



October 1, 2007

Dear Property Owners:

I am writing to inform you of a Public Hearing to be held on Thursday, November 15, 2007, 7:30 p.m. for the Bear Creek Estates Wastewater System. The enclosed Notice of Public Hearing provides important information regarding proposed new charges for the Bear Creek Estates Wastewater. Please review the important 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.

Based upon feedback from prior neighborhood meetings, the District has structured a proposed property related charge to recover the capital costs associated with the improvement project. The proposed charge has two payment alternatives. The first option is a one-time Wastewater Improvement Charge in the sum of \$4,060.00. Once approved by the Districts Board of Directors, the one-time charge would be due and payable within forty-five (45) calendar days. If you do not wish to pay the one-time charge, there is a second payment option. The District will incorporate a separate charge of \$84.55 per bi-monthly billing period on your sewer bill for a term of ten (10) years. The bi-monthly charge of \$84.55 includes interests on the capital costs at the rate of 4.6% per annum.

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
OCTOBER 17, 2007 7:00 p.m.

WHERE

BEAR CREEK COUNTRY CLUB
15685 FOREST HILL DRIVE

Please note that the date of the scheduled Public Hearing is Thursday, November 15, 2007, 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.slwvd.com.

Very truly yours,

James A. Mueller
District Manager