



Notice of Public Hearing on Proposed Wastewater Rate Increases

Dear Property Owner:

The City of Scotts Valley provides wastewater collection, treatment, and disposal service to the community. This notice is being sent to inform you that the City is proposing to increase wastewater rates over the next three years. The City will hold a public hearing on the proposed rates as follows:

Date: Wednesday, August 16, 2017
Time: 6:00 PM
Place: City of Scotts Valley City Council Chambers
 1 Civic Center Drive
 Scotts Valley, CA 95066

WHY ARE WASTEWATER RATE INCREASES NEEDED?

City relies primarily on revenues from wastewater service charges to operate the wastewater system and fund critical capital investments to keep the wastewater system in good operating condition.

The proposed rate adjustments are needed to pay for increased operating costs, fund capital improvement needs, and align rates with the cost of providing service.

In particular, Scotts Valley has an aging wastewater collection and treatment system and needs to invest more in replacement of aging equipment and systems. Approximately \$2.2 million in high priority upgrades are part of the City's Five-Year Capital Improvements Program. The City will also be conducting an assessment of the entire sewer collection system to identify and prioritize long-term capital improvement needs.

PROPOSED WASTEWATER RATES

The City is proposing to phase in a series of three wastewater rate increases over the next three years as shown in the table below. The first rate increase will be effective **Friday, September 1, 2017**. Residential customers will be charged a flat monthly rate collected on the property tax roll. Commercial and industrial customers will pay usage-based charges based on customer class and metered winter water consumption, subject to a minimum monthly charge. Commercial and industrial charges are billed according to three customer classes based on wastewater strength including Low, Medium, and High strength. (See Attached **Commercial Classifications Based on Strength** for an indication of which types of businesses are included in each class)

	Current	2017/18	2018/19	2019/20
<u>Single Family Residence</u>				
Increase %		15%	15%	15%
Flat Monthly Fee	\$30.57	\$35.16	\$40.43	\$46.49
(Low- Income)	\$26.90	\$30.94	\$35.58	\$40.91
<u>Multi-family Residential</u>				
Flat Monthly Fee	\$21.41	\$24.62	\$28.31	\$32.56
(Low-Income)	\$18.84	\$21.67	\$24.92	\$28.65
<u>Mobile Home</u>				
Flat Monthly Fee	\$20.40	\$23.46	\$26.98	\$31.03
(Low-Income)	\$17.95	\$20.64	\$23.74	\$27.30
<u>Commercial and Industrial</u>				
Monthly Minimum Fee	\$30.57	\$35.16	\$40.43	\$46.49
<u>Charge per 100gal - Uniform Rate</u>	\$0.79			
<u>Charge per 100gal - With Strength Factor</u>				
Low		\$0.63	\$0.73	\$0.84
Medium		\$0.84	\$0.97	\$1.11
High		\$1.08	\$1.24	\$1.43

Commercial Classifications Based on Strength:

Low Strength	<ul style="list-style-type: none"> Banks & Financial Institutions Barber Shops/Hair Salons (hair cutting only) Post Offices/Government Retail Stores Libraries Schools Churches, Halls & Lodges
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Medium/Commercial/ Domestic Strength	<ul style="list-style-type: none"> Appliance Repair Beauty Shops (hair cutting w/additional treatments) Dry Cleaners Nail Salons Pet Groomers Commercial Laundromats Bars & Taverns Tasting Rooms Breweries (with Pretreatment) Hospitals - General, Convalescent & Veterinarian Hotels, Motels, B&Bs, and Vacation Rentals Offices - Business and Professional Offices - Medical/Dental Pools with Restrooms (Clubhouse) Theaters Warehouses Car Washes High Tech Medical Manufacturing Light Manufacturing/Industrial Gym or Health Club Machine Shops Service Stations, Garages, Auto Repair Shops Mini Marts - W/O Dish Washer or Garbage Disposal Mini Mart with Gas Pumps - W/O Dish Washer or Garbage Disposal Spa with Various Beauty Treatments Parking Garages
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High Strength	<ul style="list-style-type: none"> Restaurants Coffee Shops Ice Cream Parlors Catering Eatery Bakeries Butcher Shops Fish Market/Shop Markets - with Dish Washer or Garbage Disposal Markets - with Bakeries or Butcher Shops Mini Marts - with Dish Washer or Garbage Disposal Breweries (without Pretreatment) Wineries Market Dairies (milk producers, yogurt, ice cream maker) Specialty Foods Manufacturing (e.g., cheese or olive oil maker)

Source: Based on State Water Resources Control Board's Revenue Program Guidelines for Wastewater Agencies

HOW TO SUBMIT A WRITTEN PROTEST

Property owners and customers may file written protests against the proposed rate increases. Pursuant to California law, protests must be submitted in writing or electronically and must 1) identify the affected property or properties, such as by address, Assessor's Parcel Number, or customer account number, 2) include the name and signature of the customer or property owner submitting the protest, and 3) indicate opposition to the proposed wastewater rate increases. The proposed rates cannot be adopted if written protests are received from a majority of affected parcels with one written protest counted per parcel. Written and signed protests can be mailed to: City of Scotts Valley, Wastewater Rate Protest, One Civic Center Drive, Scotts Valley, 95066 or submitted to the City at City Hall, located at One Civic Center Drive located in Scotts Valley. Written and signed protests may also be emailed to cityhall@scottsvally.org. All written protests must be submitted prior to the close of the Public Hearing on **Wednesday, August 16, 2017**. For additional information regarding the proposed increase, call the City of Scotts Valley Public Works Department at (831) 438-5854.