



NOTICE OF PUBLIC HEARING ON PROPOSED WILDFIRE RECOVERY SURCHARGE ON WATER RATES

This notice has been sent to inform you that the San Lorenzo Valley Water District (District) is proposing to adopt a wildfire recovery surcharge (Surcharge) to pay for unplanned expenses caused by the CZU Lightning Complex Wildfires (CZU Wildfire). The Surcharge would be added to each customer's monthly bill for water service over approximately the next five years. The District's Board of Directors (Board) will hold a public hearing to consider whether to adopt the proposed Surcharge, as follows:

Date: Thursday, August 5, 2021

Time: Meeting starts at 6:30 PM

Place: There will not be any physical location for this meeting. Pursuant to the Governor's Executive Order N-29-20 and N-08-21 this meeting will be conducted by video/teleconference. Any person in need of any reasonable modification or accommodation in order to participate in the meeting may contact the District Secretary's Office at (831) 430-4636 a minimum of 72 hours prior to the scheduled meeting. The meeting access information is as follows:

Internet link: <https://us02web.zoom.us/j/83285018024>

Or Dial:

+1 312 626 6799

+1 929 436 2866

+1 301 715 8592

+1 346 248 7799

+1 669 900 6833

+1 253 215 8782

Webinar ID: 832 8501 8024

Why Is the District Considering a Surcharge on Water Rates?

The District was severely impacted by the CZU Wildfire. The District's water system sustained extensive damage including to raw water supply lines, storage tanks, water treatment systems, pumps, water quality monitoring equipment, and water transmission pipeline. Also, the District participated in the CZU Wildfire emergency response effort and incurred various response and recovery costs. A list of CZU Wildfire projects has been submitted to the Federal Emergency Management Agency (FEMA) as part of a request for Public Assistance. The District's total estimated cost of the projects is over \$20 million. The District will be responsible to pay all of these costs (and other CZU Wildfire costs) up front and will submit eligible project costs for FEMA reimbursement, upon completion. The District anticipates receiving approximately 75% FEMA reimbursement of eligible costs. Insurance proceeds will be deducted from FEMA reimbursement amounts. The total net cost of the projects to the District after FEMA reimbursement is estimated to be approximately \$5 million, although the final amount could be more or less than the estimated \$5 million. This \$5 million is an unplanned cost. Without the Surcharge, CZU Wildfire expenses will continue to deplete the District's reserves and pull funds away from other critical infrastructure projects needed throughout the District, thereby creating long-term financial challenges related to providing reliable, safe, and high quality water to all the District's customers.



How Would Revenues From the Proposed Surcharge Be Used?

The District's Board has directed that if the proposed Surcharge is approved, all Surcharge revenues received by the District will be maintained in a restricted fund or account from which CZU Wildfire expenses will be payable. The District will track CZU Wildfire costs against the revenues generated by the Surcharge. The District has taken on long-term debt to help cover the costs of the CZU Wildfire, especially the up-front costs. Interest on this debt has not been factored into the amount of the Surcharge, although debt-related expenses for the CZU Wildfire would be payable from the Surcharge revenues.

When Would the Proposed Surcharge End?

The proposed Surcharge would end automatically once a total \$5 million Surcharge revenues are collected by the District. The estimated date for automatic termination is August 5, 2026, although termination may occur earlier or later depending on how long it takes to collect \$5 million Surcharge revenues. The Surcharge could be terminated early by the District's Board if it turns out that the District's CZU Wildfire net costs will be less than \$5 million.

How Much Is the Proposed Surcharge?

The District is proposing a fixed monthly surcharge rate based on billing meter size, in the amounts shown in the table below. If adopted, the Surcharge would be added to each customer's monthly water bill starting with bills processed on or after August 20, 2021.

Water Meter Sizes	Monthly Fire Surcharge (\$/mo./acct.)
5/8 inch	\$9.67
3/4 inch ¹	\$9.67
1 inch	\$16.11
1.5 inch	\$32.22
2 inch	\$51.55
3 inch	\$103.11
4 inch	\$161.11

1. Both 5/8- and 3/4-inch meters are considered one EDU.

For additional information or questions regarding the proposed Surcharge please see the District's website www.slvwd.com, or call SLVWD at (831) 338-2153.



How to Submit a Valid Protest Against the Proposed Surcharge:

Property owners and water account holders may file written protests against the proposed Surcharge. Regardless of how many protests are submitted for a property, only one valid protest will be counted for each parcel receiving water service from the District. To be valid, a protest must be received in writing or electronically and must clearly show **all** of the following information:

1. Specifically identify the affected propert(ies), such as by Assessor's Parcel Number (APN), unique street address, and/or customer water account number;
2. Include the date, printed name and signature (scanned or photographed original signature is okay) of the individual submitting the protest; AND
3. Indicate opposition to the proposed Surcharge.

A Protest Ballot is provided for convenience on the next page. It is not required to use the Protest Ballot to submit a valid protest.

Once the District receives a protest, it will become a public record, and it may be produced for public inspection, including all the information entered on it.

To be counted, a valid protest must be **received** by the District no later than the close of the Public Hearing to be conducted on Thursday, August 5, 2021, as more specifically described at the top of the first page of this Notice. The proposed Surcharge cannot be adopted if valid written protests are received for a majority of parcels receiving water service from the District. Protests can be submitted as follows:

1. By mail addressed to: San Lorenzo Valley Water District,
Water Rate Protest
13060 Highway 9, Boulder Creek, CA 95006.
2. By depositing it in a District drop box, at one of the following drop box locations:
 - a. Main Office, 13060 Highway 9, Boulder Creek, CA (last pickup at 3:00 p.m.);
 - b. Felton Treatment Plant, 195 Kirby Street, Felton, CA (last pickup 6:00 a.m.).
3. By email to Prop218@slvwd.com.

Any protest received late by the District will not be counted, regardless of when it was sent.

See next page for Protest Ballot.

PROTEST BALLOT

This Protest Ballot is provided for the convenience of property owners and water account holders of the San Lorenzo Valley Water District (District). It may be used to file a protest against the CZU wildfire recovery surcharge (Surcharge) proposed by the District. Regardless of how many protests are submitted for a property, only one valid protest will be counted for each parcel receiving water service from the District.

To be counted, a valid protest must be **received** by the District no later than the close of the Public Hearing to be conducted on Thursday, August 5, 2021. Protest Ballots can be submitted as follows:

1. By mail addressed to San Lorenzo Valley Water District, Water Rate Protest, 13060 Highway 9, Boulder Creek, CA 95006.
2. By depositing it in a District drop box, at one of the following drop box locations:
 - a. Main Office, 13060 Highway 9, Boulder Creek, CA (last pickup at 3:00 p.m.);
 - b. Felton Treatment Plant, 195 Kirby Street, Felton, CA (last pickup 6:00 a.m.).
3. By email to Prop218@slvwd.com.

Any Protest Ballot received late by the District will not be counted, regardless of when it was sent.

To be valid, this Protest Ballot must clearly show **all** of the requested information, as follows:

1. Identify the individual who is submitting this Protest Ballot:

I (print your name), _____ (Property Owner or Water Account Holder of Record) do hereby PROTEST the District's proposed CZU wildfire recovery Surcharge.

2. Specifically identify the propert(ies) receiving water service from the District for which this Protest Ballot is being submitting, by completing at least one or more of the following:

Assessor's Parcel Number (APN): _____

Unique Street Address: _____

Customer Water Account Number: _____

3. Sign and date this Protest Ballot:

Signature of the individual whose name is printed above: _____

Date of signature: (month) _____ (day) _____, 2021

Once the District receives this Protest Ballot, it will be a public record, and it may be produced for public inspection, including all the information entered on it.

PROTEST BALLOT