

January 03, 2008

**NOTICE OF PUBLIC HEARING
BEAR CREEK ESTATES WASTEWATER SYSTEM
SAN LORENZO VALLEY WATER DISTRICT**

The purpose of this notice is to provide you with information about ballot proceedings being conducted by the San Lorenzo Valley Water District relative to a proposed new charge for the Bear Creek Estates Wastewater System. This notice is being sent to you in accordance with San Lorenzo Valley Water District Resolution No. 18 (06-07) and section 6(a) Article XIII D of the California Constitution (Proposition 218).

Ballot proceedings will be conducted to consider adoption of a proposed property related charge, hereinafter referred to as “Capital Improvement Charge.” The specific purpose of the proposed Capital Improvement Charge is to recover the capital construction costs associated with improvements to the Bear Creek Estates Wastewater System. On July 14, 2000, the California Regional Water Quality Control Board issued requirements to the District for improvements to the Bear Creek Estates Wastewater Treatment Plant. The Regional Board required improvements and modification to the existing treatment plant to reduce effluent nitrogen levels by a minimum of 50% prior to disposal in the leech fields. The District moved forward and completed the required improvements in July 2005 at a cost of \$223,300.00.

Pursuant to prior neighborhood meetings and discussion with residents of Bear Creek Estates, consensus was developed to recovery the improvement project cost through two (2) payment options.

- The first payment option would be a separate one-time charge in the sum of \$4,060.00. This amount represents each affected parcels pro-rata share of the total project cost ($\$223,300.00 / 55 \text{ Parcels} = \$4,060.00 \text{ per Parcel}$). There are no interest charges associated with payment option one.
- The second payment option would be a separate line item charge on your bi-monthly wastewater bill. If you do not wish to pay the one-time charge, the District will establish a separate charge of \$84.55 per bimonthly billing period for a period of ten (10) years. The \$84.55 bi-monthly charge would supersede the one-time charge of \$4,060.00. The bi-monthly charge of \$84.55 includes interest at the rate of 4.6% per annum on the capital cost for construction improvements.

If the proposed Capital Improvement Charge is approved by the Board of Directors, the Capital Improvement Charge would be imposed as a separate charge upon your property. The one-time Capital Improvement Charge would be due and payable within forty-five (45) calendar days from the date of approval by the Board of Directors. The one-time Capital Improvement Charge

would be payable at the office of the San Lorenzo Valley Water District, 13060 Highway 9, Boulder Creek, CA, 95006 prior to expiration of the time period. Should you not wish to pay the one-time Capital Improvement Charge, the District will establish separate charges in the sum of \$84.55 per bimonthly billing period for a period of ten (10) years. The \$84.55 bi-monthly charge would supersede the one-time charge of \$4,060.00. The separate bi-monthly charge may be prepaid at any time without incurring additional interest charges.

NOTICE IS HEREBY GIVEN that the Board of Directors of the San Lorenzo Valley Water District will hold a public hearing pursuant to the proposed Capital Improvement Charge as follows:

Date and Time

**Thursday, February 21, 2008
7:30 p.m.**

Location

**San Lorenzo Valley Water District
Operations Building
13057 Highway 9
Boulder Creek, CA 95006**

In compliance with San Lorenzo Valley Water District Resolution No. 18 (06-07) and Proposition 218, the District is hereby providing notice of the property related charge ballot proceedings and proposed Capital Improvement Charge as follows:

- The record owners of each identified affected parcel are hereby notified by mail of the proposed Capital Improvement Charge. This notice outlines the ballot proceedings and publicizes the public hearing.
- The date and time of the public hearing is set not less than forty-five (45) days after the mailing of this notice regarding ballot proceedings for the proposed Capital Improvement Charge.
- At the public hearing the District will receive and consider all written ballots relative to the proposed Capital Improvement Charge.
- At the conclusion of the public hearing the District will tabulate all submitted written ballots.
- The district will not impose the Capital Improvement Charge if there is a majority ballot protest.
- A majority ballot protest exists if written ballots submitted in opposition to the proposed charge exceeds the written ballots received in favor of the charge.

YOU CAN BE HEARD

Proposition 218 and District Resolution No. 18 (06-07) allow affected property owners to respond to the proposed Capital Improvement Charge prior to the close of the public hearing.

Please express your view on the proposed Capitol Improvement Charge by completing and returning the enclosed official ballot. Ballots must be received by the District prior to the close of the public hearing.

Ballots can be mailed or personally delivered to:

**District Secretary
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006**

SUMMARY OF PROPOSED CHARGE

The Bear Creek Estates Wastewater System operates as a separate “Enterprise Fund”. This means the cost of providing all wastewater service and capital improvements are financed and/or recovered solely from the users of the Bear Creek Estates Wastewater System. The Water Fund loaned the Wastewater Fund the \$223,300.00 necessary to complete the required wastewater plant improvements. The proposed Capital Improvement Charge will be utilized solely and exclusively to repay the Water Fund loan which funded the project improvements.

Two payment options are available for the proposed Capital Improvement Charge.

- Payment option one is a one-time charge in the sum of \$4,060.00.
- Payment option two is a separate bi-monthly in the sum of \$84.55 for a period of ten (10) years.

If you have any questions regarding the proposed Capital Improvement Charge and/or the public hearing process, please do not hesitate to call the District at (831) 430-4625.

Visit our Web Site for more information.

Visit www.slvwd.com for more information about the District, your wastewater system and the public hearing process.