using this new well as our primary source ever since.

We have also sought to keep our costs as low as we can. We have not increased salaries for our general manager or system superintendent in five years. Also, the Board serves on a volunteer, unpaid basis. We have even reduced our audit costs by 20%.

At this point, we are facing some significant repairs and upgrades to keep our system safe and reliable. Most importantly, our primary water tank on Alta Monte Drive is leaking, and also needs repairs to the roof structure. Rather than just replace the tank (a very expensive proposition), we plan to repair this tank and roof, and install a thick plastic liner to stop the leaks. This approach should buy us 25 years or more of life for the tank. With some new plumbing installed, we can accomplish this work without an interruption in water supply.

In addition, the State is mandating that we provide for a contingency should we have an extended electrical outage. While they are suggesting that we significantly increase our tank storage capacity (new tanks of larger size), a more cost-effective approach is to install, and periodically test, an emergency generator at our pump station. Finally, other system issues continue to arise, and we always address the repairs in a reliable, long-term manner, to keep the water flowing to you.

To be able to afford these upgrades, especially the tank repairs and emergency generator, at our March 12th Board meeting, the Directors agreed to move forward with the following rate increases:

- Increase our monthly fixed charge from \$45/month to \$50/month.
- Increase our water usage rates by 5%.

These increases will allow the District to pay for the upgrades described above, and also replenish our cash reserves so that we may be able to deal with unforeseen issues in the future. The rate increase would be made effective July 1, 2016.

In arriving at this conclusion, the Board discussed other possible ways to pay for these upgrades. We have decided that incurring debt to pay for items is really just “kicking the can down the road”, and not appropriate for a water district of our size. We also looked for possible government grants, but there are really none available for districts of size and average income level. It would seem then that the only way forward is the rate increase.

In accordance with State legal requirements, we are providing you this advance notice of our plan. You may submit written comments and questions to the District by letter or email. It is also required that a public meeting be held to gather public input, discuss, and vote on the proposed changes. This meeting will be held in conjunction with our next scheduled Board meeting, which will be held:

Tuesday

May 10, 2016

7:00 PM

5627 Inverness Ave.

The Board has not approached the subject of rate increases lightly, but only after much discussion, “number crunching”, and exploration of options. After all, the Board members are customers, too. We need to make the system improvements described above to keep the water flowing safely and reliably to all of our customers. We welcome your input on this matter.