

Directors say water rates are still a bargain

By BILL AKERS

When their water bills go up starting July 1, residents in the Soquel Creek County Water District can take some comfort in the fact they'll still be getting the cheapest water in the county except for those who live inside the city of Santa Cruz.

Directors of the water district have not yet taken action to raise the water rates, but at a board meeting Monday night they studied a sheaf of statistics supporting such an increase. There's little doubt it will occur, for the district has been forced into it by two factors — inflation and a non-existent market for capital improvement bonds.

The board will meet again in two weeks, at which time it is expected the directors will take the first steps toward raising the rates so the district can go ahead with its plan to develop new sources of water, which involves a major capital improvement program.

Before the rates can be raised, the board must develop an environmental impact report and hold a public hearing on the new rate structure.

In presenting the statistics to his board members, District Engineer-manager Robert Johnson said at least a 20 percent increase in the district's bi-monthly service charge paid by all users, is necessary because of inflation.

At present, that bi-monthly charge is \$2.80 for small users — single family homes. This would go to \$3.36 if a 20 percent increase is approved.

In addition, Johnson said, an increase of 40 percent in the cost of the water itself is needed if the district is to proceed with its capital improvement program. That would hike the cost of water for a small user from 56 cents per 100 cubic feet (Ccf) to 78 cents. The increased revenue, combined with current reserves, would enable the district to spend \$1 million a year on the capital improvement program for the next four years, during which time the district hopes the bond market will improve. The district could spend \$1.25 million a year for capital improvements for three years before other financing would be needed, Johnson told the directors.

Johnson also supplied the directors with figures comparing the cost of water service in the Soquel Creek County Water District with the costs in other major districts in the county.

According to his survey, the average small water user in the Soquel district pays about \$9.50 per month for water, or \$114 a year.

In the Central Santa Cruz Water District, a district with 600 customers on the western edge of Watsonville, the figures are \$17.25 a month and \$207 a year. That district has increased its rates effective June 1, driving the cost to \$20.29 a month and \$243 a year for the average customer.

In Scotts Valley, the figures are \$19.21 and \$230; and in the San Lorenzo Valley, \$22.60 and \$271.

People living on the outskirts of Santa Cruz, but using city water, are charged double the in-city rate. Their average cost, as computed by Johnson, is \$17.37 a month and \$208 a year. The cost to in-city users would be half that.

Also being contemplated by the Soquel district is a drastic increase of storage and transmission fees, a levy paid by builders for new connections. At present, this cost is \$780 per connection. Under the proposal being considered, this would fall somewhere in the range of \$1,155 to \$1,770. Where it falls depends upon what method the district chooses to retrieve winter surplus water from either, or both, Soquel and Aptos Creeks. The costs for getting this water range from \$3.4 million to \$12 million.

The principal reason the district is considering raising the water rates is the failure to sell \$1.75 million worth of capital improvement bonds earlier this year. The bonds did not sell because no one wants to buy 8 percent revenue bonds in times when short term investment certificates will return as much as 15 percent.

Because the bonds didn't sell, the district could not proceed with its capital improvement program — which is aimed at developing new water sources and upgrading the system to handle anticipated growth — except on a pay-as-you-go basis. To do this meant having to increase the district's revenue from the sale of water.

It is Johnson's plan for the district to proceed on a pay-as-

you-go basis for three or four years, in the hopes the bond market will improve and the bonds can be sold.

The board member's disappointment over the failure of the bond sale was not assuaged in the least Monday night when they had to authorize the payment of \$12,133 to their financial consultant, Stone and Youngberg of San Francisco for the cost of preparing and offering the bonds for sale.

The board also had confirmed what it already knew — that the development of a new water source on Aptos and Soquel Creeks by the use

of Ranney collectors is not feasible. A Ranney collector is a method whereby perforated pipes are installed in the gravel bed of a creek or other water source to collect subsurface water. The Ranney company had spent three weeks testing sites along the two creeks, and came to the conclusion the geology was not suitable for the Ranney system to work. For that information, the directors had to pay out another \$15,000 Monday night.

The directors also learned from their engineering consultant, Montgomery Engineers, represented

Monday night by Mark Moser, that an alternate to the Ranney System, called an infiltration gallery collector, would also probably not work. In this system, a cement "gallery" is built in the steam bed and filled with gravel to act as the collector.

Moser said the most likely solution would be "direct diversion," whereby a dam is built across the creek and the water collected in that manner. The best place to do this, he said, would be near the proposed Glenwood dam site. By putting it there, he said, the water treatment plant and water conduits that would

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have to be build could ultimately be used when the Glenwood dam and reservoir is developed. He put the cost at somewhere between \$3.4 million and \$12 million.

The board asked Moser to come back with an estimate of how much it will cost to study the matter.

The board took a major step Monday night toward solving its overdraft problem. A recent study indicated more water is being pumped out of the underground supply than is going back in by natural recharge. This amounts to about 1,200 acre feet each year.

Monday night, the directors authorized Johnson to send a letter to the city of Santa Cruz, asking to buy winter surplus water during the period from November to June. This is water that would flow out to sea from the San Lorenzo River. Johnson said the

district could probably buy the water "a bit below or very near" the in-city water rate charged by Santa Cruz. By buying this surplus water, the Soquel district could shut down its pumps during those months. That, and an agreement by Santa Cruz to shut down its pump that pulls from the same underground

basin, would about erase the overdraft, Johnson said.

The board also authorized Johnson to write the California Department of Water Resources asking that agency to submit a proposal for the development of a groundwater monitoring program "for the protection and proper utilization of the

sub-basin."

And in another matter which dealt with the development of the water supply, the directors authorized an agreement calling for the purchase of the proposed Glenwood dam site at a cost of \$188,398 for the 132 acres of land, and \$56,250 for the timber on it.