

May 5, 2006

Davenport socked by water rate surge — bills to jump

BY GWEN MICKELSON

SENTINEL STAFF WRITER

DAVENPORT — The proverbial glass is looking half full for Davenport residents and business owners who are struggling to figure out how to find \$600,000 to pay for a state-mandated — but unfunded — upgrade to the town's water system. Davenport school children are drinking bottled water, restaurants are looking at costly options to get their water supply up to state standards for cooking, washing dishes and serving to customers and residents could see their annual water bill jump by nearly \$500 — along with a nearly \$250 leap in sewer rates — as the water district gets in line with new state policy.

Davenport's water rates will skyrocket nearly 70 percent this year, the result of a state order issued last year to reduce water turbidity and filter recently-discovered health threats — microscopic parasites giardia and cryptosporidium, as well as viruses — from their sources of water. To do so, the Davenport County Sanitation District, a county agency that provides drinking water and sewage treatment in the town, will have to upgrade its system. And it will have to foot the more than half-million-dollar bill — a steep price tag for an agency with only 100 connections.

The rate increase, approved by county supervisors last month, starts in July, and residents will see it on their next property tax bill, which is how water and sewer fees are paid in Davenport.

"We want the water to be good, but without the state allocating any sort of funds, it creates an impossible situation," said Mardi Wormhoudt, 3rd District supervisor, whose district includes Davenport.

The water has not changed — residents have been drinking it for the 20 years the system has been in existence. The state just has more stringent screening standards in place now, requiring more sophisticated systems to clean the water, said Wormhoudt.

The issue has been known for some time in Davenport since the directive to filter Giardia was first issued in the state several years ago, though the Cryptosporidium findings were just last year, according to Jerry LeMoine of the county Environmental Health Department.

The county is applying to the state for grants, but since there are other districts with more pressing needs, the upgrade may have to be paid for by the town's residents, said Wormhoudt.

At the same time, the town is under a "boil order," started last May, because of the new standards, meaning residents have been advised to boil their drinking and cooking water for safety during the winter months when turbidity is so high that it prevents the system from filtering it properly.

"I thought it unfair to raise rates on water while telling people they couldn't drink it," said Wormhoudt. She asked Public Health Department staff to look into how other areas have dealt with the issue, she said.

"We are working with the state to try to come up with the money either through grants or loans or a combination of both to make the improvements," said Wormhoudt. "They know there is nothing to be done without that."

To help residents and businesses, the county began delivering 12 5-gallon bottles of water per month for free during the winter months when storms cause high turbidity.

The town's school, 102-student Pacific Elementary, also began receiving bottled water after initially buying all of its water itself at a cost of \$140 a month, according to Noel Bock, business manager for the school.

When Pacific Elementary's next property tax bill arrives, the water portion will have risen from the \$3,784 the school paid this year to \$6,828, according to Principal Sharon Smith. The money will have to come from the fund that also pays for teachers' salaries, utilities and repairs, she said.

"We want to make sure our students have healthy water and we're following the laws, but it's certainly not something we want to do," said Smith.

The town's restaurants have also been informed that they need to meet state water quality standards during the time of year the boil order is on. One option for restaurants is to install their own water purification system, which is what the owners of the former New Davenport Cash Store plan to do, according to co-owner Renee Kwan, who bought the restaurant with other investors last year and is renovating it.

The water purification system will be a \$45,000-\$60,000 investment, said Kwan.

"It's a tremendous burden," she said.

As soon as water turbidity is down to an acceptable level, the district can begin treatment that includes increased contact time with chlorine and a boosted chlorine level, according to LeMoine. Two weeks after that, the boil order can be lifted, he said.

But the town will still need to upgrade its system. To do that, residents, businesses and the town's school will have to pony up, not just to pay off an expected low-interest loan

from the state but to create a capital reserve, one of the state's requirements for offering a loan.

For Davenport residents such as Pacific Elementary's Bock, the water and sewer rate hike just means more belt-tightening. She and her family will somehow figure out how to absorb the cost, she said, but she worried about seniors or others on low or fixed incomes.

"I'm sure it will be crushing for a lot of people."

Contact Gwen Mickelson at gmickelson@santacruzsentinel.com.

Rising water rates

The following rate hikes for the Davenport sanitation district to pay for water system upgrades are estimates based on the assumption the county will secure a low-interest loan from the state.

- Sewer rates for all will increase 26 percent.
- Residential water fees, which are billed through homeowners' property taxes, will rise 69 percent, from \$713.34 per year to \$1,201.92.
- Commercial and school water fees will rise 70 percent, from \$213.32 plus \$4.17 per hundred cubic feet of water to \$335.20 plus \$7.22 per hundred cubic feet.

May 18, 2006

A new way to protect the sandhills

BY ROGER SIDEMAN

SENTINEL STAFF WRITER

The Mount Hermon June beetle is a shy, brownish bug, spending most of its life underground. The endangered beetle is not intentionally hiding, but some developers and homeowners wish it would.

The beetle has been the subject of intense local interest because its federally protected status has been an obstacle to people wanting to build home additions, swimming pools and even small decks and porches.

Property owners and the June beetle both may soon get relief through a new industry built around a legal entity called a conservation bank. The proposed conservation bank would be a new way of securing habitat for the beetle and other species on the brink of extinction in the Santa Cruz sandhills — a rare ecosystem that stretches from Bonny Doon to Felton.

If it gains approval, the system would set aside large tracts of undeveloped land and then sell portions of that land called "credits" to property owners who want to build in less sensitive sandhill habitat.

Environmentalists are concerned that a lot of development has been going forward in the sandhills without adhering to the Endangered Species Act.

"It's good that the conservation bank will give people a way of doing the right thing," said Patricia Matejcek, chair of the Sierra Club's local conservation committee.

She and others, including former Santa Cruz Mayor Celia Scott, hope the conservation bank will be approved by the U.S. Fish and Wildlife Service by the end of the month.

Recognized as one of the rarest ecosystems in the United States, the Santa Cruz sandhills cover 4,000 acres from the Bonny Doon Ecological Preserve to privately owned sandy ridges in and around

Felton, Ben Lomond and Scotts Valley. Their unique combination of sandy soil and moist climate have led to the evolution of seven species found nowhere else on the planet.

With the exception of Quail Hollow Ranch, a county park, most of the sandhills are in private hands. Homebuilding is considered the biggest threat to the ecosystem, said Jodi McGraw, a biologist and president of the Sandhills Alliance for Natural Diversity.

Under the current system to preserve sensitive habitat, federal and state law require the owner of land that is home to an endangered species to set aside a portion of their property then convince the government that it is adequate before being allowed to develop. It is a lengthy and costly process that has resulted in a scattering of small protected plots.

"People are developing where habitat is already more fragmented, essentially creating mini-ecological reserves in everyone's backyard," said Jeff Ringold, an open space advocate who works as a consultant for the Zayante Sandhills Conservation Bank.

Under the proposed system, a conservation banker — in this case a private investment group — buys a large tract of habitat for endangered species. The banker makes a legal commitment to manage the land in perpetuity and performs the legal and biological work needed to win government approvals.

Then a homeowner or developer goes to the conservation bank and writes a check, paying it to set aside a certain number of square feet or acres to offset the land they are required to protect.

The first sandhill preserve is a 23-acre parcel to be sold to landowners for \$6 per square foot in credits, said Ringold. At that rate, the property, just west of the Cemex sand quarry between Felton and Ben Lomond, could be worth \$6 million to the conservation bank's investors depending on the demand to develop on sandhill habitat nearby.

Felton-area resident Kathleen Lanctot is one of the bank's first customers. Although the conservation bank hasn't gotten final approval, she paid \$4,300 to the bank's private managers, frustrated with a long wait for approval to remodel her house. The federal

government said pouring a new foundation for her house would hurt the roots of trees that the June beetle calls home.

"I called the U.S. Fish and Wildlife Service for an entire year waiting for them to get their stuff together," said Lanctot.

County officials have said they can foresee enough building for developers to offset at least the initial 23-acre property using credits, but not much more. More than 300 additional acres of sensitive habitat are being eyed for protection by the Sandhills Alliance for Natural Diversity.

Last year, the public agencies responsible for monitoring the banks' performance also got something new to think about. One big California conservation bank filed for bankruptcy, raising doubts about whether the gnatcatcher and other species on the bank's 4,340 acres will enjoy the protections for which the developers paid.

Wayne White, supervisor of the U.S. Fish and Wildlife Service's Sacramento office, said in February that the government learned a lot from the bankruptcy. He said state and federal wildlife agencies have developed computer software that will help them monitor the banks' financial performance, including whether they charge enough to protect species into perpetuity.

Contact Roger Sideman at rsideman@santacruzsentinel.com.