

SAN LORENZO VALLEY WATER DISTRICT

INITIATIVE MEASURE U

DISTRICT LEGAL COUNSEL'S IMPARTIAL ANALYSIS

Measure U asks voters in the San Lorenzo Valley Water District whether they want to amend District Resolution No. 6 (23/24). The amendment would repeal all fixed water charges except the regular Service Charge and the Private Fire Service Charge. It would also limit future increases to the regular water Service Charge to 2% per year until January 1, 2049.

On February 15, 2024, the District Board of Directors adopted Resolution No. 6 (23/24), which set new water rates. These rates include:

- A fixed monthly water Service Charge
- A fixed monthly Capital Charge
- A fixed monthly Private Fire Line Charge
- A variable monthly rate based on water usage

These rates were adopted to cover the District's operation and maintenance costs, capital replacement and refurbishment costs, recovery from CZU Fire damage, and financial reserves. As required by California law, the rates are based on a rate study conducted by an independent consulting firm that showed the rates reflect the actual cost of providing water service.

On March 8, 2024, a citizen's ballot initiative was proposed to amend Resolution No. 6 (23/24). The initiative aims to repeal the fixed monthly Capital Charge and limit future increases to the regular Service Charge to 2% per year. This initiative gathered enough signatures to be placed on the ballot and was certified by the County Clerk.

If a majority of voters approve Measure U, both the monthly Capital and water Service Charges set by Resolution No. 6 (23/24) will be affected. The monthly Capital Charge is a fixed rate for installing, maintaining, and updating District capital improvements, such as water tanks and mains. It also helps fund rebuilding District water supplies, which were damaged in the CZU fire. These improvements are necessary for the District to provide water. Without the fixed monthly Capital Charge, the District could not proceed with these capital improvement projects unless an alternative funding source is identified.

The monthly water Service Charge is a fixed rate that covers the District's operating and maintenance costs. If future increases to this charge are limited to no more than 2% per year until January 1, 2049, as proposed by Measure U, the District would need additional funds from other sources to continue providing safe, clean, and reliable drinking water.

THE ABOVE STATEMENT IS AN IMPARTIAL ANALYSIS OF MEASURE U. IF YOU DESIRE A COPY OF THE MEASURE, PLEASE CALL THE DISTRICT ELECTIONS OFFICIAL'S OFFICE AT 831-454-2060, AND A COPY WILL BE MAILED AT NO COST TO YOU.