

March 28, 2008

Dear Property Owners:

I am writing to inform you of a Public Hearing to be held on Thursday, May 15, 2008, 7:30 p.m. relative to a proposed multi-year increase in wastewater rates for the Bear Creek Estates Wastewater System. The enclosed Notice of Public Hearing provides important information regarding the proposed multi-year increase to wastewater rates. Please review the information contained in the Notice of Public Hearing.

As most of you are aware, the Californian Regional Water Quality Control Board directed the District to make improvements to the Bear Creek Estates Wastewater Treatment Plant. Improvements were required to reduce effluent nitrogen levels by a minimum of 50% prior to disposal to the leach fields. The District completed the required improvements in July 2005 at a cost of \$223,300.00. The Water Fund provided a loan to the Wastewater Fund to complete the project. The proposed increase in wastewater rates will provide for repayment of the Water Fund loan used for construction activities.

In addition, the purpose of the proposed multi-year increase in wastewater rates is to meeting increased operational and maintenance costs. The last time wastewater rates were increased was June 1999. Since that time operational maintenance and regulatory costs have increased significantly. All revenue from wastewater rates are used solely for costs associated with providing service to the Bear Creek Estates Wastewater System.

The District invites all residents and users of the Bear Creek Estates Wastewater System to attend an informational neighborhood meeting to discuss the proceedings and proposed charges.

**WHEN**

WEDNESDAY  
April 16, 2008, 7:30 p.m.

**WHERE**

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

Please note that the date of the scheduled Public Hearing is Thursday, May 15, 2008, 7:30 p.m. at the San Lorenzo Valley Water District Operations Building, 13057 Highway 9, Boulder Creek, Ca 95006.

Please read the enclosed Notice of Public Hearing. If you have any questions regarding the proposed Wastewater Capital Improvement Charge and/or public hearing process, please do not hesitate to contact me at (831) 430-4625. For additional information visit the District's Web Site [www.slvwd.com](http://www.slvwd.com).

Very truly yours,

James A. Mueller  
District Manager