

Why Are Rate Increases Needed?

A 2018 Santa Cruz Wastewater Treatment Facility Infrastructure and Major Equipment Study concludes that staff have followed proactive maintenance strategies and maintained the facility in good working order. Nonetheless, the study notes that in order to maintain many of the plant's 2,000+ assets, several hundred of them will require replacement during the next 5 years.

Currently the City spends about \$2 million per year to replace equipment at the Wastewater Treatment Facility. Over the next 5 years, the Infrastructure and Major Equipment Study estimates needed expenditures at \$4 million to \$6 million annually. The proposed new rates reflect this increase as we continue to reinvest in the Wastewater Treatment Facility. As the treatment plant is a regional facility, City rate payers will fund approximately half of these costs.

The City will also need to continue to spend approximately \$1.5 million annually to replace sanitary sewer pipes that are showing wear and tear.

The proposed rates also include increases in the cost for labor, materials, energy, and outside services estimated at 3% per year.

In order to maintain the Wastewater Treatment Facility and wastewater collections system and protect the essential quality-of-life service that they provide, the wastewater rate increase is required.



Proposed Wastewater Rates

All rates are determined on a cost-of-service basis. Volume of wastewater generated, along with the difficulty to treat, determines the rate.

Date new rate will appear on bill	July 1, 2019		July 1, 2020		July 1, 2021		July 1, 2022		July 1, 2023	
Percent Increase	7%		7%		7%		6%		6%	
Customer Classification	Flat Fee/ Month	Quantity Rate \$/CCF	Flat Fee/ Month	Quantity Rate \$/CCF	Flat Fee/ Month	Quantity Rate \$/CCF	Flat Fee/ Month	Quantity Rate \$/CCF	Flat Fee/ Month	Quantity Rate \$/CCF
Residential										
Single Family	\$50.50		\$54.00		\$57.80		\$61.30		\$65.00	
Multi-Family, per dwelling unit	\$41.30		\$44.20		\$47.30		\$50.10		\$53.10	
Low sewage producer, per dwelling unit	\$29.70		\$31.80		\$34.00		\$36.00		\$38.20	
Business										
Low Strength	\$32.40	\$3.79	\$34.70	\$4.06	\$37.10	\$4.34	\$39.30	\$4.60	\$41.70	\$4.88
Medium Strength	\$54.70	\$3.88	\$58.50	\$4.15	\$62.60	\$4.44	\$66.40	\$4.71	\$70.40	\$4.99
High Strength	\$107.90	\$8.41	\$115.50	\$9.00	\$123.60	\$9.63	\$131.00	\$10.21	\$138.90	\$10.82
Hotel / Motel	\$54.70	\$3.94	\$58.50	\$4.22	\$62.60	\$4.52	\$66.40	\$4.79	\$70.40	\$5.08
Other										
Industries—General	\$185.30	\$5.21	\$198.30	\$5.57	\$212.20	\$5.96	\$224.90	\$6.32	\$238.40	\$6.70
UCSC	\$51,994.60	\$8.29	\$55,634.20	\$8.87	\$59,528.60	\$9.49	\$63,100.30	\$10.06	\$66,886.30	\$10.66

Residential Rates

Residential rates are flat fees. They do not change from month-to-month. Although a flat rate is used, the rate is based on the average amount of sewage generated by that user type.

Low Sewage Producer = Low Rate

To qualify as a residential "low sewage producer," the customer—whether multi- or single family—must have an average water use of 2.25 CCF (or less) per dwelling unit during four of the five service periods from December to April with the highest use month deleted from the average. (1 CCF = 100 cubic feet or 748 gallons.)

Check your most recent utility bill to determine if you are a "low sewage producer." If your rate is \$27.80 (and not the regular \$38.60 or \$47.20 service charge), you are currently a "low sewage producer."

You must qualify each May for the low rate based on the formula above. The City reviews all utility bills and automatically enrolls those who qualify for these low rates.

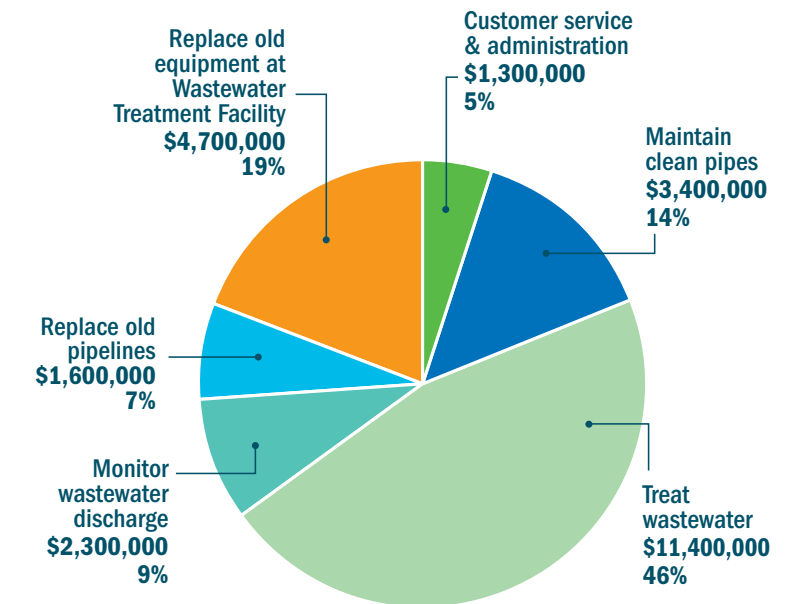
Commercial Rates

All commercial users are charged a flat monthly fee plus a quantity charge based on water use. The rate is reduced to reflect the amount of water used for irrigation. For businesses, it is assumed that 20% of the water used is for irrigation.

What Will Your Monthly Increase Be on July 1, 2019?

User Type	New Monthly Rate	Compare Santa Cruz County Sanitation District Monthly Rate (including Live Oak, Capitola, Soquel & Aptos)
Single Family	\$50.50	\$65.25
Multi-Family	\$41.30	\$56.40
Low Sewage Producer	\$29.70	N/A

What the Rates Pay For:



BEST IN STATE

The Wastewater Treatment Facility received 2013 Best in State Plant of the Year Award from the California Water Environment Association and achieved second place for the same honor in 2017. This recognition acknowledges exceptional achievement among California medium-sized treatment plants and collections systems based on a review of infrastructure, management practices and compliance records. The plant has also received many regional awards.



Public Works Department
809 Center Street, Room 201
Santa Cruz, CA 95060
www.cityofsantacruz.com



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Public Works Department Prop. 218 Notice Proposed Rates February 2019



Environmental Stewardship

The Santa Cruz Wastewater Treatment Facility produces 68% of the energy it uses—this saves our customers money and helps to reduce the City's carbon footprint. The plant generates green power from on-site biogas and solar energy systems that generate electricity. These energy-saving achievements have earned us recognition as an Environmental Protection Agency Green Power Partner.

The daily plant flow of about 10 million gallons is enough to fill over 15 Olympic-size pools. Five million gallons are generated within the City and the remainder comes from the Santa Cruz County Sanitation District including Live Oak, Capitola, Soquel and Aptos. About 140,000 gallons of this water is further treated and recycled for use inside the facility each day.

The treated water that is not re-used on site is released through an ocean outfall pipe approximately 1 mile off shore of Natural Bridges State Beach and far below the ocean's surface. The plant's state-of-the-art treatment ensures that the water entering Monterey Bay is safe and clean for all forms of life.

Environmental stewardship extends further as centrifuges remove water from biosolids which are then transported to the Central Valley for use as soil amendment on non-food crops.

Maintaining Our Wastewater System

Each day people in the City of Santa Cruz generate approximately 5 million gallons of wastewater from sinks, showers, toilets, washing machines and dishwashers. It flows from homes and businesses through the wastewater collections system that is made up of 160 miles of pipe to the award-winning Wastewater Treatment Facility. In maintaining this collections system, City crews annually clean nearly 100 miles of pipeline and replace up to 5,000 feet of old pipe. They constantly service 21 pump stations.

Upon arrival at the Wastewater Treatment Facility, an environmentally-friendly process is used to treat the wastewater to secondary standards meeting all regulatory requirements. Operating equipment includes pre-aeration grit removal tanks, sedimentation tanks, trickling filters, anaerobic digesters, secondary clarifiers, centrifuges and an ultraviolet disinfection system. This complex processing system requires continual service.

In order to maintain the Wastewater Treatment Facility and collections system that provide our community with an essential quality-of-life service, the City of Santa Cruz Public Works Department is proposing a wastewater rate increase. The new rates will support the replacement of aging treatment facility equipment and sanitary sewer pipes, as well as the estimated annual increase in costs for labor, materials, energy and outside services.



The City of Santa Cruz wastewater collections system consists of 160 miles of pipe supported by 21 pump stations leading to the Wastewater Treatment Facility.



Notice of Public Hearing

The Santa Cruz City Council will hold a public hearing on **Proposed Wastewater Rate Increases**

May 14, 2019 • 7 p.m.
City Council Chambers, 809 Center Street

The public is invited to attend the public hearing to comment on the proposed increases.

Written comments or protests: Submit by May 14, 2019

Mail or hand deliver:
Santa Cruz Mayor and City Council
809 Center Street, Room 10, Santa Cruz, CA 95060

E-mail: citycouncil@cityofsantacruz.com

For more information, contact:
Senior Civil Engineer Steve Wolfman
Public Works Department
swolfman@cityofsantacruz.com
(831)420-5428

