

Water Supply - 1990

Local

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Water-rate hike joins list of other utility jumps

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SANTA CRUZ — Last summer the City Council hiked garbage rates. Last month it boosted sewage rates. Coming soon will be a water-rate increase.

"Utility rates used to be a relatively small part of a household or business budget. Unfortunately, that's not the case anymore," said City Manager Dick Wilson.

If the council approves water-rate hikes, the total bi-monthly bill for all city utilities could top \$90 for a single-family home. That would be more than a 40 percent increase over last year, when the same services cost \$64 and change.

Rate hikes for sewage and garbage, Wilson said, were necessary because of federal and state regulations which have greatly increased the city's costs of processing waste.

The city faces further major sewage-system upgrades that will keep customer bills growing in 1991 and '92.

Upcoming water-rate increases will be the direct result of five years of drought. Since the Water Department's income is tied to the amount of water it sells to its customers, when there is mandatory rationing, that income falls sharply.

Last summer, customers reduced consumption by 40 percent. Mandatory rationing is expected again this summer.

When the council set a schedule for those future rates last month, Mayor Jane Yokoyama worried about the effect on low-income residents and those living on pensions, who are already stretched thin just trying to pay escalating gas and electricity costs.

"There are people making only \$600 a month on SSI or AFDC who will be facing utility costs of \$200," Yokoyama said Thursday. "I'd like to know how they are going to survive."

Yokoyama asked the Public Works Department about the possibility of sending out city utility bills monthly, saying monthly bills might help residents budget better.

That question may be raised again next month when the council is asked to boost water rates. Water bills also are sent out bi-monthly.

Monthly billing would be costly, said Water Department Director Bill Kocher. He said his department would need more meter readers, billing clerks and customer service representatives.

The question the council would have to ponder is whether the ben-

efit of monthly billing outweighs the additional cost.

Not only will city residents pay more for less water, so will residents of Pasatiempo and Live Oak who are served by the city system. In fact, they'll pay more since non-resident rates are higher. So while the rate for a single-family home inside the city could go from \$25.88 every two months to \$37.93, the rate for non-city residents could go from \$34.46 to \$48.42.

In addition, a 7 percent utility tax recently passed by the Board of Supervisors will go into effect in the unincorporated area March 1.

A Live Oak resident's bill for sewer, water and garbage, with the tax, could be \$113 or more when the water hike goes into effect.

Santa Cruz and Watsonville city residents pay a 6 percent tax on their utilities. Scotts Valley resi-

dents voted down the idea of a utility tax in the last election.

Even without a surtax, Scotts Valley residents pay higher on the average for their utilities than do residents of Santa Cruz or Live Oak. The average bi-monthly bill for water, sewer and garbage there is \$133.

The average bi-monthly bill for similar service in Watsonville is \$68.66.

The rate hikes are affecting businesses in a big way. The recent sewage hike, for example, raises

the fees for a 100-seat restaurant from \$141 to \$251 per month.

The proposed water hike would boost the bi-monthly rate for a large industrial user, such as the Lipton plant, from \$3,433 to \$5,428.

No one is exempt. UC Santa Cruz faces an increase of \$73,000 in its sewage bill from February through June. Overall, the campus needs to come up with \$545,000 to deal with increased utility charges, a whopping winter heating and inflation, in general, for the remainder of the school year.