

Graton Community Services District
P.O. Box 534, Graton CA 95444
(707) 823-1542



APN XXXXXXXX
CUSTOMER NAME
STREET ADDRESS
CITY, STATE ZIP

**NOTICE OF PUBLIC HEARING REGARDING PROPOSED
ADJUSTMENTS TO WASTEWATER RATES UNDER PROPOSITION 218**

June 23, 2025 at 6:00 p.m.

at 8996 Graton Rd (Graton Community Club), Graton, CA 95444

TOWN HALL MEETING TO DISCUSS THE PROPOSED RATE ADJUSTMENT

May 19, 2025 at 6:00 p.m.

at 8996 Graton Rd (Graton Community Club), Graton, CA 95444

You are receiving this notice as a property owner receiving wastewater (sewer) service from Graton Community Services District (GCSD or District). The Board of Directors (Board) will hold a public hearing on June 23, 2025, to listen to public input and to consider and potentially approve wastewater rate changes and the rate assignment to various customer classes for the next five years. If approved, the proposed rates will ONLY fund sewer service for customers. Proposed sewer rates WILL NOT provide funding for the Town Square, Graton Green, or an interconnection to the Occidental County Sanitation District.

Background

GCSD provides wastewater collection, treatment, and disposal services to about 450 customers consisting of the following land uses: single-family residential, duplexes, accessory dwelling units, mobile homes, offices, retail stores, restaurants, schools, and other non-residential land uses. The District relies on rate revenues to fund safe and reliable wastewater service. It bills most customers annually on the Sonoma County property tax roll. Wastewater rates last increased in 2013. For over ten years, the District strove to keep rates at the same level for the benefit of ratepayers. Due to cost increases such as regulatory compliance costs, materials, supplies, and the need to upgrade aging infrastructure, current revenues are no longer sufficient.

The District engaged an independent ratemaking consultant to conduct a rate study to estimate revenues, expenses, and capital improvement costs over the next five years and to recommend rates sufficient to cover those costs. In addition, the rate study proposed adjustments to the user classifications and rate formula to ensure equitable rates for all customers. The proposed wastewater rates do not exceed the proportional cost of the service attributable to each parcel. The cost of service includes operating costs, debt service payments, infrastructure expenses, and maintaining reasonable reserves.

Proposed Rates

Because the District relies on the property tax bill, its fees are flat annual amounts for each customer class. These are proportional to the wastewater flow (i.e., volume) and pollutant loading (i.e., the characteristics of wastewater that drive treatment costs like the fats, oils and grease common in restaurant discharges) from properties in that class. Table 1 below identifies the current and proposed wastewater rates. If adopted, the rates will be implemented July 1 of each year from 2025 through 2029. As shown below, the District intends to bill residential customers based on the number of dwelling units or per duplex. The District intends assign rates to non-residential customers based on the square footage of each parcel's building size or per 30 students for schools. If you would like to confirm your property's customer class or building size with the District's records, please call (707) 823-1542.

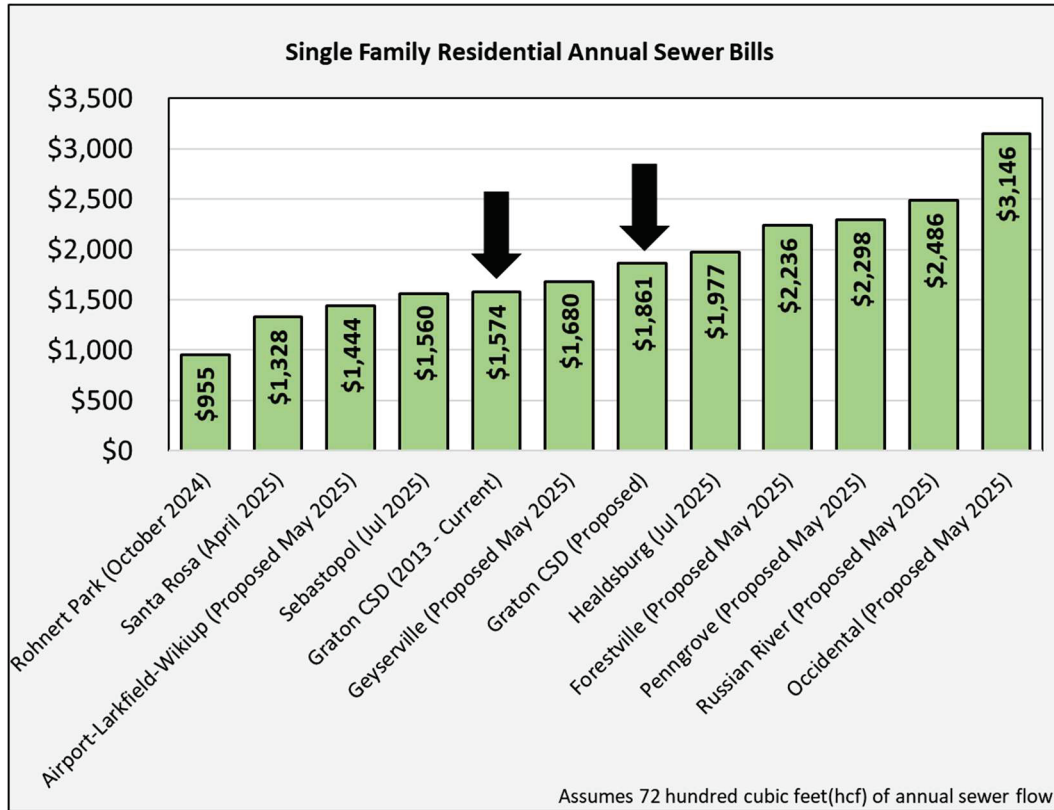
Table 1: Current & Proposed Annual Wastewater Rates

Customer Class	Billing Units (BU)	Current	Proposed Annual Rate per Billing Unit				
			July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
Residential			<u>Per BU</u>	<u>Per BU</u>	<u>Per BU</u>	<u>Per BU</u>	<u>Per BU</u>
Single Family Dwelling	per dwelling unit	\$1,574.36	\$1,861	\$2,140	\$2,354	\$2,519	\$2,645
Accessory Dwelling	per dwelling unit	\$1,259.49	\$1,489	\$1,712	\$1,883	\$2,015	\$2,116
Duplex	per duplex	\$2,518.98	\$2,978	\$3,424	\$3,766	\$4,030	\$4,232
Manufactured Home	per dwelling unit	\$798.38	\$1,489	\$1,712	\$1,883	\$2,015	\$2,116
Mobile Home	per dwelling unit	NA	\$1,489	\$1,712	\$1,883	\$2,015	\$2,116
Non-residential							
Light Industrial	per 1,000 ft ²		\$558	\$642	\$706	\$756	\$794
Market	per 1,000 ft ²		\$4,839	\$5,564	\$6,120	\$6,549	\$6,877
Packing Plant	per 1,000 ft ²	Current non-residential rates vary based on land use	\$2,047	\$2,354	\$2,589	\$2,771	\$2,910
Religious Buildings	per 1,000 ft ²		\$558	\$642	\$706	\$756	\$794
Restaurant	per 1,000 ft ²		\$3,164	\$3,638	\$4,002	\$4,282	\$4,497
Schools	per 30 students		\$2,419	\$2,782	\$3,060	\$3,275	\$3,439
Small Commercial	per 1,000 ft ²		\$558	\$642	\$706	\$756	\$794
Wine Tasting	per 1,000 ft ²		\$1,861	\$2,140	\$2,354	\$2,519	\$2,645
Winery	per 1,000 ft ²		\$558	\$642	\$706	\$756	\$794

July 1, 2025, it is proposed that the single-family residential annual sewer rate increase from \$1,574.36 (current) to \$1,861 per year. This is an increase of about \$24 per month. Figure 1 on the next page provides a bill survey comparing the District's current and proposed single family residential rate with the rates of other local sewer systems. The District's sewer rate is

currently in the middle of all agencies surveyed and will remain in the middle following the proposed increase. It is expected that the other surveyed agencies will increase fees year over year to keep up with operating and capital costs.

Figure 1: Annual Single Family Residential Bill Survey



How to Participate

The proposed rate increases are governed by section 6 of Article XIII D of the California Constitution (Proposition 218), Government Code sections 53751 et seq. and 53759 et seq., and related laws. Property owners subject to the proposed rates and other interested members of the public may participate in this ratemaking in a variety of ways. More information and the Sewer Rate Study Report are on the District’s website at <https://www.graton.org/> or you can call (707) 823-1542. Second, the District will hold a Town Hall meeting to discuss the proposed rates on May 19, 2025 at 6:00 p.m. at 8996 Graton Rd (Graton Community Club) to hear public input and answer questions. The District will hold a public hearing on June 23rd, 2025, to receive public comment, including any written protests to the proposed rates.

How do I file a protest?

Proposition 218 provides that “Property Related Fees” such as these proposed rates are subject to a “majority protest” process. Any property owner or other ratepayer may submit a written protest of proposed rates; provided, however, that only one protest will be counted per property.

If protests are filed on behalf of a majority of the properties subject to the rates, the District cannot adopt the proposed rates.

Please see the next page for protest requirements.

Every written protest MUST include ALL of the following to be counted:

1. A statement that it is a protest against the proposed wastewater rates;
2. Name of the property owner or other customer who is submitting the protest;
3. Identification of the assessor's parcel number or street address (service address) of the property for which the protest is made; and
4. An original signature of the record owner or other customer who is submitting the protest.

Written protests may be submitted by:

1. Mail to: Prop 218 Protest, P.O. Box 534, Graton CA 95444; or
2. Call (707) 823-1542 to arrange in-person pickup/drop off; or
3. In-person at the public hearing, before the end of the public hearing.

Regardless of how the written protest is submitted, it must be received by the District before the end of the public hearing to be held on June 23rd, 2025, beginning at 6:00 p.m. at 8996 Graton Road, Graton, CA 95444. (Envelopes postmarked after that date will not be accepted.) To ensure protests are genuine, they will not be accepted by e-mail or other electronic means. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the District, that the enclosed protest is for the public hearing on the Proposed Wastewater Rate Increases. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest, but the Board welcomes that input.

At the end of the public hearing, protests will be counted in public view. If protests are not submitted as to a majority of the properties subject to the fees, the Board may adopt the proposed rates. The first rate change, if approved, will take effect on or after July 1st, 2025.

Pursuant to California Government Code 53759, a 120-day statute of limitations applies to any legal challenge to a new, increased, or extended fee. All written objections must be submitted before the end of the public hearing as stated above and a failure to timely object in writing bars any right to challenge that fee or assessment through a legal proceeding.

Please see the next page for Frequently Asked Questions.



SEWER RATE FREQUENTLY ASKED QUESTIONS

1) When did the District last increase the rates?

The District last raised the sewer rates 12 years ago. Despite cost increases over this period, the District kept rates at the same level to benefit the residents. On July 1, 2025, the District proposes to increase the annual single family rate from \$1,574.36 to \$1,861. This is an increase of about \$24 per month.

2) Why is the District proposing a rate increase?

The sewer utility is operating at a deficit meaning that expenses are greater than revenues. A rate increase is needed to cover: 1) increased operating costs (such as chemicals, regulatory compliance, materials, and supplies), 2) deferred maintenance of aging infrastructure, 3) larger-scale system improvements, and 4) buildup of emergency cash reserves.

3) Are other Sewer Agencies raising their rates regularly?

GCSD is not the only sewer agency in the County needing to raise sewer rates. It is common for sewer agencies to raise rates as needed to cover increasing costs of operations, system maintenance and improvements to ensure reliable and environmentally compliant sewage collection and treatment systems.

4) Is financial assistance available for low-income customers?

From time to time the State of California and Sonoma County offer financial assistance programs to qualifying low-income customers. The District recommends that low-income residents check frequently to determine program offerings and eligibility.

5) What is the District doing to control costs?

GCSD is dedicated to effectively managing the expenses related to sewer collection and treatment services. The Board regularly reviews monthly updates on costs and revenues, guiding strategies to manage these expenses efficiently and ensuring proper allocation of rate revenue.

6) What if the rate increases are not approved?

If rate increases are not approved, the District will not have funds available to make sewer system improvements. Without pipeline replacements, equipment maintenance, and system upgrades, it is likely that residents will face more frequent and costly emergency repairs.

7) How can I learn more about the proposed rate adjustment?

- a. Review the Sewer Rate Study Report are on the District's website at <https://www.graton.org/> or you can call (707) 823-1542.
- b. Attend the Town Hall Meeting on May 19, 2025 at 6:00 p.m. at 8996 Graton Rd (Graton Community Club), Graton, CA 95444.
- c. Attend a public hearing on June 23, 2025 at 6:00 p.m. at 8996 Graton Rd (Graton Community Club), Graton, CA 95444.