

Exhibit A

POLICY FOR ISSUING ESDS

Purpose:

To identify criteria for allowing new sewer connections to the District's sewer collection and treatment in an equitable manner that does not unnecessarily limit connections and does not pose an undue risk to the District.

The District anticipates revisions to this policy based on need and conditions moving forward.

Background/Overview:

The District's Ordinance No. 101E establishes that, unless certain circumstances exist, The District cannot issue more than 8 ESDs per calendar year. This limitation imposed on the number of ESDs that can be issued was based on ensuring that the plant can effectively treat wastewater to a tertiary level that can be beneficially reused as recycled water and/or compliantly discharged. This limitation is imposed both on new sewer connections and changes in use of existing connections. Examples of this could include new construction (residential, ADU, commercial, etc.) or expansion of uses on existing connections (expanding restaurant or business uses with increased sewer discharge, etc.)

Historically, the District does not issue 8 new ESDs in a given calendar year. In typical years, the District issues 1-3 new ESDs, and those are most often for ADUs on existing residential properties. In recent years, the District has entered into outside service agreements to provide sewer service, which is consistent with the authority established in Ordinance No. 101E.

The District's wastewater collection and treatment infrastructure (sewer mainlines, lift station equipment and treatment facilities) is currently being assessed to determine the required improvements based on its age and condition. Currently, the wastewater collection and treatment system experiences significant variation in wet weather versus dry weather flows. The number of sewer collection system failures (sanitary sewer overflows) is within a reasonable range and the wastewater treatment plant is currently adequately able to treat the wastewater to a compliant level. However, until the assessment and necessary upgrades of the entire wastewater collection and treatment system are completed the District cannot ensure that new connections will not have an adverse effect on performance of the system.

The current policy for allocation of ESDs is a first come-first serve approach, issuing a maximum of 8 ESDs in a calendar year and establishing a waiting list for any additional

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requests. Although there is some fairness and equity in this allocation method, it does have serious implications to customers wishing to connect to the District's sewer system, when their connection could likely have no negative impact on the performance of the system.

The revised policy is intended to ensure that the Board has the authority to grant sewer service as they determine is appropriate in a manner that minimizes the potential for system failure (due to the new connection) but does not turn away new connections arbitrarily.

Policy:

It is the policy of the Board of Directors of the Graton Community Services District ("District") with regard to the allocation of capacity in the District Wastewater collection and treatment system and changes in use of properties impacting the strength of sewer discharges that future sewer permits will only be issued to properties that meet the criteria specified below:

1. Completed Application. Section 3.15 of District Ordinance 100 requires all requests for new sewer connections to be submitted on a form approved by the District.
2. Building Permit approval of the Project by the County of Sonoma Permit Department.

District Review. Applications that have been completed and mailed to the District or otherwise delivered will be reviewed for completeness, pursuant to Section 3.17 and for consistency with the requirements of Section 3.19 of District Ordinance 100, as amended by Ordinance 101E. Pursuant to Ordinance 101E, application approval will normally be granted providing that the following requirements are met:

1. The subject property to be served is fronting an existing District sewer main.
2. The structure to be served is within three hundred feet (300') of the property line fronting the sewer main.
3. Adequate sewer main capacity is available to serve all portions of the property.
4. The property served is at such an elevation that gravity flow of wastewater discharge will occur except as permitted in section 4.05.
5. Such sewer lateral installation complies with all other District rules, regulations, and conditions of sewer service.

Further, it is the policy of the District to approve all residential ESD requests of one (1) ESD or less, regardless of the 8 ESD annual limit if the above conditions are met. The 8 ESD maximum per calendar year will apply to proposed connections exceeding 1 ESD.

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Waiting List. Whenever the District has issued eight (8) ESDs during a calendar year, the District will place completed and approved development applications on the Sewer Connection Waiting List, which will be maintained by the District. When sewer connections become available, the District will offer connections to completed applications on the Sewer Connection Waiting List that meet the District's Ordinance requirements on a first-come, first-served basis.

Sewer Connection Availability Notification. When connections become available, the District will contact the applicant at the top of the Sewer Connection Waiting List that the requested sewer connections are available for purchase ("Will Serve" letter), and that the connections will be reserved for fourteen (14) calendar days. Sonoma County PRMD will be provided a copy of the "Will Serve" Letter that an applicant has received priority, and that the applicant has the District's approval to purchase the specified number of ESDs. This "Will Serve" letter shall expire in fourteen (14) days if PRMD has not received all applicable connection and inspection fees, or the applicant has failed to meet all District and County requirements.