



Welcome to the Community Meeting!



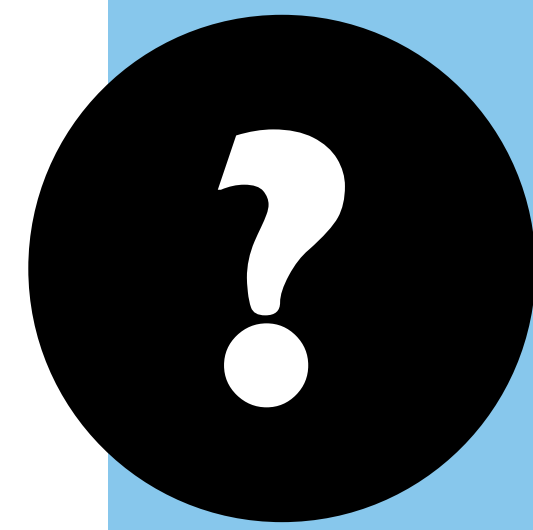
SCOTTS VALLEY
WATER DISTRICT

Why is the District proposing a rate increase?

The Scotts Valley Water District is proposing a rate increase and changes to the rate structure. The rate increase is being considered so the District can fund ongoing operations and replace aging infrastructure. The District has fixed costs that need to be met regardless of customer water demand, including maintenance, upgrades and professional staffing.

What is the anticipated impact to a single-family household?

A median single-family household is currently paying \$91.73 a month for water service, based on 3,600 gallons used in a month. Under the proposed rates, the median household's monthly bill is expected to be \$99.34, an increase of \$7.61.



What annual water rate increases can customers expect in the future?

The Board is committed to evaluating water rates annually and setting rates based only on District needs. The adjacent rate schedule sets the maximum allowable rate. In the past, the Board has implemented lower rates than previously adopted.

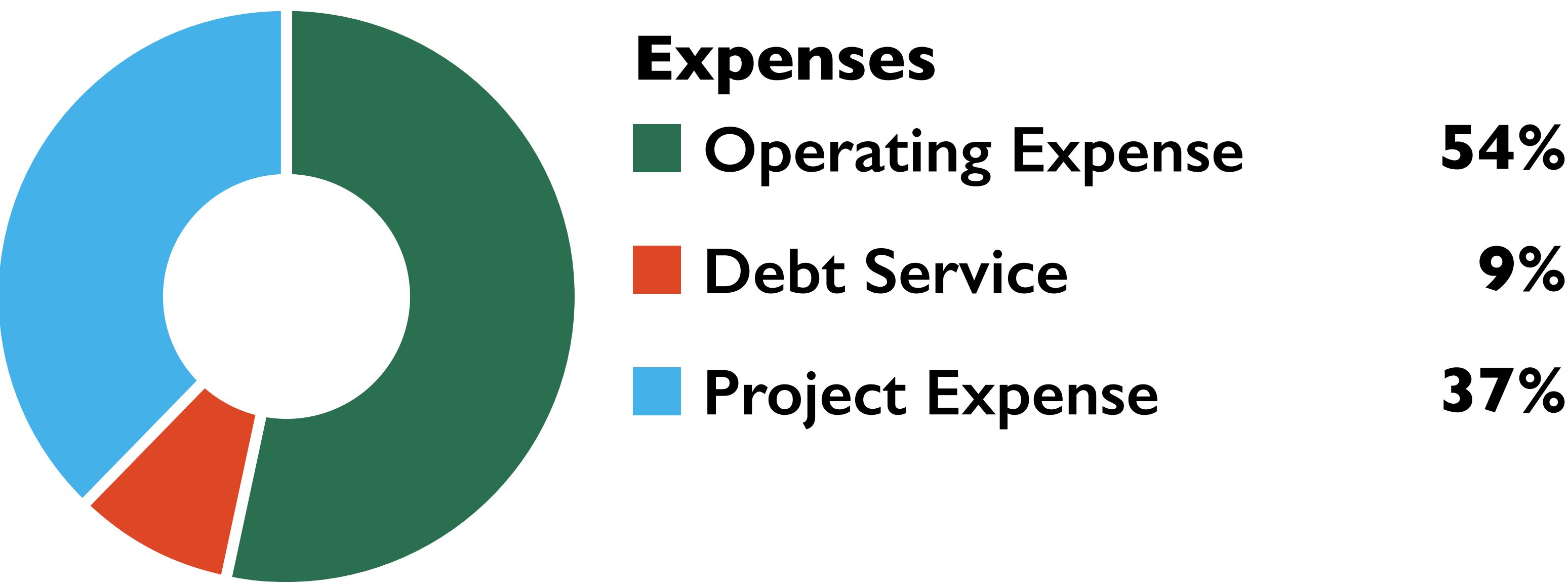


When would new water rates go into effect?

The new rates would be implemented **Jan. 1, 2027**.

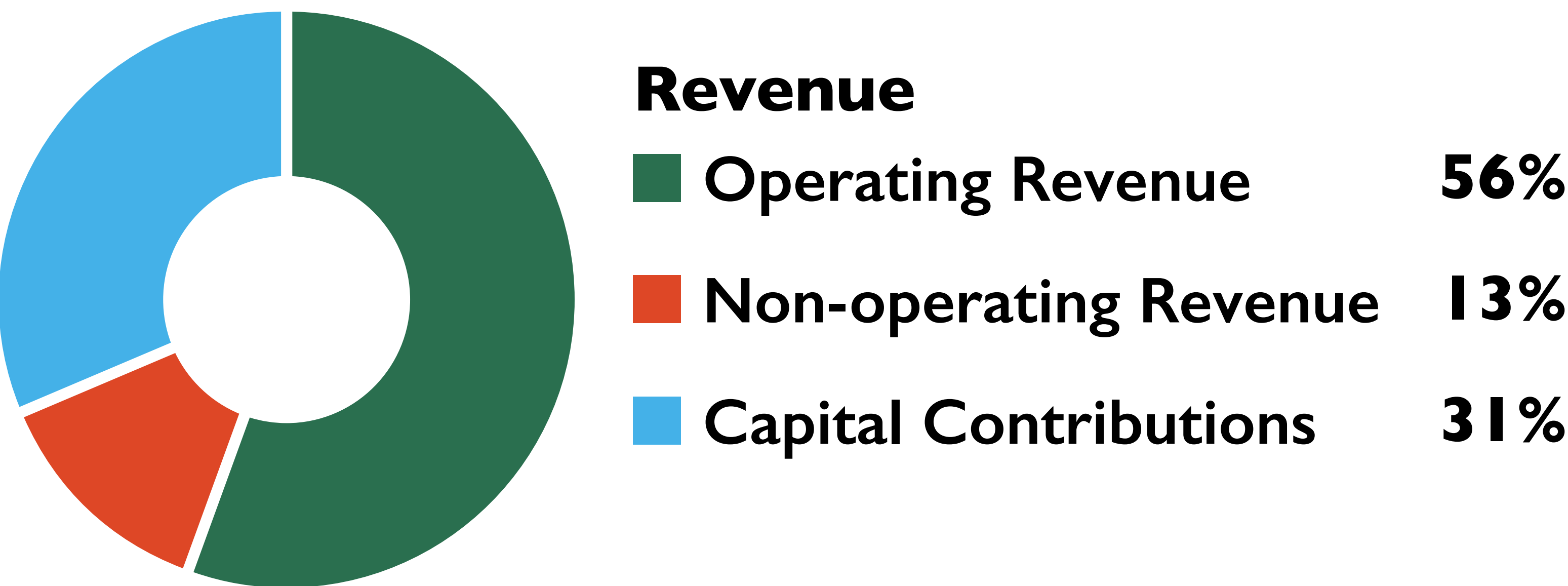
FINANCIAL SNAPSHOT

Expenses Over the Last Four Years



Annual operating expense	\$5.2 - 6.7 million
Annual debt service	\$0.7 - 1.1 million
Annual project expense	\$1.4 - 4.7 million
Total	\$7.3 - 12.5 million

Revenue Over the Last Four Years



Annual operating revenue	\$7.4 - 8.5 million
Annual non-operating revenue (property tax and other)	\$1.2 - 2 million
Annual capital contributions (grants & money paid by developers)	\$0.6 - 4.8 million
Total	\$9.2 - 15.3 million

Proposed Rates	Current FY 2026 (Jan. 2026)	Proposed FY 2027 (Jan. 2027)	Proposed FY 2028 (Jan. 2028)	Proposed FY 2029 (Jan. 2029)	Proposed FY 2030 (Jan. 2030)	Proposed FY 2031 (Jan. 2031)
Monthly Basic Meter Charge						
5/8"	\$52.55	\$55.30	\$58.90	\$62.73	\$66.81	\$71.16
5/8" Rate Assistance (Residential)	\$36.79	\$38.71	\$41.23	\$43.91	\$46.77	\$49.82
5/8" Fire Service (Residential/Commercial)	\$13.90	\$10.99	\$11.71	\$12.48	\$13.30	\$14.17
3/4" (Multi-Residential, incl. Fire Service)	\$66.44	\$66.29	\$70.60	\$75.19	\$80.08	\$85.29
3/4"	\$73.46	\$76.15	\$81.10	\$86.38	\$92.00	\$97.98
1"	\$115.43	\$117.86	\$125.53	\$133.69	\$142.38	\$151.64
1.5"	\$229.81	\$222.11	\$236.55	\$251.93	\$268.31	\$285.76
2"	\$369.92	\$347.22	\$369.79	\$393.83	\$419.43	\$446.70
3"	\$767.76	\$743.41	\$791.74	\$843.21	\$898.02	\$956.40
4"	\$1,357.55	\$1,327.25	\$1,413.53	\$1,505.41	\$1,603.27	\$1,707.49
6"	\$2,706.40	\$2,724.32	\$2,901.41	\$3,090.01	\$3,290.87	\$3,504.78
Potable Volumetric Rates (per 100 gallons)						
Residential Tiered Rates						
Tier 1	\$0.99	\$0.97	\$1.04	\$1.11	\$1.19	\$1.27
Tier 2	\$1.58	\$2.49	\$2.66	\$2.84	\$3.03	\$3.23
Tier 3	\$2.86	\$3.37	\$3.59	\$3.83	\$4.08	\$4.35
Tier 4	\$3.44	N/A	N/A	N/A	N/A	N/A
Non-Residential Uniform Rates						
Commercial/Industrial/Institutional (CII)	\$1.61	\$1.71	\$1.83	\$1.95	\$2.08	\$2.22
Landscape Potable	\$2.65	\$2.31	\$2.47	\$2.64	\$2.82	\$3.01
Recycled Volumetric Rates (per 100 gallons)						
Uniform						
	\$2.01	\$2.11	\$2.19	\$2.27	\$2.35	\$2.44
Qualifying Medical Needs (Residential)						
	\$1.58	\$0.97	\$1.04	\$1.11	\$1.19	\$1.27
Rate Assistance (Residential)						
	\$0.99	\$0.97	\$1.04	\$1.11	\$1.19	\$1.27

PROPOSED

SCOTTS VALLEY WATER DISTRICT RATE INCREASE



Are there changes to the water rate structure?

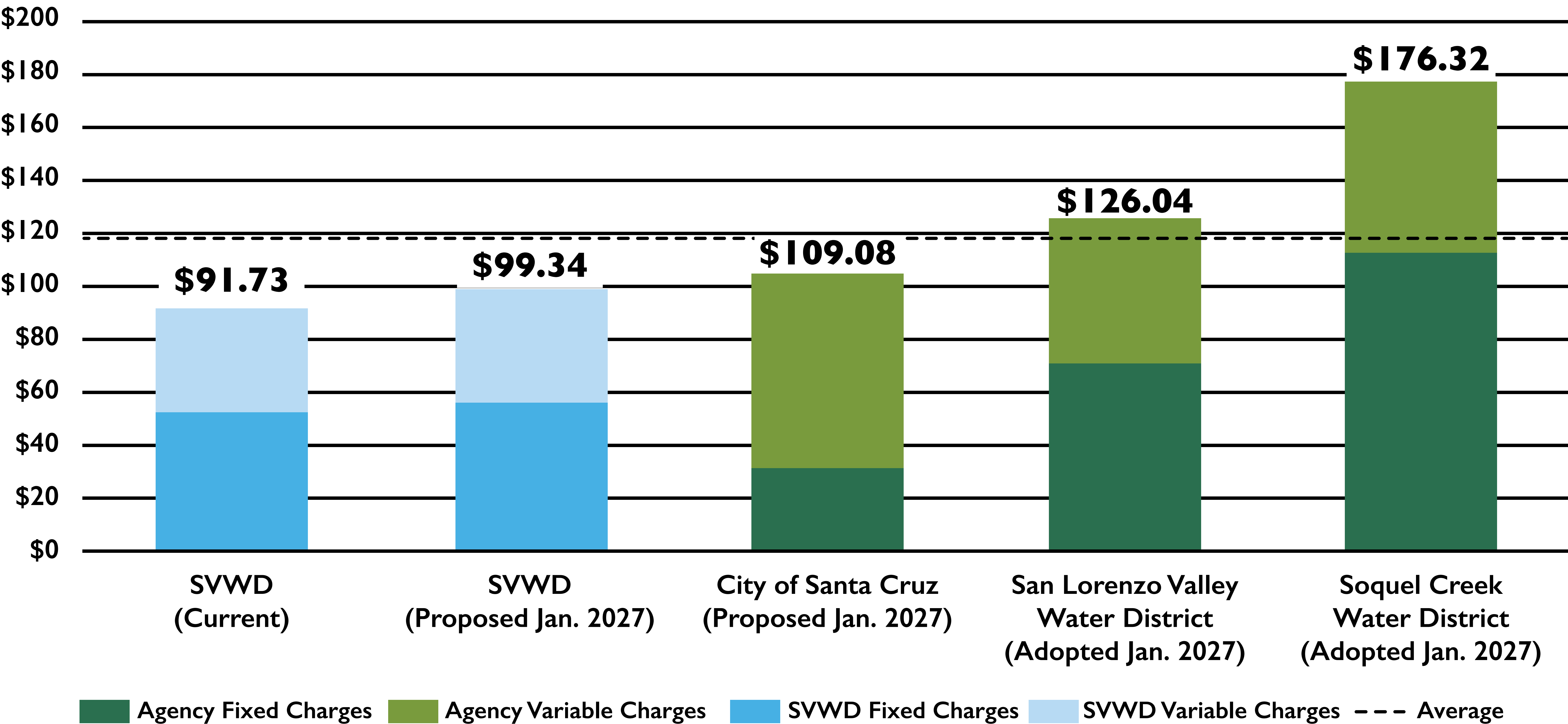
Yes, there are two changes:

- 1. Three Tiers for Residential Volumetric Charges:** The District plans to reduce the number of tiers for Residential customers from four to three beginning in Jan. 2027.
- 2. Discount Program Update:** The District plans to charge both Rate Assistance and Qualifying Medical Needs usage based on the Tier I rate.

Current and Proposed Residential Monthly Tier Allotments

Residential Tiers	Residential Units with Individual Meters (Gal)	Multi-Residential with Master Meters (Gal)	Proposed Residential Tiers (Gal)
Tier 1	0-3,000	0-3,000	0-3,000
Tier 2	3,001-6,000	3,001-3,200	3,001-6,000
Tier 3	6,001-7,000	3,201-7,000	6,001+
Tier 4	7,001+	7,001+	N/A

SINGLE FAMILY RESIDENTIAL MONTHLY BILL COMPARISON



Note: Monthly bills are based on a 5/8-inch meter (most common meter size for single family residential) and 3,600 gallons per month (median water use for single family residential).

PROPOSED SCOTTS VALLEY WATER DISTRICT RATE INCREASE