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July, 2012 Newsletter

## **Graton Awarded \$6 Million from the Clean Water Act State Revolving Fund**

Graton Community Services District was recently awarded \$6 million from the Clean Water Act State Revolving fund to construct a state-of-the-art wastewater treatment facility that will bring the District into compliance with the North Coast Water Quality Control Basin Plan. This funding, along with \$1.2 million in funding from Proposition 50, will allow construction of the upgrade to begin this summer.

The State Water Resources Control Board mandated the upgrade in 2004, prior to the formation of GCSD in 2005. GCSD's first task as a District was to secure the financing needed to comply. In order to initiate the project, GCSD had to borrow money and temporarily raise rates. A 20-year, 4.5 percent loan of \$2.9 million was obtained from the Municipal Finance Corporation. Part of this loan was used to pay off a 6.5 percent bond debt that had been inherited from the Sonoma County Water Agency, resulting in substantial savings for the District. Part of the loan was used to design the tertiary upgrade and protective floodwall, enabling the District to leverage \$11.2 million in state and federal funding.

Flood protection was required prior to construction of the upgrade because the plant is located in a flood zone. After the catastrophic flood in 2006, Graton obtained \$4.1 million from federal and state emergency management agencies to construct a floodwall. This project provided many benefits. Thirty-six years of accumulated solids were dredged from the treatment ponds, and a 360,000-gallon storm water diversion and equalization system was constructed to keep rainwater out of the ponds, thus increasing their treatment capacity. These necessary projects assured the State that the new treatment facilities will not be flooded as they have been in the past, and that Atascadero Creek will be protected from co-mingling with sewerage overflow during floods.

In order to obtain \$1.2 million in Proposition 50 funding, Graton participated in developing the North Coast Integrated Regional Water Management Plan. This highly competitive effort resulted in securing more than \$35 million for over 70 projects in the seven-county North Coast Region. Graton worked hard to be included in the plan, and our success attests to the importance of our project and the perseverance of our team.

The \$6 million awarded from the Clean Water Act State Revolving Fund is a "Principal Forgiveness Loan" designated for disadvantaged communities. This is essentially a grant that will not need to be repaid. Qualification for disadvantaged community status could not have happened without the support and participation of the people of Graton. Special thanks go to Karin Lease, the Graton Day Labor Center, and the Rural Community Assistance Corporation for helping to conduct an accurate survey of our income status.

Importantly, because we are now designated as a disadvantaged community, we have the opportunity to obtain an additional \$4 million in funding needed for upgrading our

36-year old sewer system. New laws are mandating that Graton spend more money on the sewer mains beneath our streets or face future fines. If Graton had to do without additional State Revolving fund grants just imagine what our sewer rates would be. Completion of the tertiary project is essential to qualifying for that additional \$4 million.

Fortunately, the significant planning, design, and engineering costs that Graton had to expend in order to qualify for the funding will be reimbursed. This includes reimbursement for project administration and management and the numerous audits required by the state and federal government as preconditions for receiving these funds.

At the end of many long days, Graton will have a state-of-the-art, mandated, tertiary wastewater treatment system with an anticipated life of 50 years. If all goes well, the project will be completed within the required timeframe and will be fully paid for with current rates in 13 years. This accomplishment is nothing short of a miracle.

### **Blue Spruce Receives Rate Reduction**

Thanks go to John Born and Jo Morris of Blue Spruce Senior Mobile Home Park for patiently working with the District in a process that resulted in lowering their sewer rates. District Ordinance 100 allows alternative methods for calculating rates. GCSD inspected the senior mobile home complex and sampled the strength of sewerage. A calibrated water meter was installed making daily recordings and more accurate measurements possible. Because the source of wastewater from the Blue Spruce is strictly domestic without any industrial component, it was possible to reduce their rates. A similar process was conducted on the Saint Martin Laundry on Highway 116. The District likewise reduced the laundry's rates based on reduced use. These reductions reduced District revenue by about \$25,000 or about half of the \$50,000 in revenue achieved by the recent five percent rate increase.

### **GCSD Treasurer Resigns**

Judy Christensen recently resigned from the GCSD Board due to illness. Since 1999, Judy worked to form the Community Services District. In 1999 Judy helped organize the first redwood tree planting and was Tree Mom for five years. In 2004, Judy joined the Board, lending her financial and contracts expertise toward critical decision-making. Graton owes Judy more thanks than it can ever repay. Her seat will be filled by Board appointment.

# GRATON COMMUNITY SERVICES DISTRICT

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## Communication and Recent Public Concerns

The District is engaged in complex and sophisticated projects that are not normally tackled by small districts. These projects have consumed a great deal of time on the part of the District's Board of Directors, staff and contractors. While the District has done a great job of securing resources and correcting long-standing infrastructure and regulatory problems, we have not kept the public well informed. This newsletter is an attempt to remedy that situation. We are upgrading our web presence ([www.Graton.org](http://www.Graton.org)) and will be issuing a quarterly newsletter going forward. We welcome input on content for future newsletters.

GCSD's public outreach efforts include assisting at Graton Day. GCSD provides the event with a portable toilet to conform to American Disabilities Act requirements, provides straw bales, and sets up and mans a pollution control table. Please visit the booth for information on source control and back flow prevention, both being important for improving wastewater treatment and reducing operation costs. The straw bales are later reused for storm water pollution prevention requirements.

It is reasonable for the public to want to know what we are doing with all these funds. Rest assured that the District is audited multiple times each year by the county, state and federal governments, along with Pisenti & Brinker, our independent auditor. In the past the District has been very frugal with legal expenses. However, in light of a number of recent Public Records Act requests, the District has hired the law firm of Meyers Nave to help us ensure that the Board and staff are following the many legal procedures properly and thoroughly.

## Tree Planting at GCSD

In 1999, when GCSD was only a dream, the community had the foresight to plant a number of redwood trees on District irrigation land. These trees are now turning into a magnificent grove. Earlier this year, in collaboration with Forest Unlimited and the Graton Day Labor Center, the District held a second public tree planting, increasing the grove by more than 800 seedlings. These redwoods now serve as a kind of flow equalizing sponge. In wet years when water sales are low they serve as a repository for any reclaimed water we are unable to sell. This allows the District to safely maximize the amount of reclaimed water it can store and sell to local vineyards and farmers within our watershed while helping to maintain stream flows in Green Valley and Atascadero Creeks. When the redwood forest is fully matured it could consume our entire winter surplus. It has already helped us manage to reduce our surface water discharges to only a few months in dry winters. This saves us money.

## The Park Question

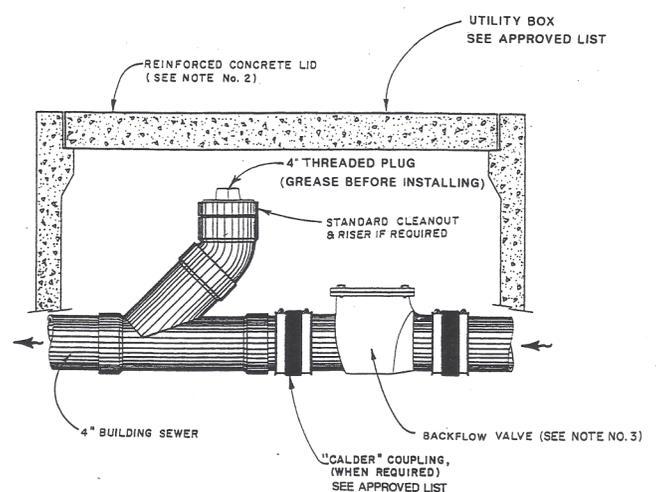
In the wake of recent rate protests our Board is reluctant to commit any District funds to non-essential programs without first obtaining input from ratepayers. For the last seven years GCSD has concentrated most of its effort on complying with expensive, mandated wastewater treatment plant upgrades. State and federal commitments in excess of \$11.2 million outside of the rate base have been secured to accomplish this task.

Two years ago, the District applied for a grant funded by the Proposition 84 Rivers and Parks Program with the goal of developing a park in Graton without having to use District funds. The District hoped to purchase the ponds and irrigation land owned by Sonoma Wine Company and connect Sonoma Wine Company to the sewer. The resulting addition of connection fees and a new sewer customer would have allowed the District to develop a community park and lower overall rates. Unfortunately our Proposition 84 grant was unsuccessful. Undaunted, the District continues to seek innovative ways to bring resources into our community.

The GCSD Board of Directors understands the burden of high rates and endeavors to be responsive to the community. While the District must respond to State mandates for upgrades to its wastewater facilities, the provision of Parks and Recreation services are optional. Acquisition of a park is only the tip of the iceberg. The liabilities of a District-owned public park include ongoing expenses for insurance, maintenance, and security. In the next newsletter the District will include a survey card asking whether you support or oppose the use of your property tax funds for a park in Graton.

## Illegal Connections

In an effort to make sure that everyone is paying a fair share for the cost of treating Graton's wastewater, GCSD staff is actively conducting inspections and smoke testing to find illegal connections. In the last year we were able to identify a home that the County had improperly connected to the old terra cotta community septic system in downtown Graton that predated the current Graton sewer. The long-term source of contamination was identified and corrected. This required unfortunate inconvenience to some folks. Thanks and apologies to all who were affected.



*This backflow preventer is required wherever the lowest finished floor elevation is less than or equal to twelve (12") inches above the rim elevation of the nearest upstream manhole or cleanout.*

### GCSD Board of Directors

Jane Eagle, President  
John Roehl  
Roland Wiebe  
Erik Kritz

Robert Rawson, General Manager