

## FOR IMMEDIATE RELEASE

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### **SAN LORENZO VALLEY WATER DISTRICT PROPOSES TO FUND CAPITAL PROJECTS VIA DROUGHT SURCHARGE**

*Public Hearing To Be Held Nov. 19 at San Lorenzo Valley Water District  
Board Room in Boulder Creek*

**SEPT. 29, 2015 — BOULDER CREEK, CA** — The San Lorenzo Valley Water District (SLVWD) today announced it is notifying customers of a proposed Drought Recovery and Water Capital Surcharge to make up a drought-caused revenue shortfall that impacts capital improvement projects already underway.

At its meeting August 20, 2015, the San Lorenzo Valley Water District Board voted unanimously to proceed with the provisions of Proposition 218 to notify customers of the rate increase plan and hold a public hearing on the plan. The hearing is scheduled for November 19, 2015.

The District finalized a five-year rate study in 2013 that provided yearly revenue projections based on planned operational and capital costs for the years 2013-2017. The Board at that time approved rates for 2014, 2015 and 2016 based on the results of that rate study. But since then, California has suffered a severe drought. In response to state and local calls to conserve water, SLVWD customers have reduced water consumption by over 25% since 2013. These conservation efforts are invaluable to the continued health of the San Lorenzo Watershed and the Santa Margarita Groundwater Basin, upon which the District's entire water supply relies.

However, conservation efforts have a negative impact on District revenue. In 2013 the District rate-study projected water revenue of \$6.37 million for the fiscal year 2016. In June 2015 the Board approved a FY2016 budget projecting fiscal year water revenue of just \$5.6 million.

The lost revenue impacts funding capital improvement projects already underway while maintaining reserve funds for emergencies. Current SLVWD capital improvement projects include Emergency Interties 2, 3, 4 and 6, as well as the Probation Tank, Swim Tank and Fall Creek Fish Ladder.

As a result, the District is considering implementing a Drought Recovery and Water Capital Surcharge of \$1.00 per unit of water sold. The intent of the surcharge is to collect sufficient revenue to fund capital projects that the District has committed to complete. Tying the charge to consumption continues to encourage conservation.

"Our customers have done a fantastic job conserving water in response to the historic drought. An unintended consequence of conservation is the resulting loss of revenue for the District," said Brian Lee, SLVWD General Manager. "The District receives revenue that is adequate to cover the cost of delivering water to our customers daily. However, because of the drought our projected revenues no longer cover costs associated with critically important capital projects

that increase fire protection and disaster preparedness, as well as fix leaking tanks and sustain watershed health.”

### **Proposed Rate Increases**

Each unit of water sold would be assessed a \$1.00 Surcharge. A unit of water is 748 gallons. An average household in San Lorenzo Valley Water District uses about 4 units of water per month. Therefore an average household would see an additional charge of \$4.00 on their monthly bill identified as the Drought Recovery and Water Capital Surcharge.

### **Proposition 218/Written Protests**

If you have questions or comments about the proposed surcharge or wish to protest, you may:

- Address The Board: Attend the Public Hearing on November 19, 2015.
- Call the District: (831) 430-4625
- Write to the attention of the Board of Directors: San Lorenzo Valley Water District, 13060 Hwy. 9, Boulder Creek, CA 95006

By law, protests against the Drought Recovery and Water Capital Surcharge proposal must:

- Be submitted in writing, identify the property by street address or Santa Cruz County Assessor's Parcel Number
- Include the signature of at least one of the property owners (or tenants who are responsible for paying the monthly water bill)
- Be submitted to the District (by mail or hand delivery) prior to the close of the protest hearing.

A sample protest letter is available on the homepage of the District's website.

If written protests against the proposed Surcharge are filed at or prior to the end of the protest hearing by a majority of the affected property owners, the District Board will not approve the surcharge. Protests received after the hearing closes will not be considered, including protests postmarked prior to hearing date but not received in the mail by the date of the protest hearing. Any protest submitted by email or other electronic means will not be accepted. Only one written protest per parcel will be counted for purposes of determining if there is a majority protest.

### **ABOUT THE SAN LORENZO VALLEY WATER DISTRICT**

The San Lorenzo Valley Water District is located in the mountains of northern Santa Cruz County. The district serves more than 7,500 metered connections. Established in 1941, the district supplies water to the communities of Boulder Creek, Brookdale, Ben Lomond, Zayante, Scotts Valley, Manana Woods and Felton. For more information, visit [www.slvwd.com](http://www.slvwd.com) or [www.facebook.com/slvwaterdistrict](https://www.facebook.com/slvwaterdistrict).

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