

FOR IMMEDIATE RELEASE

October 25, 2013

CONTACT: Jim Mueller, 831-430-4625

RATE INCREASE APPROVED TO FUND EMERGENCY PREPAREDNESS AND WATER SYSTEM UPGRADES

BOARD OF DIRECTORS RESPONDS TO COMMUNITY INPUT, REDUCES PROPOSED RATE INCREASE AND REFERS FACILITIES CONSOLIDATION PROJECT BACK TO COMMITTEE FOR FURTHER CONSIDERATION

BOULDER CREEK, CA—The San Lorenzo Valley Water District today announced its Board of Directors has completed a Proposition 218 Public Hearing for a proposed 5-year series of rate increases to fund capital improvement projects for needed infrastructure repairs, emergency preparedness and a facilities consolidation project. The rate increase as proposed was to be annually over five years 16%, 13%, 8%, 9%, and 9% (average single family user) respectively in each of the five years. In response to public input, the Board instead voted unanimously to remove the facilities consolidation project from the proposed rate increase, and phase in an increase over a period of three years. The approved rate increase will include 14% on January 1, 2014; 11% on January 1, 2015; and 11% on January 1, 2016. The Board also approved and directed that at least 120 days prior to the January 1, 2015, and January 1, 2016, scheduled implantation dates, the Board shall seek public input and consider at a public meeting whether the full amount of the approved rate increase is necessary, or whether a lesser rate increase should be implemented.

The Public Hearing was attended by over 200 people, 36 of whom addressed the Board during the public comment period of the hearing. Per the provisions of Proposition 218, the District received 2,781 non-validated letters of protest, which is approximately 900 short of the required 50%+1 of property owners that would be needed to prevent the Board of Directors from approving a rate increase.

Projects & Activities Funded by the Approved Rate Increase:

Emergency Preparedness

Preparing for and coping with emergencies, such as fires, mudslides and earthquakes, is a fact of life in the San Lorenzo Valley. Funds provided through the rate increase plan will support key emergency preparedness strategies including:

- Pipeline repairs and upgrades that will increase “fire flow,” which are critical for firefighters.
- Emergency interties to connect four local water systems that are currently stand-alone so that critical backup supplies are available in the event of emergencies.
- Watershed monitoring and maintenance to prevent fires and other emergency situations.

System Upgrades & Repairs

Much of the District's water system is 72 years old. Funds provided by the proposed rate increase plan will support repair and replacement of various key infrastructure elements including water storage tanks, wells, mains and distribution lines. Currently, the District's water tank inventory is 75% steel tanks and 25% redwood tanks. The steel tanks suffer from corrosion, which if not addressed can result in tainted water or structural failure. The District's redwood tanks need to be replaced because they are leaking. Current water main and distribution line challenges include low pressure during the summer, frequent leaks and breaks (in some cases up to once per week), and insufficient fire flow available to firefighters.

Watershed and Fisheries Management

The proposed rate increase plan will help to support ongoing watershed projects to protect the environmental health of the local aquifer, fisheries and forested watersheds that supply water to the San Lorenzo Valley. This includes a major project to assess the impacts of District water diversions on endangered fisheries.

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 7,300 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 or www.facebook.com/slwaterdistrict.

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