



# SANTA CRUZ COUNTY SANITATION DISTRICT

701 OCEAN STREET, SUITE 410 · SANTA CRUZ, CA · 95060-4073  
(831) 454-2160 · FAX (831) 454-2089 · TDD: (831) 454-2123 · WWW.SCCSD.US  
MATT MACHADO, DISTRICT ENGINEER

AGENDA DATE: MAY 21, 2026

BOARD OF DIRECTORS  
SANTA CRUZ COUNTY SANITATION DISTRICT  
701 Ocean Street, Room 410  
Santa Cruz, California 95060

*Adapted - Resolution 26-01*  
by the  
Board of Directors, SCCSD  
on May 21, 2026  
ATTEST: \_\_\_\_\_  
Secretary

SUBJECT: PUBLIC HEARING - RESOLUTION ADOPTING FISCAL YEAR 2026/27 SEWER SERVICE CHARGES, EFFECTIVE JULY 1, 2026

### Members of the Board:

On March 19, 2026, the Board set today, May 21, 2026, at 4:45 p.m., as the date and time for a hybrid public hearing to hear objections or protests, if any, to the proposed Fiscal Year (FY) 2026/27 sewer service rate increases, and then to consider adoption of the attached resolution setting sewer service charges for the Santa Cruz County Sanitation District (District) for FY 2026/27. After the March 19, 2026, Board meeting, approximately 42,500 notices were mailed to District customers with information regarding the proposed rates and public hearing. Additionally, a newspaper notice was published in accordance with Government Code section 6062(a) announcing today's public hearing.

The proposed FY 2026/27 sewer service charges have been developed by the District's revenue consultant, Hornberger Engineering, based on the District's FY 2026/27 revenue requirements. The District will continue to complete rehabilitation projects as in years past and will contribute approximately \$106 million to capital improvement projects in the next 10 years.

The proposed service charges reflect an overall 7.3% increase above the FY 2025/26 service charges. The largest contributor to the rate increase is an additional \$3.6 million dollars allocated for capital improvements. This is required to address necessary repairs and upgrades to our pump stations and 2.3-mile sewer force main that conveys the District's wastewater to the City of Santa Cruz for treatment. Additionally, a deteriorating sewer main that is in the Caltrans right-of-way near Rio Del Mar must be replaced in a new location outside the right-of-way to accommodate the widening of Highway 1. Besides increases in capital spending, the District's operations and administrative costs are up by 3.5%, which is on par with inflation (San Francisco/Oakland/San Jose Bay Area Consumer Price Index reports a 3.0% increase).

Based on the report developed by Hornberger Engineering, the proposed sewer service charges for FY 2026/27 are listed below:

BOARD OF DIRECTORS, SCCSD

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RESIDENTIAL CUSTOMERS							
User Group <sup>1</sup>	Proposed Charges		Current Charges		Proposed Increase		
	Month	Year	Month	Year	Month	Year	Change (%)
Single Family <sup>2</sup>	\$103.34	\$1,240.08	\$96.28	\$1,155.36	\$7.06	\$84.72	7.3%
Multiple Family <sup>3</sup>	\$88.98	\$1,067.76	\$82.70	\$992.40	\$6.28	\$75.36	7.6%
Mobile Home	\$76.06	\$912.72	\$70.47	\$845.64	\$5.59	\$67.08	7.9%

COMMERCIAL CUSTOMERS AND SCHOOLS							
User Group <sup>1</sup>	Proposed Flat Charge <sup>4</sup>		Current Flat Charge <sup>4</sup>		Proposed Flat Charge Increase <sup>4</sup>		
	Month	Year	Month	Year	Month	Year	Change (%)
All Commercial and Schools	\$40.62	\$487.44	\$37.62	\$451.44	\$3.00	\$36.00	8.0%
User Group <sup>1</sup>	Plus Proposed Volume Charge <sup>4</sup>		Plus Current Volume Charge <sup>4</sup>		Proposed Volume Charge Increase		
					Volume Charge <sup>4</sup>	Change (%)	
Restaurants/Bakeries	\$17.43/HCF		\$16.96/HCF		\$0.47/HCF	2.8%	
Food Processing	\$20.06/HCF		\$20.20/HCF		-\$0.14/HCF	-0.7%	
Convalescent Hospitals	\$14.03/HCF		\$13.20/HCF		\$0.83/HCF	6.3%	
Other Businesses	\$13.53/HCF		\$12.61/HCF		\$0.92/HCF	7.3%	
Schools (Sr. High ADA Basis)	\$47.41/ADA		\$43.85/ADA		\$3.56/ADA	8.1%	
Schools (Elem. & Jr. High ADA Basis)	\$31.65/ADA		\$29.27/ADA		\$2.38/ADA	8.1%	
Schools - Usage Basis	\$13.13/HCF		\$12.15/HCF		\$0.98/HCF	8.1%	
Junior Colleges (FTES Basis)	\$41.77/FTES		\$38.63/FTES		\$3.14/FTES	8.1%	
State Parks	\$13.13/HCF		\$12.15/HCF		\$0.98/HCF	8.1%	
Dominican Hospital	\$14.03/HCF		\$13.20/HCF		\$0.83/HCF	6.3%	
Chaminade	\$17.70/HCF		\$17.48/HCF		\$0.22/HCF	1.3%	

HCF = Hundred Cubic Feet

ADA = Average Daily Attendance

FTES = Full Time Equivalent Status

<sup>1</sup>The District does not apply sewer charges to vacant land or facilities on septic tanks.

<sup>2</sup>Single Family Group refers to houses.

<sup>3</sup>Multiple Family Group refers to condos, townhouses, Accessory Dwelling Units (ADUs) and apartments.

<sup>4</sup>Commercial customers and schools are charged flat rate plus a volume charge.

**Disclaimer:** Rate code assignments are based on the best available data provided by the Assessor's Office, field inspections, and historical data collected by the District. Property owners may contact the District to confirm or update rate codes if there is a concern about accuracy. Call (831) 454-2160 or email: [dpwsanitation@santacruzcountyca.gov](mailto:dpwsanitation@santacruzcountyca.gov).

BOARD OF DIRECTORS, SCCSD

MAY 21, 2026

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After adoption of the attached resolution, staff will place the service charge report on file with the District Secretary of the Board and will also post it on the District's website. This report describes each parcel of real property receiving a service charge and the amount of the charge for the upcoming fiscal year. Sewer service charge reports will be available on, or before, May 28, 2026, which allows for public review at least two weeks prior to the proposed June 11, 2026 public hearing date. As in previous years, the service charge report must be approved by the Board and forwarded to the Auditor-Controller Treasurer Tax Collector by August 10, 2026, to be included on the 2026/27 property tax roll.

It is therefore recommended that the Board of Directors take the following actions:

1. Open the public hearing and hear objections or protests, if any, to the proposed charges;
2. Close the Public Hearing, and upon its conclusion, adopt the attached Resolution setting the FY 2026/27 sewer service charge rates;
3. Set Thursday, June 11, 2026, at 4:45 p.m. as the date and time for a public hearing on the service charge report; and
4. Direct the District Secretary to advertise the attached notice of public hearing in the manner prescribed by law.

Yours truly,  
Digitally signed by:  
  
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MATT MACHADO  
District Engineer

RI/tlp:B2996.docx

Attachments:

- A. Resolution with Exhibit A
- B. Notice of Public Hearing / Charge Reports
- C. Hornberger Engineering 2026/27 Revenue Study
- D. Correspondence Received

Copy to:

Hornberger Engineering  
Renee Inlow  
Fiscal Division

BEFORE THE BOARD OF DIRECTORS  
OF THE SANTA CRUZ COUNTY SANITATION DISTRICT  
SANTA CRUZ COUNTY, STATE OF CALIFORNIA

RESOLUTION NO. 26-01

On the motion of Alternate Director Bertrand  
Duly seconded by Director Koenig

The following resolution is adopted:

RESOLUTION ADOPTING SANTA CRUZ COUNTY SANITATION DISTRICT  
SEWER SERVICE CHARGE RATES, EFFECTIVE JULY 1, 2026

WHEREAS, Santa Cruz County Sanitation District (District) owns and operates a sewer collection system serving portions of unincorporated Santa Cruz County and the City of Capitola; and

WHEREAS, the District desires to operate said sewer collection system in the most efficient and cost-effective manner; and

WHEREAS, Government Code Section 61115 provides that the District may establish, revise, and collect rates and other charges for the services and facilities furnished by it; and

WHEREAS, existing District sewer rates are not adequate to fund the operating, maintenance, and capital improvement costs of the utility; and

WHEREAS, rate adjustments are necessary because the District's sewer utility relies primarily on revenues from service charges to fund the costs of providing service, and therefore sewer rates must be set at levels adequate to fund the costs of operating and maintaining the District's systems to support safe and reliable service; and

WHEREAS, sewer rate adjustments are also necessary to: a) support funding for capital improvements primarily needed to repair, replace, and/or upgrade aging infrastructure; and b) to help keep revenues in line with future cost inflation; and

WHEREAS, the sewer rates to be implemented by this Resolution cover no more than the cost that the District incurs to provide sewer services as detailed in the fiscal year 2026/27 Revenue Study prepared by Hornberger Engineering and presented to the Board on March 19, 2026; and

WHEREAS, in accordance with the requirements of Proposition 218, official notice of the proposed sewer charge rate adjustments and future annual inflationary rate adjustments, and the date, time and location of the public hearing was mailed to each record owner and customer of record, on April 4, 2026, at least 45 days prior to a public hearing scheduled for May 21, 2026; and

WHEREAS, a public hearing was conducted by the Board of Directors on May 21, 2026, at which time all interested persons were afforded an opportunity to be heard on matters pertaining to the proposed and sewer charge rate adjustments and future annual inflationary adjustments, and to submit written protests; and

RESOLUTION NO. 26-01

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WHEREAS, after tabulating the written and not withdrawn protests, it was determined that a majority protest does not exist for the proposed sewer charge rates or future annual inflationary rate adjustments to the sewer rates; and

WHEREAS, the approval of this Resolution is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(8).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the Santa Cruz County Sanitation District that the sewer charge rates, as provided in Exhibit A, attached hereto and incorporated herein by reference, with an annual increase equal to the consumer price index unless changed by Resolution of the Board, are hereby adopted and shall become effective starting July 1, 2026, at which point they will replace previously adopted rates.

BE IT FURTHER RESOLVED AND ORDERED that future rates are subject to annual review by the Board of Directors prior to implementation.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz County Sanitation District, County of Santa Cruz, State of California, this 21<sup>st</sup> day of May, 2026, by the following vote:

AYES: ALTERNATE DIRECTOR BERTRAND AND DIRECTOR KOENIG

NOES: NONE

ABSENT: DIRECTOR DE SERPA AND DIRECTOR CLARKE

ABSTAIN: NONE

*Man Koenig*  
Chairperson of said Board

ATTEST:

*[Signature]*  
Secretary of said Board

Approved as to Form:

DocuSigned by:  
*Justin Graham*  
Office of District Counsel

Attachment(s):  
Exhibit A – Rate Table

Distribution:  
Hornberger Engineering  
Renee Inlow  
Fiscal Division

County of Santa Cruz )  
I the undersigned Secretary of the Board of Directors of the Santa Cruz County Sanitation District County of Santa Cruz, State of California do hereby certify that the foregoing is a true and correct copy of an resolution passed and adopted by and entered in the Minutes of said Board.

In witness whereof, I have hereunto set my hand and placed the seal of the said Board on May 22, 2026  
*[Signature]*

**Resolution 26-01**  
**Exhibit A**  
**2026/27 Rates**  
**Santa Cruz County Sanitation District**

User Group	2026/27 Rates	
	Flat Fee (\$/year)	Volume Fee (\$/HCF)
Single Family	\$1,240.08	
Townhomes & Condominiums	\$1,067.76	
Multiple Family & ADUs	\$1,067.76	
Mobile Homes	\$912.72	
Restaurants/Bakeries/Donut Shops	\$487.44	\$17.43
Food Processing	\$487.44	\$20.06
Hospitals/Convalecent Hospitals	\$487.44	\$14.03
Other Businesses	\$487.44	\$13.53
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41
Schools (Sr. High Usage Basis)	\$487.44	\$13.13
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13
Junior Colleges (FTES Basis) (2)	\$487.44	\$41.77
State Parks	\$487.44	\$13.13
Dominican Hospital	\$487.44	\$14.03
Chaminade	\$487.44	\$17.70

(1) Volume Fee = \$/ADA/year

(2) Volume Fee = \$/FTES/year



### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of Directors of the Santa Cruz County Sanitation District, at its regularly scheduled meeting on June 11, 2026, at 4:45 p.m., at the D.A. Porath Sanitation Facility meeting room, 2750 Lode Street, Santa Cruz, California, and Hybrid for Public Access - Virtual/Teleconference on Zoom: <https://santacruzcounty-us.zoomgov.com/j/1614152657> (Meeting ID: 161 415 2657), Phone: +1 669 254 5252 US (San Jose), will hear public comment and consider all oral and written protests regarding the proposed increase in service charges and collection of same on the 2026/27 tax roll. A copy of said written report containing a description of each parcel of real property receiving sanitary sewage services from the District, and the amount of such charges for each such parcel, will be available for public inspection on or before May 28, 2026, at the Office of the District Secretary, in the Public Works Department, Room 410, Governmental Center Building, 701 Ocean Street, Santa Cruz, California 95060, and on the District's website, under the "Rates and Charges" tab: [bit.ly/cdi-sewer-water](http://bit.ly/cdi-sewer-water)

If you have any questions regarding the contents of the Notice of Public Hearing or the Service Charge Report, please call the District at (831) 454-2160.

BY ORDER OF the Board of Directors of the Santa Cruz County Sanitation District.

Signed: *Terra Prestwidge* Dated: 5/22/2026  
DocuSigned by: Terra Prestwidge  
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Regardless of a person's ability or disability, the Santa Cruz County Sanitation District complies with the Americans with Disabilities Act (ADA). As a courtesy to those persons affected, please attend the meeting smoke and scent free. The Board of Directors' Chambers is located in an accessible facility. You may request a copy of the agenda in an alternative format. If you need special assistance, please contact the District at (831) 454-2160 (TDD/TTY- CALL 711) at least 72 hours in advance of the meeting. If you have a question about an agenda item, please call Sanitation District staff at (831) 454-2160.

Public Hearing.docx

**SANTA CRUZ COUNTY SANITATION DISTRICT**

**2026/27 REVENUE STUDY**



**February 2026**

**Hornberger Engineering**  
San Jose, California

2661 Thrasher Lane • San Jose, CA • 95125 • (408) 264-5029



February 12, 2026

Mr. Matt Machado, P.E.  
District Engineer  
Santa Cruz County Sanitation District  
701 Ocean Street  
Santa Cruz, CA 95060

Subject: Santa Cruz County Sanitation District  
2026/27 Revenue Study

Dear Mr. Machado,

We are pleased to submit this five-year program of sewer service charges for the Santa Cruz County Sanitation District. The purpose of this study is to incorporate the latest costs associated with the District's projects and programs and to project revenue requirements for the years 2026/27 through 2030/31. The study is based on the projected capital costs, operation and maintenance expenses and customer information prepared by the District staff.

This study assumes two bond issues will be issued as part of the District's Capital Improvement Program funding over the next ten years. The first bond issue will be for \$24.0 million in June 2027 to fund seven projects. A second bond issue will be for \$27.0 million in June 2030 to fund four projects. In addition, the District will participate in funding its share of the Electrical Replacement Project at the Wastewater Treatment Plant. The financing for this project is currently under discussion with the City of Santa Cruz.

As a result of this study, the overall fee increase for fiscal year 2026/27 is 7.3%. Proposed fees for the individual user groups are shown in the following table. Increases of 7.7% are projected for the following four years.

We appreciate this opportunity to prepare this revenue study for the Santa Cruz County Sanitation District. Please do not hesitate to contact me if you have any questions or would like any additional information.

Sincerely,

Hornberger Engineering

**Hornberger Engineering**

**Santa Cruz County Sanitation District  
Proposed 2026/27 Fee Increases**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalencent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

(1) Volume Rate = \$/ADA/year

(2) Volume Rate = \$/FTES/year

## **SANTA CRUZ COUNTY SANITATION DISTRICT 2026/27 REVENUE STUDY**

### **Introduction**

The Santa Cruz County Sanitation District will require approximately 7.3% to 7.7% annual increases in revenue from fees for sewer service in the next five fiscal years, 2026/27 through 2030/31. The overall fee increase for 2026/27 developed in this study is 7.3%. These increases are primarily related to increased operating expenses and capital projects at the wastewater treatment plant operated by the City of Santa Cruz, the District's operating costs and debt service with an additional \$51 million in bonds, and general inflation.

The District staff has reviewed connection charge revenue, capital outlay needs, operation and maintenance expenses, debt service and miscellaneous revenues for the next five fiscal years. Based on this updated information, proposed fees for sewer service in 2026/27 and estimated fees through 2030/31 have been calculated. The development of these fees is discussed in the following sections.

### **Requirements for Sewer Service Fees**

The District's fees for sewer service are subject to the requirements contained in the Revenue Program Guidelines issued by the California State Water Resources Control Board. This is a condition of the State and Federal grants and loans received by the District.

The Guidelines require that fees for sewer service be designed to recover adequate revenues for the operation and maintenance of the District's facilities. In addition, each user and user class must pay its proportional share of those costs, based on its proportional contribution to the total wastewater loadings from all users. The District's sewer service fees have been reviewed by the State Water Resources Control Board staff and are in compliance with the Guidelines.

The District's fees are also subject to the requirements of Proposition 218. This proposition, passed in 1996, requires that fees shall not exceed the proportional cost of service attributable to any parcel. The District's fees also comply with Proposition 218.

**Customer Revenue**

The projected revenue received for sewer services under the current 2025/26 fees has increased by \$160,000 as shown in Table 1. This is a combination of a \$152,000 increase in residential revenue and an \$8,000 increase in nonresidential revenue. The most significant usage increase in 2025 was for ADUs which increased by 28%. The increase in customer revenue has the effect of decreasing the proposed 2026/27 sewer service fees by 0.4%.

**Table 1  
Customer Revenue at Current 2025/26 Fees**

Year	Residential Revenue (\$/year)	Nonresidential Revenue (\$/year)	Total Revenue (\$/year)
2025/26	\$31,708,000	\$6,456,000	\$38,164,000
2026/27	\$31,860,000	\$6,464,000	\$38,324,000
Difference	\$152,000 0.5%	\$8,000 0.1%	\$160,000 0.4%

**Connection Charge Revenue**

Based on actual revenues, connection charges of \$400,000 have been projected for 206/27 and the following years.

**Capital Improvement Program Funding**

Connection charge revenue and contributions from rates are used to fund the District’s Capital Improvement Program projects that are not funded by loans or grants. The funding for 2026/27 is \$6,595,000. This will be generated by \$400,000 in connection charge revenue and \$6,195,000 in sewer service fees. The funding for those projects in the five years of the study period is show in Table 2. The projects included in this program are listed in Table 3. Existing fund balances will be used for the additional costs of these projects.

**Table 2  
Capital Improvement Program Funding**

Item	Annual Capital Improvement Program Funding				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Connection Charge Revenue	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Contribution from Rates	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Capital Improvement Program Funding	\$6,595,000	\$5,156,000	\$8,136,000	\$10,199,000	\$11,097,000

**Table 3  
District Funded Capital Improvement Program**

Project	2026/27	2027/28	2028/29	2029/30	2030/31
Upper Rodeo Sewer Rehabilitation Annual Monitoring	\$16,650	\$16,650	\$16,650	\$16,650	\$16,650
East Cliff Trans. Main Replacement at Murray St. Bridge	\$370,000				
Arana Trunkline Annual Monitoring	\$26,196	\$22,755	\$22,755	\$22,755	\$24,698
Flowmeter Replacements and Repairs		\$45,000		\$45,000	
Transmission Line Inspection	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCADA System Improvements	\$350,000	\$364,000	\$378,560	\$393,702	\$409,450
Pump Station Sewage Level Monitoring	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Cathodic Protection	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Road Repairs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Consulting Engineering Services	\$400,000	\$400,000	\$400,000	\$500,000	\$500,000
Minor Projects	\$900,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
East Cliff Force Main Inspection				\$200,000	
East Cliff Force Main Repairs - II	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Moosehead Realignment	\$1,175,000				
Santa Cruz Harbor Area Sewer Rehab Phase 2			\$100,000		
Rio Del Mar Sewer Rehab Phase 2			\$100,000		
Concrete Stairs Rehab (Conc Rehab Various PS)	\$475,000				
2028 Sewer Pipe Rehabilitation Project		\$100,000	\$2,000,000		
D.A. Porath Pump Station Study	\$18,755				
EJ21-EJ27 Annual Monitoring	\$22,200	\$21,090	\$21,090		
A1 Pump Station Hardening	\$241,230				
Arana Pump Station Relocation	\$100,000	\$292,570			
Aptos Esplanade Pump Station Valve Replacement		\$100,000			
Portola Sewer Capacity Upgrade		\$110,000			
Bay Avenue Sewer Upgrade		\$100,000			
7th Avenue Sewer Capacity Upgrade		\$100,000			
A1 Pump Station Relocation			\$100,000	\$6,561,000	
Sea Level Mitigation	\$300,000	\$500,000	\$500,000		\$500,000
Secondary Force Main					\$2,000,000
Other Rehab (Collection and Operations)					\$2,000,000
Contingencies	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
<b>Total District Funded Capital Projects</b>	<b>\$6,145,031</b>	<b>\$5,922,065</b>	<b>\$7,389,055</b>	<b>\$11,489,107</b>	<b>\$9,200,798</b>

**Operation and Maintenance Expenses**

The projected operation and maintenance expenses include treatment costs paid to the City of Santa Cruz and the District’s expenses for pump station and collection line maintenance, engineering, source control and fixed assets.

As shown in Table 4, projected treatment expenses have decreased from those used in the 2025/26 fees. The District’s share of treatment operations costs has increased by \$417,000 due to utility costs, chemical costs and inflation. With the completion of projects at the treatment plant there is a reduction in capital costs. The District’s 8/17 share of capital projects has decreased by \$1,835,000. The total decrease in treatment costs for 2026/27 is \$1,418,000. The treatment plant projects for the five-year study period are shown in Table 5. These do not include construction of the Electrical Replacement Project which will be funded by a 2027/28 debt issue.

**Table 4  
2026/27 District Treatment Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$7,056,000	\$4,417,000	\$11,473,000
2026/27	\$7,473,000	\$2,582,000	\$10,055,000
Difference	\$417,000 5.9%	(\$1,835,000) (41.5%)	(\$1,418,000) (12.4%)

**Table 5  
Treatment Plant Capital Improvement Program**

Project	2026/27	2027/287	2028/29	2029/30	2030/31
Equipment Replacement	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Nearby Park Mitigation CIP	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Upgrade Digester Equipment/Cleaning		\$800,000		\$800,000	
Electrical Replacement Project Design	\$2,000,000				
Modernize Lab	\$500,000				
WWTP Infrastructure and Major Equipment	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>Total Treatment Plant Capital Projects</b>	<b>\$5,275,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>

As shown in Table 6, the District’s O&M expense projections for the next fiscal year have increased by \$680,000 from those used in the 2025/26 fees. This includes increases of 2.6%, or \$470,000, in operating costs and a \$210,000 increase in routine capital expenses.

**Table 6  
2026/27 District Operation and Maintenance Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$18,182,000	\$1,325,000	\$19,507,000
2026/27	\$18,652,000	\$1,535,000	\$20,187,000
Difference	\$470,000 2.6%	\$210,000 15.8%	\$680,000 3.5%

**Debt Service**

The District currently has three projects funded by State Revolving Fund (SRF) loans. These include \$12 million for the Aptos Transmission Relocation Project, \$5 million for the Soquel Creek Pump Station Force Main and \$3.3 million for the Valencia

Creek Sewer Relocation. The Capitola/Jewel Box Sewer project was funded by a \$7 million California Infrastructure and Economic Development Bank (IBank) loan.

In June 2022 the District issued \$19.9 million in revenue bonds to fund five projects. In June 2024 the District issued \$29.0 million in revenue bonds to fund twelve projects.

The District plans to issue three additional revenue bonds starting in 2027. These include a \$24 million issue in 2027 to fund seven projects and a \$27 million issue in 2030 to fund four projects.

The District will be participating in the funding for the Electrical Replacement Project at the wastewater treatment plant which is currently under design. The actual project cost and funding have not been established at this time. Estimated District debt service participation for this project starting in 2027 has been included for the study period but is subject to change at a later date. In addition, The District is also participating in a \$3.5 million IBank loan for the Ultraviolet System Replacement project at the treatment plant.

The debt service schedules for all the District’s loans and bonds for the study period are shown in Table 7. The proposed projects funded by these loans and bonds over the next five fiscal years are shown in Table 8.

**Table 7  
District Debt Service**

Item	Annual Debt Service				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
SRF Loan - Aptos Transmission Project	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
SRF Loan - Soquel Creek Pump Station	\$219,000	\$219,000	\$219,000	\$219,000	\$219,000
SRF Loan - Valencia Creek Sewer Relocation	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
IBank Loan - Capitola/Jewel Box	\$401,000	\$401,000	\$400,000	\$399,000	\$399,000
2022 Bond Issue - 4 Projects	\$1,199,000	\$1,200,000	\$1,195,000	\$1,199,000	1197000
2024 Bond Issue - 13 Projects	\$1,653,000	\$1,654,000	\$1,654,000	\$1,652,000	1654000
2027 Bond Issue - 7 Projects		\$1,610,000	\$1,610,000	\$1,610,000	\$1,610,000
2030 Bond Issue -4 Projects					\$1,810,000
City WWTP Ibank Loan - UV Replacement	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
City WWTP Electrical System Upgrade Participation		\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
<b>Total Debt Service</b>	<b>\$4,455,000</b>	<b>\$8,767,000</b>	<b>\$8,761,000</b>	<b>\$8,762,000</b>	<b>\$10,572,000</b>

**Table 8  
District Loan and Bond Funded Capital Improvement Program**

Project	Prior Years	2026/27	2027/28	2028/29	2029/30	2030/31
State Revolving Fund Loans:						
Aptos Transmission Relocation	\$11,982,000					
Soquel Ck. PS FM Replacement	\$5,002,000					
Valencia Creek Sewer Relocation	\$3,265,000					
Bank Loans:						
Capitola / Jewel Box Sewer	\$7,000,000					
2022 Bond Issue:						
East Cliff, Portola, & Richmond Dr.	\$7,300,000					
Upper Rodeo, Lower Rodeo Trunklines and Rodeo PS	\$8,500,000					
Arana Trunkline	\$4,100,000					
Non Project	\$45,000					
Total 2022 Bond Issue	\$19,945,000					
2024 Bond Issue:						
Eddy Lane Sewer Rehabilitation	\$1,600,000					
Soquel Village Sewer Rehabilitation Phase 2	\$6,100,000					
Seacliff/Rio Del Mar Sewer Rehabilitation	\$2,442,000					
Hidden Beach Bypass	\$800,000					
Emergency Bypass Improvements	\$739,000					
DA Porath Bypass	\$4,444,000					
Upper Rodeo Gulch Trunkline	\$3,850,000					
Capitola Pump Station Pump Replacement	\$680,000					
West Seaciff Sewer Rehabilitation	\$3,435,000					
East Cliff Drive Sewer Rehabilitation	\$500,000					
Arana Gulch Sewer Rehabilitation	\$850,000					
Rodeo Pump Station Capacity Upgrade	\$3,100,000					
AA10-AA17 Vienna Drive Sewer Emergency Repair	\$460,000					
Total 2024 Bond Issue	\$29,000,000					
2027 Bond Issue:						
Capitola Village Phase 1			\$3,000,000			
Bay Avenue Sewer Upgrade			\$785,000			
D.A. Porath Pump Station Capacity Upgrade			\$3,000,000			
Arana Pump Station Relocation			\$5,515,000			
Aptos Esplanade Pump Station Valve Replacement			\$1,500,000			
Portola Sewer Capacity Upgrade			\$6,400,000			
7th Avenue Sewer Capacity Upgrade - North			\$3,800,000			
Total 2027 Bond Issue			\$24,000,000			
2030 Bond Issue:						
Soquel Pump Station Auxillary Wet Well						\$5,870,000
Santa Cruz Harbor Sewer Rehabilitation Phase 2						\$6,456,900
Rio Del Mar Sewer Rehabilitation Phase 2						\$10,594,600
2030 Sewer Pipe Rehabilitation						\$4,078,500
Total 2030 Bond Issue						\$27,000,000
City WWTP Projects:						
UV Replacement (\$3.5 million X 8/17)	\$1,647,000					
Electrical System Construction (\$91.0 million X 8/17)			\$42,824,000			
<b>Total Loan and Bond Funded Projects</b>	<b>\$77,841,000</b>	<b>\$0</b>	<b>\$66,824,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,000,000</b>

**Revenue Trust Interest Income**

The District uses the investment income received in the Revenue Trust Fund to fund a portion of its operating expenses every year. This reduces the total revenues required from fees for sewer service. Based on actual earnings, the projected annual interest income for 2026/27 and the following years is \$500,000.

**Reserve Fund**

The District’s Reserve Fund will have a balance of \$3,600,000 at the beginning of 2026/27. The District’s plan is to continue increases of \$300,000 over the next five years. Additional transfers would continue in the following years. This will bring the balance to \$5,100,000 by the end of 2030/31. These amounts will be recovered annually through sewer service fees.

**Total Revenues**

Projected revenues required for 2026/27 through 2030/31 from fees for sewer service are shown in Table 9. The total revenue required in 2026/27 is \$41,103,000 which will require an overall fee increase of \$2,779,000 or 7.3%. Annual fee increases for the following four years are projected to be 7.7%

**Table 9  
Total Revenue Requirements**

Item	Annual Revenue Requirement				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Capital Improvement Funding	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Debt Service	\$4,455,000	\$8,767,000	\$8,761,000	\$8,762,000	\$10,572,000
City Treatment	\$10,055,000	\$9,601,000	\$9,574,000	\$10,347,000	\$10,354,000
District O&M	\$20,187,000	\$20,903,000	\$21,330,000	\$22,127,000	\$23,326,000
Reserve Fund	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Revenue Collection Expense	\$411,000	\$443,000	\$477,000	\$513,000	\$553,000
Interest Earnings	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>Total Revenue Requirement</b>	<b>\$41,103,000</b>	<b>\$44,270,000</b>	<b>\$47,678,000</b>	<b>\$51,348,000</b>	<b>\$55,302,000</b>
<b>Fee Increase</b>	<b>7.3%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>

**Sewer Service Fees**

The proposed 2026/27 fees for sewer service, based on increased customer usage and total revenue requirements, are shown in Table 10. The overall 2026/27 fee increase is 7.3%. Residential increases are of 7.6% for single family residences, 7.5% for multiple and 7.2% for mobile homes.

These proposed fees are based the average wastewater discharges for the three residential classifications, as adopted by the District Board in January 2022. The discharge by customers in the single family classification is 5.1 HCF per month. The discharge by customers in the combined multiple family classification is 4.1 HCF per month. Mobile home discharge is 3.2 HCF per month. Nonresidential fee increases vary based on customer size and strength of wastewater discharged.

A five-year fee program for the study period is shown in Table 11. This table includes adopted fees since 1991/92 and proposed increases through 2030/31.

**Table 10  
Proposed 2026/27 Fees**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalescent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

(1) Volume Rate = \$/ADA/year  
 (2) Volume Rate = \$/FTES/year

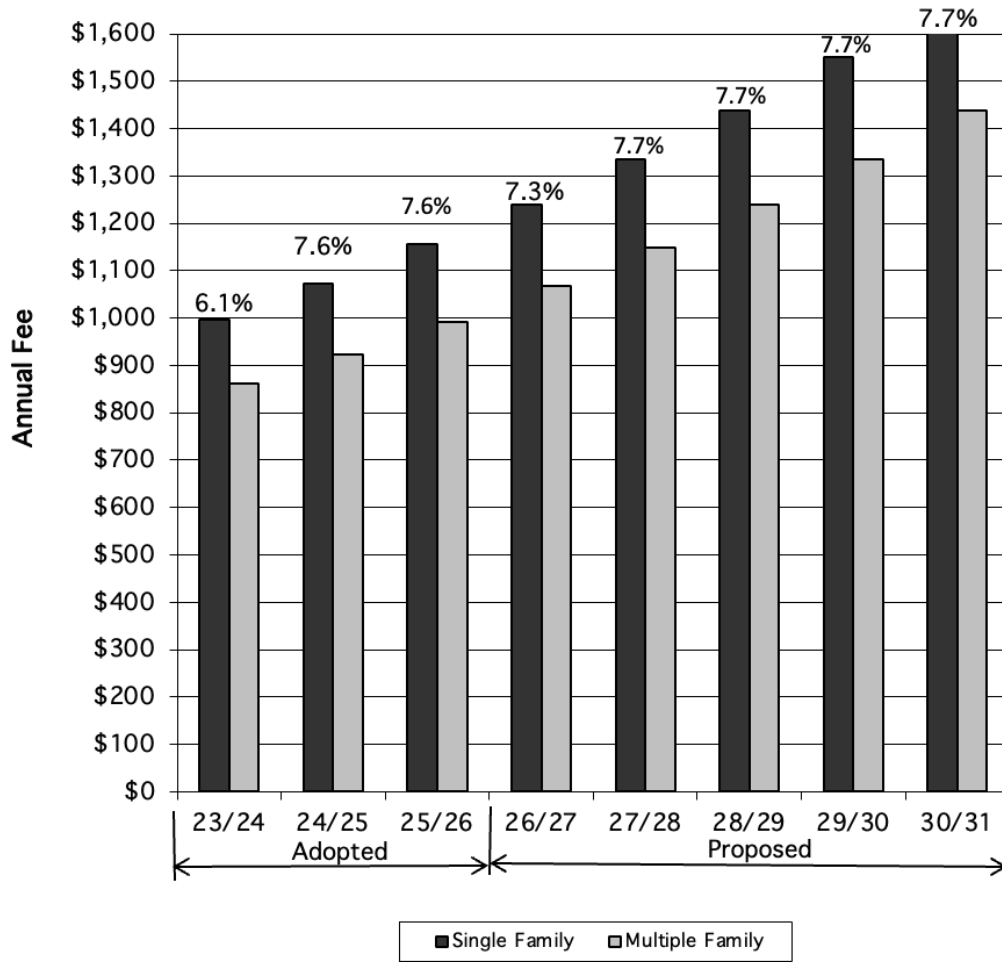
**Summary**

The overall projected increase in fees for sewer service for fiscal year 2026/27 is 7.3%. The annual increases for the following four years are 7.7%. These increases reflect increased customer usage, additional debt service, treatment plant operating costs and capital improvements and District operating costs and capital improvements. The proposed single family and multiple family annual fees are shown in Figure 1. Future fee increases are dependent upon the magnitude of treatment and collection operating costs, general inflationary trends, interest rates and customer usage.

**Table 11  
Five-Year Fee Program**

Fiscal Year	Average Increase					
	Single Family	Multiple Family	Mobile Home	Average Other Business	Average Restaurant	Elementary School
	5.1 HCF/mo.	4.1 HCF/mo.	3.2 HCF/mo.	12 HCF/mo.	44 HCF/mo.	369 ADA
<b>Adopted</b>						
1991/92	27.1%	23.9%	23.9%			
1992/93	4.2%	13.5%	13.5%	4.5%	8.2%	0.4%
1993/94	22.4%	35.7%	35.7%	25.9%	30.3%	19.4%
1994/95	5.6%	5.4%	5.4%	5.9%	9.5%	5.5%
1995/96	5.3%	5.7%	5.7%	5.5%	-1.1%	5.9%
1996/97	4.4%	4.3%	4.3%	3.5%	9.6%	-25.8%
1997/98	3.1%	2.1%	2.1%	2.6%	12.5%	-2.0%
1998/99	2.9%	3.3%	3.3%	2.6%	2.2%	1.7%
1999/00	2.9%	3.3%	3.3%	3.2%	0.3%	2.1%
2000/01	4.7%	3.9%	3.9%	4.9%	7.9%	6.3%
2001/02	3.3%	3.0%	3.0%	3.8%	4.7%	4.0%
2002/03	9.8%	20.6%	-5.4%	-1.1%	-2.3%	-1.1%
2003/04	4.1%	4.1%	4.0%	4.6%	3.4%	5.1%
2004/05	4.9%	5.1%	5.3%	4.6%	3.7%	4.3%
2005/06	3.7%	1.2%	6.8%	5.7%	1.6%	4.9%
2006/07	2.3%	2.3%	2.5%	2.2%	-1.1%	2.7%
2007/08	3.2%	2.9%	2.6%	3.1%	6.5%	3.2%
2008/09	1.3%	0.9%	2.5%	7.2%	10.0%	7.8%
2009/10	5.2%	5.1%	5.0%	5.0%	4.3%	-30.6%
2010/11	4.2%	4.0%	4.0%	3.9%	5.5%	4.3%
2011/12	1.6%	3.9%	4.3%	11.0%	10.7%	10.6%
2012/13	3.7%	3.7%	3.7%	3.4%	2.0%	4.0%
2013/14	2.7%	2.8%	2.9%	2.0%	2.6%	2.0%
2014/15	0.2%	1.5%	3.9%	8.3%	9.9%	8.2%
2015/16	4.8%	4.9%	5.0%	2.3%	1.3%	2.4%
2016/17	2.7%	2.7%	2.7%	3.1%	1.1%	3.9%
2017/18	1.2%	4.5%	3.6%	8.7%	7.2%	9.3%
2018/19	3.3%	3.5%	3.7%	5.2%	0.7%	3.4%
2019/20	5.3%	5.3%	5.4%	5.2%	2.0%	5.7%
2020/21	2.8%	2.7%	2.6%	1.3%	2.2%	2.4%
2021/22	4.0%	4.2%	4.4%	4.3%	-0.4%	4.4%
2022/23	6.7%	6.5%	6.3%	6.4%	8.5%	-3.7%
2023/24	6.1%	6.0%	5.9%	5.9%	7.2%	6.1%
2024/25	7.6%	7.2%	6.7%	8.9%	9.8%	9.7%
2025/26	7.6%	7.5%	7.2%	7.8%	9.8%	8.0%
<b>Proposed</b>						
2026/27	7.3%	7.6%	7.9%	7.4%	3.0%	8.1%
2027/28	7.7%	7.6%	7.5%	7.1%	10.6%	7.0%
2028/29	7.7%	7.8%	7.9%	7.8%	5.9%	8.1%
2029/30	7.7%	7.7%	7.7%	7.6%	7.5%	7.9%
2030/31	7.7%	7.8%	7.9%	7.8%	6.1%	8.0%

**Figure 1**  
**Annual Residential Fees**



**ATTACHMENT D**

**CORRESPONDENCE**

**RECEIVED**

**PROPOSED SEWER SERVICE**

**CHARGE INCREASES**

**2026/27**

James Walsh  
2774 Borregas Dr  
Aptos, Ca 95003

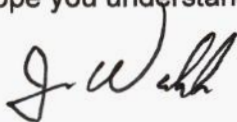
April 21 2026

District Secretary  
Santa Cruz Sanitation District  
Government Center  
701 Ocean St. Room 410

District Secretary

This letter is written in protest to the current proposed increase in the sanitation fee. Putting an increase on senior homeowners on fixed incomes without a provision for for adjustments is a tax that is wrong for wrong times. Our current economy does not support your need to put an additional burden on any homeowner especially or seniors.

Hope you understand

A handwritten signature in black ink, appearing to read "Jim Walsh". The signature is written in a cursive style with a large initial "J".

Jim walsh

RECEIVED

APR 24 2026

Santa Cruz County  
Sanitation District

James J. Walsh  
Mary Liel-Walsh  
22774 Borregas Drive  
Aptos, CA 95003

DISTRICT SECRETARY  
SANTA CRUZ SANITATION DISTRICT  
GOVERNMENT CENTER  
701 OCEAN ST ROOM # 410  
SANTA CRUZ CA 95060

SAN JOSE CA 950  
23 APR 2025 AM 3 L



95060-400399





# SANTA CRUZ COUNTY SANITATION DISTRICT

701 OCEAN STREET, SUITE 410 · SANTA CRUZ, CA · 95060-4073  
(831) 454-2160 · FAX (831) 454-2089 · TDD: (831) 454-2123 · WWW.SCCSD.US  
**MATT MACHADO, DISTRICT ENGINEER**

APRIL 24, 2026

JAMES WALSH  
2774 BORREGAS DRIVE  
APTOS, CA 95003  
APN: 039-171-22

SUBJECT: 2026/27 SEWER SERVICE CHARGE RATE INCREASES  
PROPOSITION 218 NOTIFICATION

Dear James Walsh,

The Santa Cruz County Sanitation District (District) has received your written protest regarding the proposed rate increases. The Board will review and consider all oral and written protests during the Public Hearing on May 21, 2026.

In response to your written objection, the District confirms that the proposed rates are necessary to cover the actual costs of operations, maintenance, and capital projects as approved by the Board of Directors (please refer to the enclosed 2026/27 Revenue Study explaining the substantive justification for the rate increase). For these reasons, the objection(s) you have raised, which will be presented for the Board's consideration, do not, from District staff's perspective, provide necessary grounds to modify the proposed rates.

To attend the meeting:

- **In-Person:** D.A. Porath Sanitation Facility Meeting Room, 2750 Lode Street, Santa Cruz, CA 95062 (off 26th Avenue).
- **Virtually (Zoom):** <https://santacruzcounty-us.zoomgov.com/j/1609753251>
  - **Meeting ID:** 160 975 3251
  - **Phone Access:** +1 669 254 5252 (San Jose)

For questions or comments, please contact the District Secretary at (831) 454-2792.

Yours truly,

MATT MACHADO  
District Engineer

By: DocuSigned by:  
*Andrea Gifford*  
1AD7DA21E77449D...

Andrea Gifford  
Deputy Secretary

ARG/26-068.docx

Attachment:

SCCSD 2026/27 Revenue Study

**SANTA CRUZ COUNTY SANITATION DISTRICT**

**2026/27 REVENUE STUDY**



**February 2026**

**Hornberger Engineering**  
San Jose, California



February 12, 2026

Mr. Matt Machado, P.E.  
District Engineer  
Santa Cruz County Sanitation District  
701 Ocean Street  
Santa Cruz, CA 95060

Subject: Santa Cruz County Sanitation District  
2026/27 Revenue Study

Dear Mr. Machado,

We are pleased to submit this five-year program of sewer service charges for the Santa Cruz County Sanitation District. The purpose of this study is to incorporate the latest costs associated with the District's projects and programs and to project revenue requirements for the years 2026/27 through 2030/31. The study is based on the projected capital costs, operation and maintenance expenses and customer information prepared by the District staff.

This study assumes two bond issues will be issued as part of the District's Capital Improvement Program funding over the next ten years. The first bond issue will be for \$24.0 million in June 2027 to fund seven projects. A second bond issue will be for \$27.0 million in June 2030 to fund four projects. In addition, the District will participate in funding its share of the Electrical Replacement Project at the Wastewater Treatment Plant. The financing for this project is currently under discussion with the City of Santa Cruz.

As a result of this study, the overall fee increase for fiscal year 2026/27 is 7.3%. Proposed fees for the individual user groups are shown in the following table. Increases of 7.7% are projected for the following four years.

We appreciate this opportunity to prepare this revenue study for the Santa Cruz County Sanitation District. Please do not hesitate to contact me if you have any questions or would like any additional information.

Sincerely,

Hornberger Engineering

**Santa Cruz County Sanitation District  
Proposed 2026/27 Fee Increases**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalencent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

- (1) Volume Rate = \$/ADA/year
- (2) Volume Rate = \$/FTES/year

**SANTA CRUZ COUNTY SANITATION DISTRICT  
2026/27 REVENUE STUDY**

**Introduction**

The Santa Cruz County Sanitation District will require approximately 7.3% to 7.7% annual increases in revenue from fees for sewer service in the next five fiscal years, 2026/27 through 2030/31. The overall fee increase for 2026/27 developed in this study is 7.3%. These increases are primarily related to increased operating expenses and capital projects at the wastewater treatment plant operated by the City of Santa Cruz, the District's operating costs and debt service with an additional \$51 million in bonds, and general inflation.

The District staff has reviewed connection charge revenue, capital outlay needs, operation and maintenance expenses, debt service and miscellaneous revenues for the next five fiscal years. Based on this updated information, proposed fees for sewer service in 2026/27 and estimated fees through 2030/31 have been calculated. The development of these fees is discussed in the following sections.

**Requirements for Sewer Service Fees**

The District's fees for sewer service are subject to the requirements contained in the Revenue Program Guidelines issued by the California State Water Resources Control Board. This is a condition of the State and Federal grants and loans received by the District.

The Guidelines require that fees for sewer service be designed to recover adequate revenues for the operation and maintenance of the District's facilities. In addition, each user and user class must pay its proportional share of those costs, based on its proportional contribution to the total wastewater loadings from all users. The District's sewer service fees have been reviewed by the State Water Resources Control Board staff and are in compliance with the Guidelines.

The District's fees are also subject to the requirements of Proposition 218. This proposition, passed in 1996, requires that fees shall not exceed the proportional cost of service attributable to any parcel. The District's fees also comply with Proposition 218.

## **Customer Revenue**

The projected revenue received for sewer services under the current 2025/26 fees has increased by \$160,000 as shown in Table 1. This is a combination of a \$152,000 increase in residential revenue and an \$8,000 increase in nonresidential revenue. The most significant usage increase in 2025 was for ADUs which increased by 28%. The increase in customer revenue has the effect of decreasing the proposed 2026/27 sewer service fees by 0.4%.

**Table 1**  
**Customer Revenue at Current 2025/26 Fees**

Year	Residential Revenue (\$/year)	Nonresidential Revenue (\$/year)	Total Revenue (\$/year)
2025/26	\$31,708,000	\$6,456,000	\$38,164,000
2026/27	\$31,860,000	\$6,464,000	\$38,324,000
Difference	\$152,000 0.5%	\$8,000 0.1%	\$160,000 0.4%

## **Connection Charge Revenue**

Based on actual revenues, connection charges of \$400,000 have been projected for 206/27 and the following years.

## **Capital Improvement Program Funding**

Connection charge revenue and contributions from rates are used to fund the District's Capital Improvement Program projects that are not funded by loans or grants. The funding for 2026/27 is \$6,595,000. This will be generated by \$400,000 in connection charge revenue and \$6,195,000 in sewer service fees. The funding for those projects in the five years of the study period is show in Table 2. The projects included in this program are listed in Table 3. Existing fund balances will be used for the additional costs of these projects.

**Table 2  
Capital Improvement Program Funding**

Item	Annual Capital Improvement Program Funding				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Connection Charge Revenue	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Contribution from Rates	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Capital Improvement Program Funding	\$6,595,000	\$5,156,000	\$8,136,000	\$10,199,000	\$11,097,000

**Table 3  
District Funded Capital Improvement Program**

Project	2026/27	2027/28	2028/29	2029/30	2030/31
Upper Rodeo Sewer Rehabilitation Annual Monitoring	\$16,650	\$16,650	\$16,650	\$16,650	\$16,650
East Cliff Trans. Main Replacement at Murray St. Bridge	\$370,000				
Arana Trunkline Annual Monitoring	\$26,196	\$22,755	\$22,755	\$22,755	\$24,698
Flowmeter Replacements and Repairs		\$45,000		\$45,000	
Transmission Line Inspection	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCADA System Improvements	\$350,000	\$364,000	\$378,560	\$393,702	\$409,450
Pump Station Sewage Level Monitoring	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Cathodic Protection	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Road Repairs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Consulting Engineering Services	\$400,000	\$400,000	\$400,000	\$500,000	\$500,000
Minor Projects	\$900,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
East Cliff Force Main Inspection				\$200,000	
East Cliff Force Main Repairs - II	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Moosehead Realignment	\$1,175,000				
Santa Cruz Harbor Area Sewer Rehab Phase 2			\$100,000		
Rio Del Mar Sewer Rehab Phase 2			\$100,000		
Concrete Stairs Rehab (Conc Rehab Various PS)	\$475,000				
2028 Sewer Pipe Rehabilitation Project		\$100,000	\$2,000,000		
D.A. Porath Pump Station Study	\$18,755				
EJ21-EJ27 Annual Monitoring	\$22,200	\$21,090	\$21,090		
A1 Pump Station Hardening	\$241,230				
Arana Pump Station Relocation	\$100,000	\$292,570			
Aptos Esplanade Pump Station Valve Replacement		\$100,000			
Portola Sewer Capacity Upgrade		\$110,000			
Bay Avenue Sewer Upgrade		\$100,000			
7th Avenue Sewer Capacity Upgrade		\$100,000			
A1 Pump Station Relocation			\$100,000	\$6,561,000	
Sea Level Mitigation	\$300,000	\$500,000	\$500,000		\$500,000
Secondary Force Main					\$2,000,000
Other Rehab (Collection and Operations)					\$2,000,000
Contingencies	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
<b>Total District Funded Capital Projects</b>	<b>\$6,145,031</b>	<b>\$5,922,065</b>	<b>\$7,389,055</b>	<b>\$11,489,107</b>	<b>\$9,200,798</b>

### **Operation and Maintenance Expenses**

The projected operation and maintenance expenses include treatment costs paid to the City of Santa Cruz and the District's expenses for pump station and collection line maintenance, engineering, source control and fixed assets.

As shown in Table 4, projected treatment expenses have decreased from those used in the 2025/26 fees. The District's share of treatment operations costs has increased by \$417,000 due to utility costs, chemical costs and inflation. With the completion of projects at the treatment plant there is a reduction in capital costs. The District's 8/17 share of capital projects has decreased by \$1,835,000. The total decrease in treatment costs for 2026/27 is \$1,418,000. The treatment plant projects for the five-year study period are shown in Table 5. These do not include construction of the Electrical Replacement Project which will be funded by a 2027/28 debt issue.

**Table 4**  
**2026/27 District Treatment Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$7,056,000	\$4,417,000	\$11,473,000
2026/27	\$7,473,000	\$2,582,000	\$10,055,000
Difference	\$417,000 5.9%	(\$1,835,000) (41.5%)	(\$1,418,000) (12.4%)

**Table 5  
Treatment Plant Capital Improvement Program**

Project	2026/27	2027/287	2028/29	2029/30	2030/31
Equipment Replacement	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Nearby Park Mitigation CIP	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Upgrade Digester Equipment/Cleaning		\$800,000		\$800,000	
Electrical Replacement Project Design	\$2,000,000				
Modernize Lab	\$500,000				
WWTP Infrastructure and Major Equipment	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>Total Treatment Plant Capital Projects</b>	<b>\$5,275,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>

As shown in Table 6, the District’s O&M expense projections for the next fiscal year have increased by \$680,000 from those used in the 2025/26 fees. This includes increases of 2.6%, or \$470,000, in operating costs and a \$210,000 increase in routine capital expenses.

**Table 6  
2026/27 District Operation and Maintenance Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$18,182,000	\$1,325,000	\$19,507,000
2026/27	\$18,652,000	\$1,535,000	\$20,187,000
Difference	\$470,000 2.6%	\$210,000 15.8%	\$680,000 3.5%

**Debt Service**

The District currently has three projects funded by State Revolving Fund (SRF) loans. These include \$12 million for the Aptos Transmission Relocation Project, \$5 million for the Soquel Creek Pump Station Force Main and \$3.3 million for the Valencia

Creek Sewer Relocation. The Capitola/Jewel Box Sewer project was funded by a \$7 million California Infrastructure and Economic Development Bank (IBank) loan.

In June 2022 the District issued \$19.9 million in revenue bonds to fund five projects. In June 2024 the District issued \$29.0 million in revenue bonds to fund twelve projects.

The District plans to issue three additional revenue bonds starting in 2027. These include a \$24 million issue in 2027 to fund seven projects and a \$27 million issue in 2030 to fund four projects.

The District will be participating in the funding for the Electrical Replacement Project at the wastewater treatment plant which is currently under design. The actual project cost and funding have not been established at this time. Estimated District debt service participation for this project starting in 2027 has been included for the study period but is subject to change at a later date. In addition, The District is also participating in a \$3.5 million IBank loan for the Ultraviolet System Replacement project at the treatment plant.

The debt service schedules for all the District’s loans and bonds for the study period are shown in Table 7. The proposed projects funded by these loans and bonds over the next five fiscal years are shown in Table 8.

**Table 7  
District Debt Service**

Item	Annual Debt Service				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
SRF Loan - Aptos Transmission Project	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
SRF Loan - Soquel Creek Pump Station	\$219,000	\$219,000	\$219,000	\$219,000	\$219,000
SRF Loan - Valencia Creek Sewer Relocation	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
IBank Loan - Capitola/Jewel Box	\$401,000	\$401,000	\$400,000	\$399,000	\$399,000
2022 Bond Issue - 4 Projects	\$1,199,000	\$1,200,000	\$1,195,000	\$1,199,000	1197000
2024 Bond Issue - 13 Projects	\$1,653,000	\$1,654,000	\$1,654,000	\$1,652,000	1654000
2027 Bond Issue - 7 Projects		\$1,610,000	\$1,610,000	\$1,610,000	\$1,610,000
2030 Bond Issue -4 Projects					\$1,810,000
City WWTP Ibank Loan - UV Replacement	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
City WWTP Electrical System Upgrade Participation		\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
<b>Total Debt Service</b>	<b>\$4,455,000</b>	<b>\$8,767,000</b>	<b>\$8,761,000</b>	<b>\$8,762,000</b>	<b>\$10,572,000</b>

**Table 8  
District Loan and Bond Funded Capital Improvement Program**

Project	Prior Years	2026/27	2027/28	2028/29	2029/30	2030/31
State Revolving Fund Loans:						
Aptos Transmission Relocation	\$11,982,000					
Soquel Ck. PS FM Replacement	\$5,002,000					
Valencia Creek Sewer Relocation	\$3,265,000					
Bank Loans:						
Capitola / Jewel Box Sewer	\$7,000,000					
2022 Bond Issue:						
East Cliff, Portola, & Richmond Dr.	\$7,300,000					
Upper Rodeo, Lower Rodeo Trunklines and Rodeo PS	\$8,500,000					
Arana Trunkline	\$4,100,000					
Non Project	\$45,000					
Total 2022 Bond Issue	\$19,945,000					
2024 Bond Issue:						
Eddy Lane Sewer Rehabilitation	\$1,600,000					
Soquel Village Sewer Rehabilitation Phase 2	\$6,100,000					
Seacliff/Rio Del Mar Sewer Rehabilitation	\$2,442,000					
Hidden Beach Bypass	\$800,000					
Emergency Bypass Improvements	\$739,000					
DA Porath Bypass	\$4,444,000					
Upper Rodeo Gulch Trunkline	\$3,850,000					
Capitola Pump Station Pump Replacement	\$680,000					
West Seaciff Sewer Rehabilitation	\$3,435,000					
East Cliff Drive Sewer Rehabilitation	\$500,000					
Arana Gulch Sewer Rehabilitation	\$850,000					
Rodeo Pump Station Capacity Upgrade	\$3,100,000					
AA10-AA17 Vienna Drive Sewer Emergency Repair	\$460,000					
Total 2024 Bond Issue	\$29,000,000					
2027 Bond Issue:						
Capitola Village Phase 1			\$3,000,000			
Bay Avenue Sewer Upgrade			\$785,000			
D.A. Porath Pump Station Capacity Upgrade			\$3,000,000			
Arana Pump Station Relocation			\$5,515,000			
Aptos Esplanade Pump Station Valve Replacement			\$1,500,000			
Portola Sewer Capacity Upgrade			\$6,400,000			
7th Avenue Sewer Capacity Upgrade - North			\$3,800,000			
Total 2027 Bond Issue			\$24,000,000			
2030 Bond Issue:						
Soquel Pump Station Auxillary Wet Well						\$5,870,000
Santa Cruz Harbor Sewer Rehabilitation Phase 2						\$6,456,900
Rio Del Mar Sewer Rehabilitation Phase 2						\$10,594,600
2030 Sewer Pipe Rehabilitation						\$4,078,500
Total 2030 Bond Issue						\$27,000,000
City WWTP Projects:						
UV Replacement (\$3.5 million X 8/17)	\$1,647,000					
Electrical System Construction (\$91.0 million X 8/17)			\$42,824,000			
<b>Total Loan and Bond Funded Projects</b>	<b>\$77,841,000</b>	<b>\$0</b>	<b>\$66,824,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,000,000</b>

**Revenue Trust Interest Income**

The District uses the investment income received in the Revenue Trust Fund to fund a portion of its operating expenses every year. This reduces the total revenues required from fees for sewer service. Based on actual earnings, the projected annual interest income for 2026/27 and the following years is \$500,000.

**Reserve Fund**

The District’s Reserve Fund will have a balance of \$3,600,000 at the beginning of 2026/27. The District’s plan is to continue increases of \$300,000 over the next five years. Additional transfers would continue in the following years. This will bring the balance to \$5,100,000 by the end of 2030/31. These amounts will be recovered annually through sewer service fees.

**Total Revenues**

Projected revenues required for 2026/27 through 2030/31 from fees for sewer service are shown in Table 9. The total revenue required in 2026/27 is \$41,103,000 which will require an overall fee increase of \$2,779,000 or 7.3%. Annual fee increases for the following four years are projected to be 7.7%

**Table 9  
Total Revenue Requirements**

Item	Annual Revenue Requirement				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Capital Improvement Funding	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Debt Service	\$4,455,000	\$8,767,000	\$8,761,000	\$8,762,000	\$10,572,000
City Treatment	\$10,055,000	\$9,601,000	\$9,574,000	\$10,347,000	\$10,354,000
District O&M	\$20,187,000	\$20,903,000	\$21,330,000	\$22,127,000	\$23,326,000
Reserve Fund	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Revenue Collection Expense	\$411,000	\$443,000	\$477,000	\$513,000	\$553,000
Interest Earnings	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>Total Revenue Requirement</b>	<b>\$41,103,000</b>	<b>\$44,270,000</b>	<b>\$47,678,000</b>	<b>\$51,348,000</b>	<b>\$55,302,000</b>
<b>Fee Increase</b>	<b>7.3%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>

## Sewer Service Fees

The proposed 2026/27 fees for sewer service, based on increased customer usage and total revenue requirements, are shown in Table 10. The overall 2026/27 fee increase is 7.3%. Residential increases are of 7.6% for single family residences, 7.5% for multiple and 7.2% for mobile homes.

These proposed fees are based the average wastewater discharges for the three residential classifications, as adopted by the District Board in January 2022. The discharge by customers in the single family classification is 5.1 HCF per month. The discharge by customers in the combined multiple family classification is 4.1 HCF per month. Mobile home discharge is 3.2 HCF per month. Nonresidential fee increases vary based on customer size and strength of wastewater discharged.

A five-year fee program for the study period is shown in Table 11. This table includes adopted fees since 1991/92 and proposed increases through 2030/31.

**Table 10**  
**Proposed 2026/27 Fees**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalescent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

(1) Volume Rate = \$/ADA/year

(2) Volume Rate = \$/FTES/year

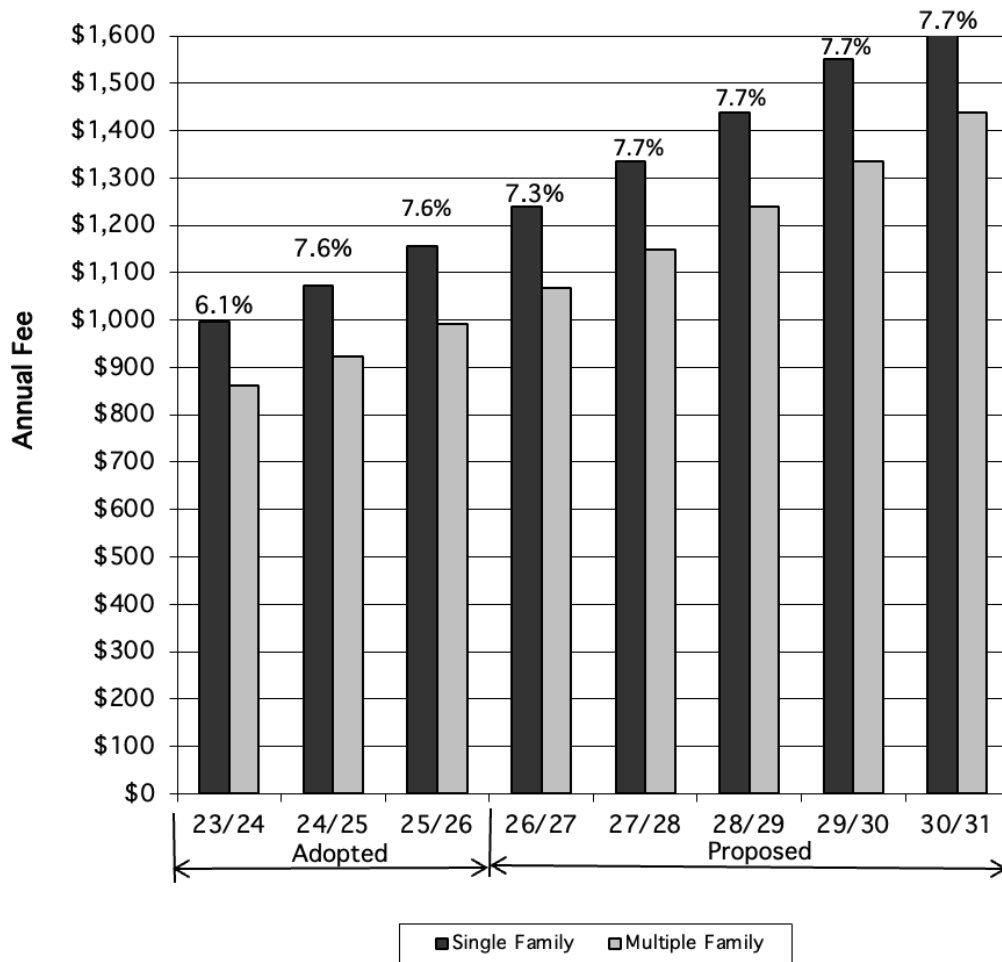
## Summary

The overall projected increase in fees for sewer service for fiscal year 2026/27 is 7.3%. The annual increases for the following four years are 7.7%. These increases reflect increased customer usage, additional debt service, treatment plant operating costs and capital improvements and District operating costs and capital improvements. The proposed single family and multiple family annual fees are shown in Figure 1. Future fee increases are dependent upon the magnitude of treatment and collection operating costs, general inflationary trends, interest rates and customer usage.

**Table 11  
Five-Year Fee Program**

Fiscal Year	Average Increase					
	Single Family	Multiple Family	Mobile Home	Average Other Business	Average Restaurant	Elementary School
	5.1 HCF/mo.	4.1 HCF/mo.	3.2 HCF/mo.	12 HCF/mo.	44 HCF/mo.	369 ADA
<b>Adopted</b>						
1991/92	27.1%	23.9%	23.9%			
1992/93	4.2%	13.5%	13.5%	4.5%	8.2%	0.4%
1993/94	22.4%	35.7%	35.7%	25.9%	30.3%	19.4%
1994/95	5.6%	5.4%	5.4%	5.9%	9.5%	5.5%
1995/96	5.3%	5.7%	5.7%	5.5%	-1.1%	5.9%
1996/97	4.4%	4.3%	4.3%	3.5%	9.6%	-25.8%
1997/98	3.1%	2.1%	2.1%	2.6%	12.5%	-2.0%
1998/99	2.9%	3.3%	3.3%	2.6%	2.2%	1.7%
1999/00	2.9%	3.3%	3.3%	3.2%	0.3%	2.1%
2000/01	4.7%	3.9%	3.9%	4.9%	7.9%	6.3%
2001/02	3.3%	3.0%	3.0%	3.8%	4.7%	4.0%
2002/03	9.8%	20.6%	-5.4%	-1.1%	-2.3%	-1.1%
2003/04	4.1%	4.1%	4.0%	4.6%	3.4%	5.1%
2004/05	4.9%	5.1%	5.3%	4.6%	3.7%	4.3%
2005/06	3.7%	1.2%	6.8%	5.7%	1.6%	4.9%
2006/07	2.3%	2.3%	2.5%	2.2%	-1.1%	2.7%
2007/08	3.2%	2.9%	2.6%	3.1%	6.5%	3.2%
2008/09	1.3%	0.9%	2.5%	7.2%	10.0%	7.8%
2009/10	5.2%	5.1%	5.0%	5.0%	4.3%	-30.6%
2010/11	4.2%	4.0%	4.0%	3.9%	5.5%	4.3%
2011/12	1.6%	3.9%	4.3%	11.0%	10.7%	10.6%
2012/13	3.7%	3.7%	3.7%	3.4%	2.0%	4.0%
2013/14	2.7%	2.8%	2.9%	2.0%	2.6%	2.0%
2014/15	0.2%	1.5%	3.9%	8.3%	9.9%	8.2%
2015/16	4.8%	4.9%	5.0%	2.3%	1.3%	2.4%
2016/17	2.7%	2.7%	2.7%	3.1%	1.1%	3.9%
2017/18	1.2%	4.5%	3.6%	8.7%	7.2%	9.3%
2018/19	3.3%	3.5%	3.7%	5.2%	0.7%	3.4%
2019/20	5.3%	5.3%	5.4%	5.2%	2.0%	5.7%
2020/21	2.8%	2.7%	2.6%	1.3%	2.2%	2.4%
2021/22	4.0%	4.2%	4.4%	4.3%	-0.4%	4.4%
2022/23	6.7%	6.5%	6.3%	6.4%	8.5%	-3.7%
2023/24	6.1%	6.0%	5.9%	5.9%	7.2%	6.1%
2024/25	7.6%	7.2%	6.7%	8.9%	9.8%	9.7%
2025/26	7.6%	7.5%	7.2%	7.8%	9.8%	8.0%
<b>Proposed</b>						
2026/27	7.3%	7.6%	7.9%	7.4%	3.0%	8.1%
2027/28	7.7%	7.6%	7.5%	7.1%	10.6%	7.0%
2028/29	7.7%	7.8%	7.9%	7.8%	5.9%	8.1%
2029/30	7.7%	7.7%	7.7%	7.6%	7.5%	7.9%
2030/31	7.7%	7.8%	7.9%	7.8%	6.1%	8.0%

**Figure 1  
Annual Residential Fees**



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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	4/24/2026 1:30:28 PM
Certified Delivered	Security Checked	4/24/2026 1:30:32 PM
Signing Complete	Security Checked	4/24/2026 1:30:57 PM
Completed	Security Checked	4/24/2026 1:30:57 PM
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You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

### **To advise County of Santa Cruz of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from County of Santa Cruz**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

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To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

# Formal Protest Letter Against Proposed Sanitation Rate Increase

Sheila Prado  
502 Bayview Dr  
Aptos, CA 95003  
**APN 04305201**

Santa Cruz County Sanitation District  
Government Center  
701 Ocean St. Room 410  
Santa Cruz, CA 95060  
Re: Protest letter for proposed sanitation increase.

Dear District Secretary,  
I am writing to express my deep concern regarding the proposed increase in sewer charges by the Santa Cruz Sanitation District.

These rate increases appear to be occurring on a yearly basis, and our current rates are already high. The frequency of these increases is excessive and places a significant financial burden on property owners.

It is unfair to place the responsibility for sewer charges solely on property owners.

It seems that less than 50% of the funds are allocated to operations and maintenance. This situation suggests possible mismanagement, particularly as repairs do not appear to have been performed routinely, which has resulted in the sewer lines being forty years old. I urge the district to examine its financial shortfalls more closely rather than continuing to increase the burden on property owners each year.

I strongly oppose any sewer rate increases currently.

Respectfully submitted,



Sheila Prado

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APR 20 2026  
Santa Cruz County  
Sanitation District

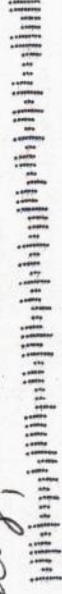
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Clarence and Sheila Prado  
502 Bay View Dr.  
Aptos, Ca. 95003

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District Government  
Santa Cruz County Sanitation District  
Government Center  
701 Ocean St.  
Santa Cruz, Ca 95060

9506034003 0000



# Formal Protest Letter Against Proposed Sanitation Rate Increase

Sheila Prado  
502 Bayview Dr  
Aptos, CA 95003

**APN 01703321**

Santa Cruz County Sanitation District  
Government Center  
701 Ocean St. Room 410  
Santa Cruz, CA 95060  
Re: Protest letter for proposed sanitation increase.

Dear District Secretary,  
I am writing to express my deep concern regarding the proposed increase in sewer charges by the Santa Cruz Sanitation District.

These rate increases appear to be occurring on a yearly basis, and our current rates are already high. The frequency of these increases is excessive and places a significant financial burden on property owners.

It is unfair to place the responsibility for sewer charges solely on property owners.

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I strongly oppose any sewer rate increases currently.

Respectfully submitted,



Sheila Prado

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APR 20 2026

Santa Cruz County  
Sanitation District

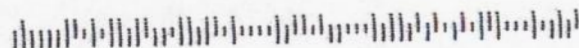
Clarence & Sheila Prado  
502 Bay View Dr  
Aptos, CA 95003

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District Secretary  
Santa Cruz County Sanitation District  
Government Center Rm 410  
701 Ocean St.  
Santa Cruz, Ca 95060

95060-407099



# Formal Protest Letter Against Proposed Sanitation Rate Increase

Sheila Prado  
502 Bayview Dr  
Aptos, CA 95003  
**APN 00622131**

Santa Cruz County Sanitation District  
Government Center  
701 Ocean St. Room 410  
Santa Cruz, CA 95060  
Re: Protest letter for proposed sanitation increase.

Dear District Secretary,  
I am writing to express my deep concern regarding the proposed increase in sewer charges by the Santa Cruz Sanitation District.

These rate increases appear to be occurring on a yearly basis, and our current rates are already high. The frequency of these increases is excessive and places a significant financial burden on property owners.

It is unfair to place the responsibility for sewer charges solely on property owners.

It seems that less than 50% of the funds are allocated to operations and maintenance. This situation suggests possible mismanagement, particularly as repairs do not appear to have been performed routinely, which has resulted in the sewer lines being forty years old. I urge the district to examine its financial shortfalls more closely rather than continuing to increase the burden on property owners each year.

I strongly oppose any sewer rate increases currently.

Respectfully submitted,



Sheila Prado

RECEIVED

APR 20 2026

Santa Cruz County  
Sanitation District

Shella Prado / Rossi Building  
502 Bay View Dr  
Aptos, CA 95003

SAN JOSE CA 950  
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FOREVER  
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District Secretary  
Santa Cruz County Sanitation District  
Government Center  
701 Ocean St.  
Santa Cruz, Ca 95060

95060-401310





# SANTA CRUZ COUNTY SANITATION DISTRICT

701 OCEAN STREET, SUITE 410 · SANTA CRUZ, CA · 95060-4073  
(831) 454-2160 · FAX (831) 454-2089 · TDD: (831) 454-2123 · WWW.SCCSD.US  
**MATT MACHADO, DISTRICT ENGINEER**

APRIL 21, 2026

SHEILA PRADO  
502 BAYVIEW DRIVE  
APTOS, CA 95003  
APN's: 043-052-01, 017-033-21, 006-221-31

SUBJECT: 2026/27 SEWER SERVICE CHARGE RATE INCREASES  
PROPOSITION 218 NOTIFICATION

Dear Sheila Prado,

The Santa Cruz County Sanitation District (District) has received your written protest regarding the proposed rate increases. The Board will review and consider all oral and written protests during the Public Hearing on May 21, 2026.

In response to your written objection, the District confirms that the proposed rates are necessary to cover the actual costs of operations, maintenance, and capital projects as approved by the Board of Directors (please refer to the enclosed 2026/27 Revenue Study explaining the substantive justification for the rate increase). For these reasons, the objection(s) you have raised, which will be presented for the Board's consideration, do not, from District staff's perspective, provide necessary grounds to modify the proposed rates.

To attend the meeting:

- **In-Person:** D.A. Porath Sanitation Facility Meeting Room, 2750 Lode Street, Santa Cruz, CA 95062 (off 26th Avenue).
- **Virtually (Zoom):** <https://santacruzcounty-us.zoomgov.com/j/1609753251>
  - **Meeting ID:** 160 975 3251
  - **Phone Access:** +1 669 254 5252 (San Jose)

For questions or comments, please contact the District Secretary at (831) 454-2792.

Yours truly,

MATT MACHADO  
District Engineer

By:   
1AD7DA21E77449D...  
Andrea Gifford  
Deputy Secretary

ARG/26-063.docx  
Attachment:  
SCCSD 2026/27 Revenue Study

**SANTA CRUZ COUNTY SANITATION DISTRICT**

**2026/27 REVENUE STUDY**



**February 2026**

**Hornberger Engineering**  
San Jose, California



February 12, 2026

Mr. Matt Machado, P.E.  
District Engineer  
Santa Cruz County Sanitation District  
701 Ocean Street  
Santa Cruz, CA 95060

Subject: Santa Cruz County Sanitation District  
2026/27 Revenue Study

Dear Mr. Machado,

We are pleased to submit this five-year program of sewer service charges for the Santa Cruz County Sanitation District. The purpose of this study is to incorporate the latest costs associated with the District's projects and programs and to project revenue requirements for the years 2026/27 through 2030/31. The study is based on the projected capital costs, operation and maintenance expenses and customer information prepared by the District staff.

This study assumes two bond issues will be issued as part of the District's Capital Improvement Program funding over the next ten years. The first bond issue will be for \$24.0 million in June 2027 to fund seven projects. A second bond issue will be for \$27.0 million in June 2030 to fund four projects. In addition, the District will participate in funding its share of the Electrical Replacement Project at the Wastewater Treatment Plant. The financing for this project is currently under discussion with the City of Santa Cruz.

As a result of this study, the overall fee increase for fiscal year 2026/27 is 7.3%. Proposed fees for the individual user groups are shown in the following table. Increases of 7.7% are projected for the following four years.

We appreciate this opportunity to prepare this revenue study for the Santa Cruz County Sanitation District. Please do not hesitate to contact me if you have any questions or would like any additional information.

Sincerely,

Hornberger Engineering

**Santa Cruz County Sanitation District  
Proposed 2026/27 Fee Increases**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalencent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

- (1) Volume Rate = \$/ADA/year
- (2) Volume Rate = \$/FTES/year

**SANTA CRUZ COUNTY SANITATION DISTRICT  
2026/27 REVENUE STUDY**

**Introduction**

The Santa Cruz County Sanitation District will require approximately 7.3% to 7.7% annual increases in revenue from fees for sewer service in the next five fiscal years, 2026/27 through 2030/31. The overall fee increase for 2026/27 developed in this study is 7.3%. These increases are primarily related to increased operating expenses and capital projects at the wastewater treatment plant operated by the City of Santa Cruz, the District's operating costs and debt service with an additional \$51 million in bonds, and general inflation.

The District staff has reviewed connection charge revenue, capital outlay needs, operation and maintenance expenses, debt service and miscellaneous revenues for the next five fiscal years. Based on this updated information, proposed fees for sewer service in 2026/27 and estimated fees through 2030/31 have been calculated. The development of these fees is discussed in the following sections.

**Requirements for Sewer Service Fees**

The District's fees for sewer service are subject to the requirements contained in the Revenue Program Guidelines issued by the California State Water Resources Control Board. This is a condition of the State and Federal grants and loans received by the District.

The Guidelines require that fees for sewer service be designed to recover adequate revenues for the operation and maintenance of the District's facilities. In addition, each user and user class must pay its proportional share of those costs, based on its proportional contribution to the total wastewater loadings from all users. The District's sewer service fees have been reviewed by the State Water Resources Control Board staff and are in compliance with the Guidelines.

The District's fees are also subject to the requirements of Proposition 218. This proposition, passed in 1996, requires that fees shall not exceed the proportional cost of service attributable to any parcel. The District's fees also comply with Proposition 218.

## **Customer Revenue**

The projected revenue received for sewer services under the current 2025/26 fees has increased by \$160,000 as shown in Table 1. This is a combination of a \$152,000 increase in residential revenue and an \$8,000 increase in nonresidential revenue. The most significant usage increase in 2025 was for ADUs which increased by 28%. The increase in customer revenue has the effect of decreasing the proposed 2026/27 sewer service fees by 0.4%.

**Table 1**  
**Customer Revenue at Current 2025/26 Fees**

Year	Residential Revenue (\$/year)	Nonresidential Revenue (\$/year)	Total Revenue (\$/year)
2025/26	\$31,708,000	\$6,456,000	\$38,164,000
2026/27	\$31,860,000	\$6,464,000	\$38,324,000
Difference	\$152,000 0.5%	\$8,000 0.1%	\$160,000 0.4%

## **Connection Charge Revenue**

Based on actual revenues, connection charges of \$400,000 have been projected for 206/27 and the following years.

## **Capital Improvement Program Funding**

Connection charge revenue and contributions from rates are used to fund the District's Capital Improvement Program projects that are not funded by loans or grants. The funding for 2026/27 is \$6,595,000. This will be generated by \$400,000 in connection charge revenue and \$6,195,000 in sewer service fees. The funding for those projects in the five years of the study period is show in Table 2. The projects included in this program are listed in Table 3. Existing fund balances will be used for the additional costs of these projects.

**Table 2  
Capital Improvement Program Funding**

Item	Annual Capital Improvement Program Funding				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Connection Charge Revenue	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Contribution from Rates	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Capital Improvement Program Funding	\$6,595,000	\$5,156,000	\$8,136,000	\$10,199,000	\$11,097,000

**Table 3  
District Funded Capital Improvement Program**

Project	2026/27	2027/28	2028/29	2029/30	2030/31
Upper Rodeo Sewer Rehabilitation Annual Monitoring	\$16,650	\$16,650	\$16,650	\$16,650	\$16,650
East Cliff Trans. Main Replacement at Murray St. Bridge	\$370,000				
Arana Trunkline Annual Monitoring	\$26,196	\$22,755	\$22,755	\$22,755	\$24,698
Flowmeter Replacements and Repairs		\$45,000		\$45,000	
Transmission Line Inspection	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCADA System Improvements	\$350,000	\$364,000	\$378,560	\$393,702	\$409,450
Pump Station Sewage Level Monitoring	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Cathodic Protection	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Road Repairs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Consulting Engineering Services	\$400,000	\$400,000	\$400,000	\$500,000	\$500,000
Minor Projects	\$900,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
East Cliff Force Main Inspection				\$200,000	
East Cliff Force Main Repairs - II	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Moosehead Realignment	\$1,175,000				
Santa Cruz Harbor Area Sewer Rehab Phase 2			\$100,000		
Rio Del Mar Sewer Rehab Phase 2			\$100,000		
Concrete Stairs Rehab (Conc Rehab Various PS)	\$475,000				
2028 Sewer Pipe Rehabilitation Project		\$100,000	\$2,000,000		
D.A. Porath Pump Station Study	\$18,755				
EJ21-EJ27 Annual Monitoring	\$22,200	\$21,090	\$21,090		
A1 Pump Station Hardening	\$241,230				
Arana Pump Station Relocation	\$100,000	\$292,570			
Aptos Esplanade Pump Station Valve Replacement		\$100,000			
Portola Sewer Capacity Upgrade		\$110,000			
Bay Avenue Sewer Upgrade		\$100,000			
7th Avenue Sewer Capacity Upgrade		\$100,000			
A1 Pump Station Relocation			\$100,000	\$6,561,000	
Sea Level Mitigation	\$300,000	\$500,000	\$500,000		\$500,000
Secondary Force Main					\$2,000,000
Other Rehab (Collection and Operations)					\$2,000,000
Contingencies	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
<b>Total District Funded Capital Projects</b>	<b>\$6,145,031</b>	<b>\$5,922,065</b>	<b>\$7,389,055</b>	<b>\$11,489,107</b>	<b>\$9,200,798</b>

### **Operation and Maintenance Expenses**

The projected operation and maintenance expenses include treatment costs paid to the City of Santa Cruz and the District's expenses for pump station and collection line maintenance, engineering, source control and fixed assets.

As shown in Table 4, projected treatment expenses have decreased from those used in the 2025/26 fees. The District's share of treatment operations costs has increased by \$417,000 due to utility costs, chemical costs and inflation. With the completion of projects at the treatment plant there is a reduction in capital costs. The District's 8/17 share of capital projects has decreased by \$1,835,000. The total decrease in treatment costs for 2026/27 is \$1,418,000. The treatment plant projects for the five-year study period are shown in Table 5. These do not include construction of the Electrical Replacement Project which will be funded by a 2027/28 debt issue.

**Table 4**  
**2026/27 District Treatment Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$7,056,000	\$4,417,000	\$11,473,000
2026/27	\$7,473,000	\$2,582,000	\$10,055,000
Difference	\$417,000 5.9%	(\$1,835,000) (41.5%)	(\$1,418,000) (12.4%)

**Table 5  
Treatment Plant Capital Improvement Program**

Project	2026/27	2027/287	2028/29	2029/30	2030/31
Equipment Replacement	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Nearby Park Mitigation CIP	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Upgrade Digester Equipment/Cleaning		\$800,000		\$800,000	
Electrical Replacement Project Design	\$2,000,000				
Modernize Lab	\$500,000				
WWTP Infrastructure and Major Equipment	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>Total Treatment Plant Capital Projects</b>	<b>\$5,275,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>

As shown in Table 6, the District’s O&M expense projections for the next fiscal year have increased by \$680,000 from those used in the 2025/26 fees. This includes increases of 2.6%, or \$470,000, in operating costs and a \$210,000 increase in routine capital expenses.

**Table 6  
2026/27 District Operation and Maintenance Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$18,182,000	\$1,325,000	\$19,507,000
2026/27	\$18,652,000	\$1,535,000	\$20,187,000
Difference	\$470,000 2.6%	\$210,000 15.8%	\$680,000 3.5%

**Debt Service**

The District currently has three projects funded by State Revolving Fund (SRF) loans. These include \$12 million for the Aptos Transmission Relocation Project, \$5 million for the Soquel Creek Pump Station Force Main and \$3.3 million for the Valencia

Creek Sewer Relocation. The Capitola/Jewel Box Sewer project was funded by a \$7 million California Infrastructure and Economic Development Bank (IBank) loan.

In June 2022 the District issued \$19.9 million in revenue bonds to fund five projects. In June 2024 the District issued \$29.0 million in revenue bonds to fund twelve projects.

The District plans to issue three additional revenue bonds starting in 2027. These include a \$24 million issue in 2027 to fund seven projects and a \$27 million issue in 2030 to fund four projects.

The District will be participating in the funding for the Electrical Replacement Project at the wastewater treatment plant which is currently under design. The actual project cost and funding have not been established at this time. Estimated District debt service participation for this project starting in 2027 has been included for the study period but is subject to change at a later date. In addition, The District is also participating in a \$3.5 million IBank loan for the Ultraviolet System Replacement project at the treatment plant.

The debt service schedules for all the District’s loans and bonds for the study period are shown in Table 7. The proposed projects funded by these loans and bonds over the next five fiscal years are shown in Table 8.

**Table 7  
District Debt Service**

Item	Annual Debt Service				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
SRF Loan - Aptos Transmission Project	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
SRF Loan - Soquel Creek Pump Station	\$219,000	\$219,000	\$219,000	\$219,000	\$219,000
SRF Loan - Valencia Creek Sewer Relocation	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
IBank Loan - Capitola/Jewel Box	\$401,000	\$401,000	\$400,000	\$399,000	\$399,000
2022 Bond Issue - 4 Projects	\$1,199,000	\$1,200,000	\$1,195,000	\$1,199,000	1197000
2024 Bond Issue - 13 Projects	\$1,653,000	\$1,654,000	\$1,654,000	\$1,652,000	1654000
2027 Bond Issue - 7 Projects		\$1,610,000	\$1,610,000	\$1,610,000	\$1,610,000
2030 Bond Issue -4 Projects					\$1,810,000
City WWTP Ibank Loan - UV Replacement	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
City WWTP Electrical System Upgrade Participation		\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
<b>Total Debt Service</b>	<b>\$4,455,000</b>	<b>\$8,767,000</b>	<b>\$8,761,000</b>	<b>\$8,762,000</b>	<b>\$10,572,000</b>

**Table 8  
District Loan and Bond Funded Capital Improvement Program**

Project	Prior Years	2026/27	2027/28	2028/29	2029/30	2030/31
State Revolving Fund Loans:						
Aptos Transmission Relocation	\$11,982,000					
Soquel Ck. PS FM Replacement	\$5,002,000					
Valencia Creek Sewer Relocation	\$3,265,000					
Bank Loans:						
Capitola / Jewel Box Sewer	\$7,000,000					
2022 Bond Issue:						
East Cliff, Portola, & Richmond Dr.	\$7,300,000					
Upper Rodeo, Lower Rodeo Trunklines and Rodeo PS	\$8,500,000					
Arana Trunkline	\$4,100,000					
Non Project	\$45,000					
Total 2022 Bond Issue	\$19,945,000					
2024 Bond Issue:						
Eddy Lane Sewer Rehabilitation	\$1,600,000					
Soquel Village Sewer Rehabilitation Phase 2	\$6,100,000					
Seacliff/Rio Del Mar Sewer Rehabilitation	\$2,442,000					
Hidden Beach Bypass	\$800,000					
Emergency Bypass Improvements	\$739,000					
DA Porath Bypass	\$4,444,000					
Upper Rodeo Gulch Trunkline	\$3,850,000					
Capitola Pump Station Pump Replacement	\$680,000					
West Seaciff Sewer Rehabilitation	\$3,435,000					
East Cliff Drive Sewer Rehabilitation	\$500,000					
Arana Gulch Sewer Rehabilitation	\$850,000					
Rodeo Pump Station Capacity Upgrade	\$3,100,000					
AA10-AA17 Vienna Drive Sewer Emergency Repair	\$460,000					
Total 2024 Bond Issue	\$29,000,000					
2027 Bond Issue:						
Capitola Village Phase 1			\$3,000,000			
Bay Avenue Sewer Upgrade			\$785,000			
D.A. Porath Pump Station Capacity Upgrade			\$3,000,000			
Arana Pump Station Relocation			\$5,515,000			
Aptos Esplanade Pump Station Valve Replacement			\$1,500,000			
Portola Sewer Capacity Upgrade			\$6,400,000			
7th Avenue Sewer Capacity Upgrade - North			\$3,800,000			
Total 2027 Bond Issue			\$24,000,000			
2030 Bond Issue:						
Soquel Pump Station Auxillary Wet Well						\$5,870,000
Santa Cruz Harbor Sewer Rehabilitation Phase 2						\$6,456,900
Rio Del Mar Sewer Rehabilitation Phase 2						\$10,594,600
2030 Sewer Pipe Rehabilitation						\$4,078,500
Total 2030 Bond Issue						\$27,000,000
City WWTP Projects:						
UV Replacement (\$3.5 million X 8/17)	\$1,647,000					
Electrical System Construction (\$91.0 million X 8/17)			\$42,824,000			
<b>Total Loan and Bond Funded Projects</b>	<b>\$77,841,000</b>	<b>\$0</b>	<b>\$66,824,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,000,000</b>

**Revenue Trust Interest Income**

The District uses the investment income received in the Revenue Trust Fund to fund a portion of its operating expenses every year. This reduces the total revenues required from fees for sewer service. Based on actual earnings, the projected annual interest income for 2026/27 and the following years is \$500,000.

**Reserve Fund**

The District’s Reserve Fund will have a balance of \$3,600,000 at the beginning of 2026/27. The District’s plan is to continue increases of \$300,000 over the next five years. Additional transfers would continue in the following years. This will bring the balance to \$5,100,000 by the end of 2030/31. These amounts will be recovered annually through sewer service fees.

**Total Revenues**

Projected revenues required for 2026/27 through 2030/31 from fees for sewer service are shown in Table 9. The total revenue required in 2026/27 is \$41,103,000 which will require an overall fee increase of \$2,779,000 or 7.3%. Annual fee increases for the following four years are projected to be 7.7%

**Table 9  
Total Revenue Requirements**

Item	Annual Revenue Requirement				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Capital Improvement Funding	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Debt Service	\$4,455,000	\$8,767,000	\$8,761,000	\$8,762,000	\$10,572,000
City Treatment	\$10,055,000	\$9,601,000	\$9,574,000	\$10,347,000	\$10,354,000
District O&M	\$20,187,000	\$20,903,000	\$21,330,000	\$22,127,000	\$23,326,000
Reserve Fund	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Revenue Collection Expense	\$411,000	\$443,000	\$477,000	\$513,000	\$553,000
Interest Earnings	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>Total Revenue Requirement</b>	<b>\$41,103,000</b>	<b>\$44,270,000</b>	<b>\$47,678,000</b>	<b>\$51,348,000</b>	<b>\$55,302,000</b>
<b>Fee Increase</b>	<b>7.3%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>

## Sewer Service Fees

The proposed 2026/27 fees for sewer service, based on increased customer usage and total revenue requirements, are shown in Table 10. The overall 2026/27 fee increase is 7.3%. Residential increases are of 7.6% for single family residences, 7.5% for multiple and 7.2% for mobile homes.

These proposed fees are based the average wastewater discharges for the three residential classifications, as adopted by the District Board in January 2022. The discharge by customers in the single family classification is 5.1 HCF per month. The discharge by customers in the combined multiple family classification is 4.1 HCF per month. Mobile home discharge is 3.2 HCF per month. Nonresidential fee increases vary based on customer size and strength of wastewater discharged.

A five-year fee program for the study period is shown in Table 11. This table includes adopted fees since 1991/92 and proposed increases through 2030/31.

**Table 10**  
**Proposed 2026/27 Fees**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalescent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

(1) Volume Rate = \$/ADA/year

(2) Volume Rate = \$/FTES/year

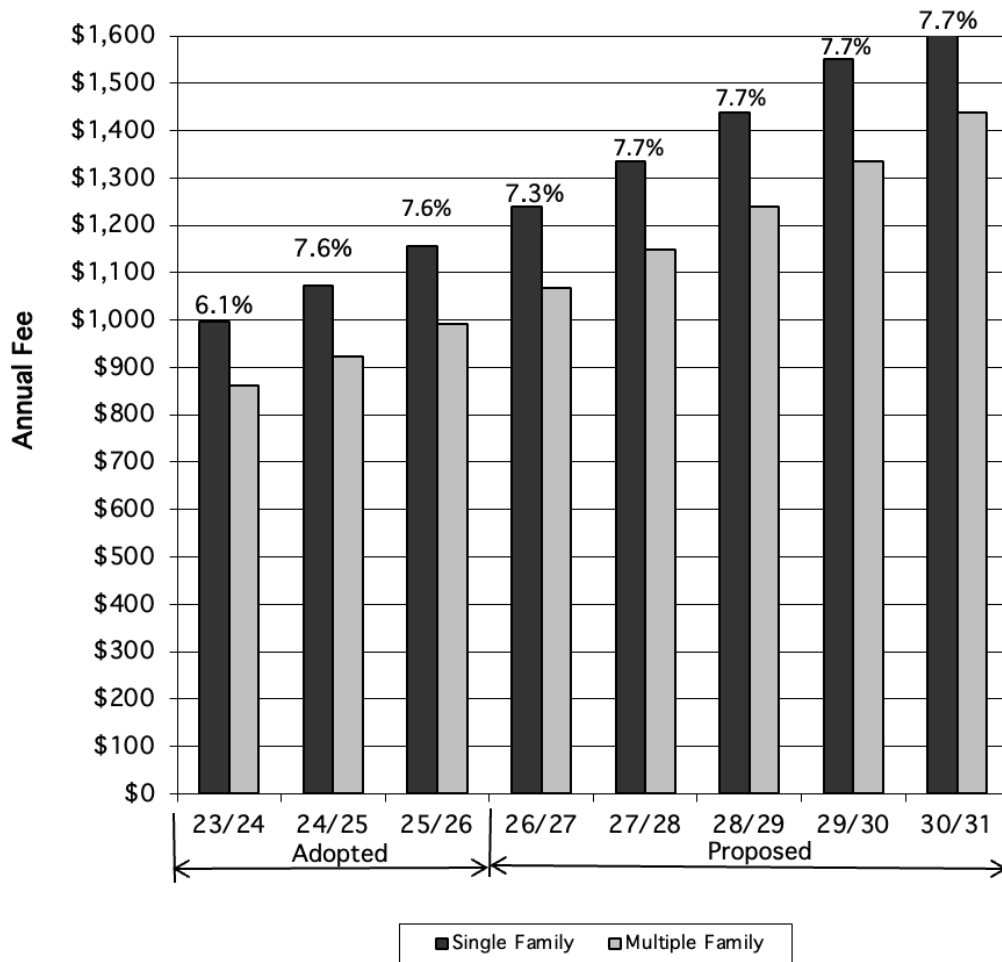
## Summary

The overall projected increase in fees for sewer service for fiscal year 2026/27 is 7.3%. The annual increases for the following four years are 7.7%. These increases reflect increased customer usage, additional debt service, treatment plant operating costs and capital improvements and District operating costs and capital improvements. The proposed single family and multiple family annual fees are shown in Figure 1. Future fee increases are dependent upon the magnitude of treatment and collection operating costs, general inflationary trends, interest rates and customer usage.

**Table 11**  
**Five-Year Fee Program**

Fiscal Year	Average Increase					
	Single Family	Multiple Family	Mobile Home	Average Other Business	Average Restaurant	Elementary School
	5.1 HCF/mo.	4.1 HCF/mo.	3.2 HCF/mo.	12 HCF/mo.	44 HCF/mo.	369 ADA
<b>Adopted</b>						
1991/92	27.1%	23.9%	23.9%			
1992/93	4.2%	13.5%	13.5%	4.5%	8.2%	0.4%
1993/94	22.4%	35.7%	35.7%	25.9%	30.3%	19.4%
1994/95	5.6%	5.4%	5.4%	5.9%	9.5%	5.5%
1995/96	5.3%	5.7%	5.7%	5.5%	-1.1%	5.9%
1996/97	4.4%	4.3%	4.3%	3.5%	9.6%	-25.8%
1997/98	3.1%	2.1%	2.1%	2.6%	12.5%	-2.0%
1998/99	2.9%	3.3%	3.3%	2.6%	2.2%	1.7%
1999/00	2.9%	3.3%	3.3%	3.2%	0.3%	2.1%
2000/01	4.7%	3.9%	3.9%	4.9%	7.9%	6.3%
2001/02	3.3%	3.0%	3.0%	3.8%	4.7%	4.0%
2002/03	9.8%	20.6%	-5.4%	-1.1%	-2.3%	-1.1%
2003/04	4.1%	4.1%	4.0%	4.6%	3.4%	5.1%
2004/05	4.9%	5.1%	5.3%	4.6%	3.7%	4.3%
2005/06	3.7%	1.2%	6.8%	5.7%	1.6%	4.9%
2006/07	2.3%	2.3%	2.5%	2.2%	-1.1%	2.7%
2007/08	3.2%	2.9%	2.6%	3.1%	6.5%	3.2%
2008/09	1.3%	0.9%	2.5%	7.2%	10.0%	7.8%
2009/10	5.2%	5.1%	5.0%	5.0%	4.3%	-30.6%
2010/11	4.2%	4.0%	4.0%	3.9%	5.5%	4.3%
2011/12	1.6%	3.9%	4.3%	11.0%	10.7%	10.6%
2012/13	3.7%	3.7%	3.7%	3.4%	2.0%	4.0%
2013/14	2.7%	2.8%	2.9%	2.0%	2.6%	2.0%
2014/15	0.2%	1.5%	3.9%	8.3%	9.9%	8.2%
2015/16	4.8%	4.9%	5.0%	2.3%	1.3%	2.4%
2016/17	2.7%	2.7%	2.7%	3.1%	1.1%	3.9%
2017/18	1.2%	4.5%	3.6%	8.7%	7.2%	9.3%
2018/19	3.3%	3.5%	3.7%	5.2%	0.7%	3.4%
2019/20	5.3%	5.3%	5.4%	5.2%	2.0%	5.7%
2020/21	2.8%	2.7%	2.6%	1.3%	2.2%	2.4%
2021/22	4.0%	4.2%	4.4%	4.3%	-0.4%	4.4%
2022/23	6.7%	6.5%	6.3%	6.4%	8.5%	-3.7%
2023/24	6.1%	6.0%	5.9%	5.9%	7.2%	6.1%
2024/25	7.6%	7.2%	6.7%	8.9%	9.8%	9.7%
2025/26	7.6%	7.5%	7.2%	7.8%	9.8%	8.0%
<b>Proposed</b>						
2026/27	7.3%	7.6%	7.9%	7.4%	3.0%	8.1%
2027/28	7.7%	7.6%	7.5%	7.1%	10.6%	7.0%
2028/29	7.7%	7.8%	7.9%	7.8%	5.9%	8.1%
2029/30	7.7%	7.7%	7.7%	7.6%	7.5%	7.9%
2030/31	7.7%	7.8%	7.9%	7.8%	6.1%	8.0%

**Figure 1  
Annual Residential Fees**



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Editor Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	4/20/2026 4:53:18 PM
Certified Delivered	Security Checked	4/20/2026 4:53:23 PM
Signing Complete	Security Checked	4/20/2026 4:53:34 PM
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If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

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If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

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To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

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- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

April 10, 2026

District Secretary, Santa Cruz County Sanitation District,

I oppose the proposed water and wastewater future increases for Santa Cruz Area residents. We are having to cut back on our spending during these financially tight times and the companies that supply us need to do the same, rather than increase the financial burden of the residents. I also think the pie chart showing the spending allocations should be adjusted if the goal of the new charges is to update infrastructure... Maybe use some of the very large operations chunk for infrastructure rehabilitation. It looks like you are not managing the resources you have well, if more than 10% is going to debt servicing?! We customers need to make adjustments to live within our income and you need to be fiscally responsible as well. Cut first (and prove what you have done) and then ask us to pitch in more.

Thank you,

A handwritten signature in cursive script that reads "Kath Gandy".

Kathleen Gandy, owner  
929 Ponselle #2  
Capitola, CA 95010

RECEIVED

APR 20 2026

Santa Cruz County  
Sanitation District



**Kathleen Gandy**  
1049 Sunbrook Dr.  
Sn Bernardino, CA 92407-5369

SN BERNARDINO CA 923

14 APR 2026 PM 7 L



District Secretary  
Santa Cruz County Sanitation Dist.  
Governmental Center  
701 Ocean Street  
Room 410  
Santa Cruz, CA. 95060

95060-407099





# SANTA CRUZ COUNTY SANITATION DISTRICT

701 OCEAN STREET, SUITE 410 · SANTA CRUZ, CA · 95060-4073  
(831) 454-2160 · FAX (831) 454-2089 · TDD: (831) 454-2123 · WWW.SCCSD.US  
**MATT MACHADO, DISTRICT ENGINEER**

APRIL 21, 2026

KATHLEEN GANDY  
1049 SUNBROOK DRIVE  
SAN BERNARDINO, CA 92407-5369  
APN: 036-511-24

SUBJECT: 2026/27 SEWER SERVICE CHARGE RATE INCREASES  
PROPOSITION 218 NOTIFICATION

Dear Kathleen Gandy,

The Santa Cruz County Sanitation District (District) has received your written protest regarding the proposed rate increases. The Board will review and consider all oral and written protests during the Public Hearing on May 21, 2026.

In response to your written objection, the District confirms that the proposed rates are necessary to cover the actual costs of operations, maintenance, and capital projects as approved by the Board of Directors (please refer to the enclosed 2026/27 Revenue Study explaining the substantive justification for the rate increase). For these reasons, the objection(s) you have raised, which will be presented for the Board's consideration, do not, from District staff's perspective, provide necessary grounds to modify the proposed rates.

To attend the meeting:

- **In-Person:** D.A. Porath Sanitation Facility Meeting Room, 2750 Lode Street, Santa Cruz, CA 95062 (off 26th Avenue).
- **Virtually (Zoom):** <https://santacruzcounty-us.zoomgov.com/j/1609753251>
  - **Meeting ID:** 160 975 3251
  - **Phone Access:** +1 669 254 5252 (San Jose)

For questions or comments, please contact the District Secretary at (831) 454-2792.

Yours truly,

MATT MACHADO  
District Engineer

By:   
1AD7DA21E77449D...

Andrea Gifford  
Deputy Secretary

ARG/26-064.docx

Attachment:

SCCSD 2026/27 Revenue Study

**SANTA CRUZ COUNTY SANITATION DISTRICT**

**2026/27 REVENUE STUDY**



**February 2026**

**Hornberger Engineering**  
San Jose, California



February 12, 2026

Mr. Matt Machado, P.E.  
District Engineer  
Santa Cruz County Sanitation District  
701 Ocean Street  
Santa Cruz, CA 95060

Subject: Santa Cruz County Sanitation District  
2026/27 Revenue Study

Dear Mr. Machado,

We are pleased to submit this five-year program of sewer service charges for the Santa Cruz County Sanitation District. The purpose of this study is to incorporate the latest costs associated with the District's projects and programs and to project revenue requirements for the years 2026/27 through 2030/31. The study is based on the projected capital costs, operation and maintenance expenses and customer information prepared by the District staff.

This study assumes two bond issues will be issued as part of the District's Capital Improvement Program funding over the next ten years. The first bond issue will be for \$24.0 million in June 2027 to fund seven projects. A second bond issue will be for \$27.0 million in June 2030 to fund four projects. In addition, the District will participate in funding its share of the Electrical Replacement Project at the Wastewater Treatment Plant. The financing for this project is currently under discussion with the City of Santa Cruz.

As a result of this study, the overall fee increase for fiscal year 2026/27 is 7.3%. Proposed fees for the individual user groups are shown in the following table. Increases of 7.7% are projected for the following four years.

We appreciate this opportunity to prepare this revenue study for the Santa Cruz County Sanitation District. Please do not hesitate to contact me if you have any questions or would like any additional information.

Sincerely,

Hornberger Engineering

**Santa Cruz County Sanitation District  
Proposed 2026/27 Fee Increases**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalencent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
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Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

- (1) Volume Rate = \$/ADA/year
- (2) Volume Rate = \$/FTES/year

**SANTA CRUZ COUNTY SANITATION DISTRICT  
2026/27 REVENUE STUDY**

**Introduction**

The Santa Cruz County Sanitation District will require approximately 7.3% to 7.7% annual increases in revenue from fees for sewer service in the next five fiscal years, 2026/27 through 2030/31. The overall fee increase for 2026/27 developed in this study is 7.3%. These increases are primarily related to increased operating expenses and capital projects at the wastewater treatment plant operated by the City of Santa Cruz, the District's operating costs and debt service with an additional \$51 million in bonds, and general inflation.

The District staff has reviewed connection charge revenue, capital outlay needs, operation and maintenance expenses, debt service and miscellaneous revenues for the next five fiscal years. Based on this updated information, proposed fees for sewer service in 2026/27 and estimated fees through 2030/31 have been calculated. The development of these fees is discussed in the following sections.

**Requirements for Sewer Service Fees**

The District's fees for sewer service are subject to the requirements contained in the Revenue Program Guidelines issued by the California State Water Resources Control Board. This is a condition of the State and Federal grants and loans received by the District.

The Guidelines require that fees for sewer service be designed to recover adequate revenues for the operation and maintenance of the District's facilities. In addition, each user and user class must pay its proportional share of those costs, based on its proportional contribution to the total wastewater loadings from all users. The District's sewer service fees have been reviewed by the State Water Resources Control Board staff and are in compliance with the Guidelines.

The District's fees are also subject to the requirements of Proposition 218. This proposition, passed in 1996, requires that fees shall not exceed the proportional cost of service attributable to any parcel. The District's fees also comply with Proposition 218.

## **Customer Revenue**

The projected revenue received for sewer services under the current 2025/26 fees has increased by \$160,000 as shown in Table 1. This is a combination of a \$152,000 increase in residential revenue and an \$8,000 increase in nonresidential revenue. The most significant usage increase in 2025 was for ADUs which increased by 28%. The increase in customer revenue has the effect of decreasing the proposed 2026/27 sewer service fees by 0.4%.

**Table 1**  
**Customer Revenue at Current 2025/26 Fees**

Year	Residential Revenue (\$/year)	Nonresidential Revenue (\$/year)	Total Revenue (\$/year)
2025/26	\$31,708,000	\$6,456,000	\$38,164,000
2026/27	\$31,860,000	\$6,464,000	\$38,324,000
Difference	\$152,000 0.5%	\$8,000 0.1%	\$160,000 0.4%

## **Connection Charge Revenue**

Based on actual revenues, connection charges of \$400,000 have been projected for 206/27 and the following years.

## **Capital Improvement Program Funding**

Connection charge revenue and contributions from rates are used to fund the District's Capital Improvement Program projects that are not funded by loans or grants. The funding for 2026/27 is \$6,595,000. This will be generated by \$400,000 in connection charge revenue and \$6,195,000 in sewer service fees. The funding for those projects in the five years of the study period is show in Table 2. The projects included in this program are listed in Table 3. Existing fund balances will be used for the additional costs of these projects.

**Table 2  
Capital Improvement Program Funding**

Item	Annual Capital Improvement Program Funding				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Connection Charge Revenue	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Contribution from Rates	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Capital Improvement Program Funding	\$6,595,000	\$5,156,000	\$8,136,000	\$10,199,000	\$11,097,000

**Table 3  
District Funded Capital Improvement Program**

Project	2026/27	2027/28	2028/29	2029/30	2030/31
Upper Rodeo Sewer Rehabilitation Annual Monitoring	\$16,650	\$16,650	\$16,650	\$16,650	\$16,650
East Cliff Trans. Main Replacement at Murray St. Bridge	\$370,000				
Arana Trunkline Annual Monitoring	\$26,196	\$22,755	\$22,755	\$22,755	\$24,698
Flowmeter Replacements and Repairs		\$45,000		\$45,000	
Transmission Line Inspection	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCADA System Improvements	\$350,000	\$364,000	\$378,560	\$393,702	\$409,450
Pump Station Sewage Level Monitoring	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Cathodic Protection	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Road Repairs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Consulting Engineering Services	\$400,000	\$400,000	\$400,000	\$500,000	\$500,000
Minor Projects	\$900,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
East Cliff Force Main Inspection				\$200,000	
East Cliff Force Main Repairs - II	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Moosehead Realignment	\$1,175,000				
Santa Cruz Harbor Area Sewer Rehab Phase 2			\$100,000		
Rio Del Mar Sewer Rehab Phase 2			\$100,000		
Concrete Stairs Rehab (Conc Rehab Various PS)	\$475,000				
2028 Sewer Pipe Rehabilitation Project		\$100,000	\$2,000,000		
D.A. Porath Pump Station Study	\$18,755				
EJ21-EJ27 Annual Monitoring	\$22,200	\$21,090	\$21,090		
A1 Pump Station Hardening	\$241,230				
Arana Pump Station Relocation	\$100,000	\$292,570			
Aptos Esplanade Pump Station Valve Replacement		\$100,000			
Portola Sewer Capacity Upgrade		\$110,000			
Bay Avenue Sewer Upgrade		\$100,000			
7th Avenue Sewer Capacity Upgrade		\$100,000			
A1 Pump Station Relocation			\$100,000	\$6,561,000	
Sea Level Mitigation	\$300,000	\$500,000	\$500,000		\$500,000
Secondary Force Main					\$2,000,000
Other Rehab (Collection and Operations)					\$2,000,000
Contingencies	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
<b>Total District Funded Capital Projects</b>	<b>\$6,145,031</b>	<b>\$5,922,065</b>	<b>\$7,389,055</b>	<b>\$11,489,107</b>	<b>\$9,200,798</b>

## **Operation and Maintenance Expenses**

The projected operation and maintenance expenses include treatment costs paid to the City of Santa Cruz and the District's expenses for pump station and collection line maintenance, engineering, source control and fixed assets.

As shown in Table 4, projected treatment expenses have decreased from those used in the 2025/26 fees. The District's share of treatment operations costs has increased by \$417,000 due to utility costs, chemical costs and inflation. With the completion of projects at the treatment plant there is a reduction in capital costs. The District's 8/17 share of capital projects has decreased by \$1,835,000. The total decrease in treatment costs for 2026/27 is \$1,418,000. The treatment plant projects for the five-year study period are shown in Table 5. These do not include construction of the Electrical Replacement Project which will be funded by a 2027/28 debt issue.

**Table 4**  
**2026/27 District Treatment Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$7,056,000	\$4,417,000	\$11,473,000
2026/27	\$7,473,000	\$2,582,000	\$10,055,000
Difference	\$417,000 5.9%	(\$1,835,000) (41.5%)	(\$1,418,000) (12.4%)

**Table 5  
Treatment Plant Capital Improvement Program**

Project	2026/27	2027/287	2028/29	2029/30	2030/31
Equipment Replacement	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Nearby Park Mitigation CIP	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Upgrade Digester Equipment/Cleaning		\$800,000		\$800,000	
Electrical Replacement Project Design	\$2,000,000				
Modernize Lab	\$500,000				
WWTP Infrastructure and Major Equipment	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>Total Treatment Plant Capital Projects</b>	<b>\$5,275,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>

As shown in Table 6, the District’s O&M expense projections for the next fiscal year have increased by \$680,000 from those used in the 2025/26 fees. This includes increases of 2.6%, or \$470,000, in operating costs and a \$210,000 increase in routine capital expenses.

**Table 6  
2026/27 District Operation and Maintenance Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$18,182,000	\$1,325,000	\$19,507,000
2026/27	\$18,652,000	\$1,535,000	\$20,187,000
Difference	\$470,000 2.6%	\$210,000 15.8%	\$680,000 3.5%

**Debt Service**

The District currently has three projects funded by State Revolving Fund (SRF) loans. These include \$12 million for the Aptos Transmission Relocation Project, \$5 million for the Soquel Creek Pump Station Force Main and \$3.3 million for the Valencia

Creek Sewer Relocation. The Capitola/Jewel Box Sewer project was funded by a \$7 million California Infrastructure and Economic Development Bank (IBank) loan.

In June 2022 the District issued \$19.9 million in revenue bonds to fund five projects. In June 2024 the District issued \$29.0 million in revenue bonds to fund twelve projects.

The District plans to issue three additional revenue bonds starting in 2027. These include a \$24 million issue in 2027 to fund seven projects and a \$27 million issue in 2030 to fund four projects.

The District will be participating in the funding for the Electrical Replacement Project at the wastewater treatment plant which is currently under design. The actual project cost and funding have not been established at this time. Estimated District debt service participation for this project starting in 2027 has been included for the study period but is subject to change at a later date. In addition, The District is also participating in a \$3.5 million IBank loan for the Ultraviolet System Replacement project at the treatment plant.

The debt service schedules for all the District’s loans and bonds for the study period are shown in Table 7. The proposed projects funded by these loans and bonds over the next five fiscal years are shown in Table 8.

**Table 7  
District Debt Service**

Item	Annual Debt Service				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
SRF Loan - Aptos Transmission Project	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
SRF Loan - Soquel Creek Pump Station	\$219,000	\$219,000	\$219,000	\$219,000	\$219,000
SRF Loan - Valencia Creek Sewer Relocation	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
IBank Loan - Capitola/Jewel Box	\$401,000	\$401,000	\$400,000	\$399,000	\$399,000
2022 Bond Issue - 4 Projects	\$1,199,000	\$1,200,000	\$1,195,000	\$1,199,000	1197000
2024 Bond Issue - 13 Projects	\$1,653,000	\$1,654,000	\$1,654,000	\$1,652,000	1654000
2027 Bond Issue - 7 Projects		\$1,610,000	\$1,610,000	\$1,610,000	\$1,610,000
2030 Bond Issue -4 Projects					\$1,810,000
City WWTP Ibank Loan - UV Replacement	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
City WWTP Electrical System Upgrade Participation		\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
<b>Total Debt Service</b>	<b>\$4,455,000</b>	<b>\$8,767,000</b>	<b>\$8,761,000</b>	<b>\$8,762,000</b>	<b>\$10,572,000</b>

**Table 8  
District Loan and Bond Funded Capital Improvement Program**

Project	Prior Years	2026/27	2027/28	2028/29	2029/30	2030/31
State Revolving Fund Loans:						
Aptos Transmission Relocation	\$11,982,000					
Soquel Ck. PS FM Replacement	\$5,002,000					
Valencia Creek Sewer Relocation	\$3,265,000					
Bank Loans:						
Capitola / Jewel Box Sewer	\$7,000,000					
2022 Bond Issue:						
East Cliff, Portola, & Richmond Dr.	\$7,300,000					
Upper Rodeo, Lower Rodeo Trunklines and Rodeo PS	\$8,500,000					
Arana Trunkline	\$4,100,000					
Non Project	\$45,000					
Total 2022 Bond Issue	\$19,945,000					
2024 Bond Issue:						
Eddy Lane Sewer Rehabilitation	\$1,600,000					
Soquel Village Sewer Rehabilitation Phase 2	\$6,100,000					
Seacliff/Rio Del Mar Sewer Rehabilitation	\$2,442,000					
Hidden Beach Bypass	\$800,000					
Emergency Bypass Improvements	\$739,000					
DA Porath Bypass	\$4,444,000					
Upper Rodeo Gulch Trunkline	\$3,850,000					
Capitola Pump Station Pump Replacement	\$680,000					
West Seaciff Sewer Rehabilitation	\$3,435,000					
East Cliff Drive Sewer Rehabilitation	\$500,000					
Arana Gulch Sewer Rehabilitation	\$850,000					
Rodeo Pump Station Capacity Upgrade	\$3,100,000					
AA10-AA17 Vienna Drive Sewer Emergency Repair	\$460,000					
Total 2024 Bond Issue	\$29,000,000					
2027 Bond Issue:						
Capitola Village Phase 1			\$3,000,000			
Bay Avenue Sewer Upgrade			\$785,000			
D.A. Porath Pump Station Capacity Upgrade			\$3,000,000			
Arana Pump Station Relocation			\$5,515,000			
Aptos Esplanade Pump Station Valve Replacement			\$1,500,000			
Portola Sewer Capacity Upgrade			\$6,400,000			
7th Avenue Sewer Capacity Upgrade - North			\$3,800,000			
Total 2027 Bond Issue			\$24,000,000			
2030 Bond Issue:						
Soquel Pump Station Auxillary Wet Well						\$5,870,000
Santa Cruz Harbor Sewer Rehabilitation Phase 2						\$6,456,900
Rio Del Mar Sewer Rehabilitation Phase 2						\$10,594,600
2030 Sewer Pipe Rehabilitation						\$4,078,500
Total 2030 Bond Issue						\$27,000,000
City WWTP Projects:						
UV Replacement (\$3.5 million X 8/17)	\$1,647,000					
Electrical System Construction (\$91.0 million X 8/17)			\$42,824,000			
<b>Total Loan and Bond Funded Projects</b>	<b>\$77,841,000</b>	<b>\$0</b>	<b>\$66,824,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,000,000</b>

**Revenue Trust Interest Income**

The District uses the investment income received in the Revenue Trust Fund to fund a portion of its operating expenses every year. This reduces the total revenues required from fees for sewer service. Based on actual earnings, the projected annual interest income for 2026/27 and the following years is \$500,000.

**Reserve Fund**

The District’s Reserve Fund will have a balance of \$3,600,000 at the beginning of 2026/27. The District’s plan is to continue increases of \$300,000 over the next five years. Additional transfers would continue in the following years. This will bring the balance to \$5,100,000 by the end of 2030/31. These amounts will be recovered annually through sewer service fees.

**Total Revenues**

Projected revenues required for 2026/27 through 2030/31 from fees for sewer service are shown in Table 9. The total revenue required in 2026/27 is \$41,103,000 which will require an overall fee increase of \$2,779,000 or 7.3%. Annual fee increases for the following four years are projected to be 7.7%

**Table 9  
Total Revenue Requirements**

Item	Annual Revenue Requirement				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Capital Improvement Funding	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Debt Service	\$4,455,000	\$8,767,000	\$8,761,000	\$8,762,000	\$10,572,000
City Treatment	\$10,055,000	\$9,601,000	\$9,574,000	\$10,347,000	\$10,354,000
District O&M	\$20,187,000	\$20,903,000	\$21,330,000	\$22,127,000	\$23,326,000
Reserve Fund	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Revenue Collection Expense	\$411,000	\$443,000	\$477,000	\$513,000	\$553,000
Interest Earnings	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>Total Revenue Requirement</b>	<b>\$41,103,000</b>	<b>\$44,270,000</b>	<b>\$47,678,000</b>	<b>\$51,348,000</b>	<b>\$55,302,000</b>
<b>Fee Increase</b>	<b>7.3%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>

## Sewer Service Fees

The proposed 2026/27 fees for sewer service, based on increased customer usage and total revenue requirements, are shown in Table 10. The overall 2026/27 fee increase is 7.3%. Residential increases are of 7.6% for single family residences, 7.5% for multiple and 7.2% for mobile homes.

These proposed fees are based the average wastewater discharges for the three residential classifications, as adopted by the District Board in January 2022. The discharge by customers in the single family classification is 5.1 HCF per month. The discharge by customers in the combined multiple family classification is 4.1 HCF per month. Mobile home discharge is 3.2 HCF per month. Nonresidential fee increases vary based on customer size and strength of wastewater discharged.

A five-year fee program for the study period is shown in Table 11. This table includes adopted fees since 1991/92 and proposed increases through 2030/31.

**Table 10**  
**Proposed 2026/27 Fees**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalescent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

(1) Volume Rate = \$/ADA/year

(2) Volume Rate = \$/FTES/year

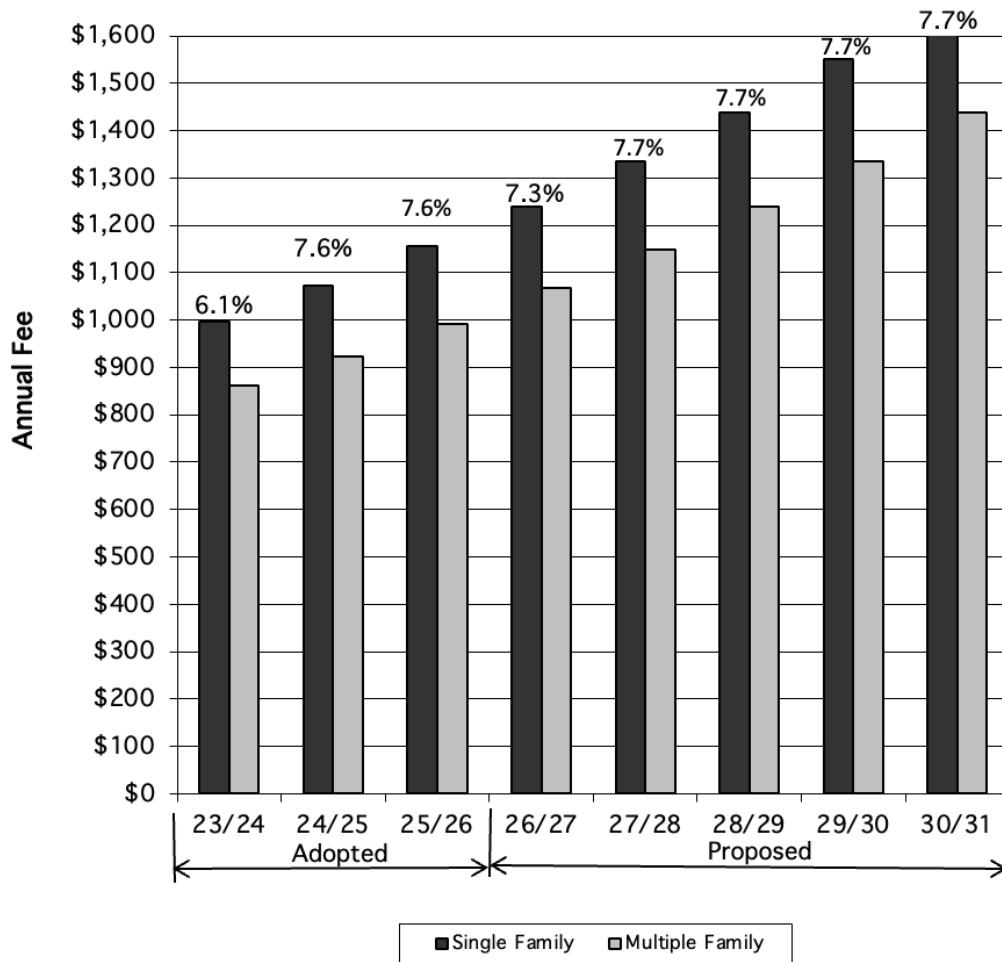
## Summary

The overall projected increase in fees for sewer service for fiscal year 2026/27 is 7.3%. The annual increases for the following four years are 7.7%. These increases reflect increased customer usage, additional debt service, treatment plant operating costs and capital improvements and District operating costs and capital improvements. The proposed single family and multiple family annual fees are shown in Figure 1. Future fee increases are dependent upon the magnitude of treatment and collection operating costs, general inflationary trends, interest rates and customer usage.

**Table 11  
Five-Year Fee Program**

Fiscal Year	Average Increase					
	Single Family	Multiple Family	Mobile Home	Average Other Business	Average Restaurant	Elementary School
	5.1 HCF/mo.	4.1 HCF/mo.	3.2 HCF/mo.	12 HCF/mo.	44 HCF/mo.	369 ADA
<b>Adopted</b>						
1991/92	27.1%	23.9%	23.9%			
1992/93	4.2%	13.5%	13.5%	4.5%	8.2%	0.4%
1993/94	22.4%	35.7%	35.7%	25.9%	30.3%	19.4%
1994/95	5.6%	5.4%	5.4%	5.9%	9.5%	5.5%
1995/96	5.3%	5.7%	5.7%	5.5%	-1.1%	5.9%
1996/97	4.4%	4.3%	4.3%	3.5%	9.6%	-25.8%
1997/98	3.1%	2.1%	2.1%	2.6%	12.5%	-2.0%
1998/99	2.9%	3.3%	3.3%	2.6%	2.2%	1.7%
1999/00	2.9%	3.3%	3.3%	3.2%	0.3%	2.1%
2000/01	4.7%	3.9%	3.9%	4.9%	7.9%	6.3%
2001/02	3.3%	3.0%	3.0%	3.8%	4.7%	4.0%
2002/03	9.8%	20.6%	-5.4%	-1.1%	-2.3%	-1.1%
2003/04	4.1%	4.1%	4.0%	4.6%	3.4%	5.1%
2004/05	4.9%	5.1%	5.3%	4.6%	3.7%	4.3%
2005/06	3.7%	1.2%	6.8%	5.7%	1.6%	4.9%
2006/07	2.3%	2.3%	2.5%	2.2%	-1.1%	2.7%
2007/08	3.2%	2.9%	2.6%	3.1%	6.5%	3.2%
2008/09	1.3%	0.9%	2.5%	7.2%	10.0%	7.8%
2009/10	5.2%	5.1%	5.0%	5.0%	4.3%	-30.6%
2010/11	4.2%	4.0%	4.0%	3.9%	5.5%	4.3%
2011/12	1.6%	3.9%	4.3%	11.0%	10.7%	10.6%
2012/13	3.7%	3.7%	3.7%	3.4%	2.0%	4.0%
2013/14	2.7%	2.8%	2.9%	2.0%	2.6%	2.0%
2014/15	0.2%	1.5%	3.9%	8.3%	9.9%	8.2%
2015/16	4.8%	4.9%	5.0%	2.3%	1.3%	2.4%
2016/17	2.7%	2.7%	2.7%	3.1%	1.1%	3.9%
2017/18	1.2%	4.5%	3.6%	8.7%	7.2%	9.3%
2018/19	3.3%	3.5%	3.7%	5.2%	0.7%	3.4%
2019/20	5.3%	5.3%	5.4%	5.2%	2.0%	5.7%
2020/21	2.8%	2.7%	2.6%	1.3%	2.2%	2.4%
2021/22	4.0%	4.2%	4.4%	4.3%	-0.4%	4.4%
2022/23	6.7%	6.5%	6.3%	6.4%	8.5%	-3.7%
2023/24	6.1%	6.0%	5.9%	5.9%	7.2%	6.1%
2024/25	7.6%	7.2%	6.7%	8.9%	9.8%	9.7%
2025/26	7.6%	7.5%	7.2%	7.8%	9.8%	8.0%
<b>Proposed</b>						
2026/27	7.3%	7.6%	7.9%	7.4%	3.0%	8.1%
2027/28	7.7%	7.6%	7.5%	7.1%	10.6%	7.0%
2028/29	7.7%	7.8%	7.9%	7.8%	5.9%	8.1%
2029/30	7.7%	7.7%	7.7%	7.6%	7.5%	7.9%
2030/31	7.7%	7.8%	7.9%	7.8%	6.1%	8.0%

**Figure 1  
Annual Residential Fees**



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Editor Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	4/20/2026 4:52:21 PM
Signing Complete	Security Checked	4/20/2026 4:52:37 PM
Completed	Security Checked	4/20/2026 4:52:37 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

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### **How to contact County of Santa Cruz:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

### **To advise County of Santa Cruz of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with County of Santa Cruz**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

2026: I protest another 7.3% rate increase for the Santa Cruz Sanitation District. (signed and mailed)  
2026 and another reality avoidance from another government agency.  
Government taxes and fees are one of the largest contributors to depopulation and loss of business community.  
With fewer people using fewer services, government agencies and schools must trim payrolls to match.  
Official inflation rate is 2% per year for benefit increases, and it is wrong for government to take more.  
I protest any rate increase above the official inflation rate. We cut our use where we can, you must do the same.

2025: I protest another rate increase for the Santa Cruz Sanitation District.  
The four page color advertisement does not address the number of other recent increases, and 5.7% - 11% again is too much.

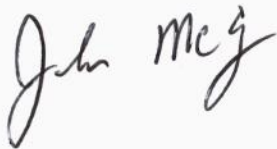
It does a really bad job hiding where the money goes, talking about 60% of the lines are more than 40 years old, but rate increases are not guaranteed to do anything about the problem. We find elsewhere in county disclosures:

- Other employee costs account for about two-thirds of General Fund expenses

3095 Terrace Dr, Aptos, APN 03936128

From 2025 \$1073.28 to Currently taxed \$1155.36 every 6 months with reduction in use

John McCoy, Property Owner



RECEIVED  
APR 15 2026  
Santa Cruz County  
Sanitation District

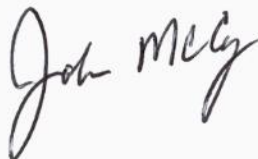
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200 Kennedy Drive, Capitola, APN 03655101  
From 2025 \$440.12 to Currently taxed \$462.78 every 6 months with reduction in use  
John McCoy, Property Owner

A handwritten signature in black ink that reads "John McCoy". The signature is written in a cursive, flowing style.

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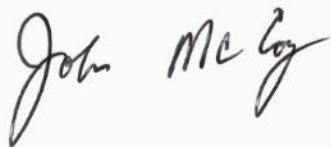
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105 Kennedy Drive, Capitola, APN 03655102

From 2025 \$615.52 to Currently taxed \$643.10 every 6 months with reduction in use

John McCoy, Property Owner

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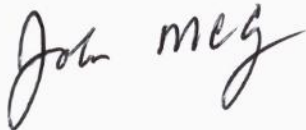
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104 Kennedy Drive, Capitola, APN 03655103

From 2025 \$ 2572.68 to Currently taxed \$3206.72 every 6 months

John McCoy, Property Owner

A handwritten signature in cursive script that reads "John McCoy". The signature is written in black ink and is positioned below the typed name.

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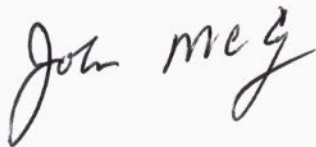
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103 Kennedy Drive, Capitola, APN 03655104

From 2025 \$6137.54 to Currently taxed \$8224.24 every 6 months

John McCoy, Property Owner

A handwritten signature in black ink that reads "John McCoy". The signature is written in a cursive, flowing style.

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102 Kennedy Drive, Capitola, APN 03655105

From 2025 \$613.48 to Currently taxed \$656.98 every 6 months with reduction in use

John McCoy, Property Owner

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101 Kennedy Drive, Capitola, APN 03655106  
From 2025 \$458.14 to Currently taxed \$458.24 every 6 months with reduction in use  
John McCoy, Property Owner

A handwritten signature in black ink that reads "John McCoy". The signature is written in a cursive, flowing style.

JOHN MCCOY  
BRITALIA IMPORTS  
4768 SOQUEL DRIVE #970  
SOQUEL CA 95073



US POSTAGE PAID IMI

2026-04-07  
95073  
C4005342  
Retail \$1.03  
2.0 OZ LTR



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SANTA CRUZ SANITATION DISTRICT  
DISTRICT SECRETARY  
701 OCEAN ST RM 410  
GOVERNMENT CENTER  
SANTA CRUZ CA 95060-4013





# SANTA CRUZ COUNTY SANITATION DISTRICT

701 OCEAN STREET, SUITE 410 · SANTA CRUZ, CA · 95060-4073  
(831) 454-2160 · FAX (831) 454-2089 · TDD: (831) 454-2123 · WWW.SCCSD.US  
**MATT MACHADO, DISTRICT ENGINEER**

APRIL 15, 2026

JOHN MCCOY  
101 KENNEDY DRIVE  
CAPITOLA, CA 95010

APN'S: 039-361-28; 036-551-01; 036-551-02; 036-551-03; 036-551-04; 036-551-05; 036-551-06

SUBJECT: 2026/27 SEWER SERVICE CHARGE RATE INCREASES  
PROPOSTION 218 NOTIFICATION

Dear John McCoy,

The Santa Cruz County Sanitation District (District) has received your written protest regarding the proposed rate increases. The Board will review and consider all oral and written protests during the Public Hearing on May 21, 2026.

In response to your written objection, the District confirms that the proposed rates are necessary to cover the actual costs of operations, maintenance, and capital projects as approved by the Board of Directors (please refer to the enclosed 2026/27 Revenue Study explaining the substantive justification for the rate increase). For these reasons, the objection(s) you have raised, which will be presented for the Board's consideration, do not, from District staff's perspective, provide necessary grounds to modify the proposed rates.

To attend the meeting:

- **In-Person:** D.A. Porath Sanitation Facility Meeting Room, 2750 Lode Street, Santa Cruz, CA 95062 (off 26th Avenue).
- **Virtually (Zoom):** <https://santacruzcounty-us.zoomgov.com/j/1609753251>
  - **Meeting ID:** 160 975 3251
  - **Phone Access:** +1 669 254 5252 (San Jose)

For questions or comments, please contact the District Secretary at (831) 454-2792.

Yours truly,

MATT MACHADO

District Engineer

By: *Andrea Gifford*

Andrea Gifford

Deputy Secretary

ARG/26-061.docx

Attachment:

SCCSD 2026/27 Revenue Study

Cc: John McCoy, Britalia Imports, 4768 Soquel Drive #970, Soquel, CA 95073

**SANTA CRUZ COUNTY SANITATION DISTRICT**

**2026/27 REVENUE STUDY**



**February 2026**

**Hornberger Engineering**  
San Jose, California

2661 Thrasher Lane • San Jose, CA • 95125 • (408) 264-5029



February 12, 2026

Mr. Matt Machado, P.E.  
District Engineer  
Santa Cruz County Sanitation District  
701 Ocean Street  
Santa Cruz, CA 95060

Subject: Santa Cruz County Sanitation District  
2026/27 Revenue Study

Dear Mr. Machado,

We are pleased to submit this five-year program of sewer service charges for the Santa Cruz County Sanitation District. The purpose of this study is to incorporate the latest costs associated with the District's projects and programs and to project revenue requirements for the years 2026/27 through 2030/31. The study is based on the projected capital costs, operation and maintenance expenses and customer information prepared by the District staff.

This study assumes two bond issues will be issued as part of the District's Capital Improvement Program funding over the next ten years. The first bond issue will be for \$24.0 million in June 2027 to fund seven projects. A second bond issue will be for \$27.0 million in June 2030 to fund four projects. In addition, the District will participate in funding its share of the Electrical Replacement Project at the Wastewater Treatment Plant. The financing for this project is currently under discussion with the City of Santa Cruz.

As a result of this study, the overall fee increase for fiscal year 2026/27 is 7.3%. Proposed fees for the individual user groups are shown in the following table. Increases of 7.7% are projected for the following four years.

We appreciate this opportunity to prepare this revenue study for the Santa Cruz County Sanitation District. Please do not hesitate to contact me if you have any questions or would like any additional information.

Sincerely,

Hornberger Engineering

**Hornberger Engineering**

**Santa Cruz County Sanitation District  
Proposed 2026/27 Fee Increases**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalencent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

- (1) Volume Rate = \$/ADA/year
- (2) Volume Rate = \$/FTES/year

## **SANTA CRUZ COUNTY SANITATION DISTRICT 2026/27 REVENUE STUDY**

### **Introduction**

The Santa Cruz County Sanitation District will require approximately 7.3% to 7.7% annual increases in revenue from fees for sewer service in the next five fiscal years, 2026/27 through 2030/31. The overall fee increase for 2026/27 developed in this study is 7.3%. These increases are primarily related to increased operating expenses and capital projects at the wastewater treatment plant operated by the City of Santa Cruz, the District's operating costs and debt service with an additional \$51 million in bonds, and general inflation.

The District staff has reviewed connection charge revenue, capital outlay needs, operation and maintenance expenses, debt service and miscellaneous revenues for the next five fiscal years. Based on this updated information, proposed fees for sewer service in 2026/27 and estimated fees through 2030/31 have been calculated. The development of these fees is discussed in the following sections.

### **Requirements for Sewer Service Fees**

The District's fees for sewer service are subject to the requirements contained in the Revenue Program Guidelines issued by the California State Water Resources Control Board. This is a condition of the State and Federal grants and loans received by the District.

The Guidelines require that fees for sewer service be designed to recover adequate revenues for the operation and maintenance of the District's facilities. In addition, each user and user class must pay its proportional share of those costs, based on its proportional contribution to the total wastewater loadings from all users. The District's sewer service fees have been reviewed by the State Water Resources Control Board staff and are in compliance with the Guidelines.

The District's fees are also subject to the requirements of Proposition 218. This proposition, passed in 1996, requires that fees shall not exceed the proportional cost of service attributable to any parcel. The District's fees also comply with Proposition 218.

**Customer Revenue**

The projected revenue received for sewer services under the current 2025/26 fees has increased by \$160,000 as shown in Table 1. This is a combination of a \$152,000 increase in residential revenue and an \$8,000 increase in nonresidential revenue. The most significant usage increase in 2025 was for ADUs which increased by 28%. The increase in customer revenue has the effect of decreasing the proposed 2026/27 sewer service fees by 0.4%.

**Table 1  
Customer Revenue at Current 2025/26 Fees**

Year	Residential Revenue (\$/year)	Nonresidential Revenue (\$/year)	Total Revenue (\$/year)
2025/26	\$31,708,000	\$6,456,000	\$38,164,000
2026/27	\$31,860,000	\$6,464,000	\$38,324,000
Difference	\$152,000 0.5%	\$8,000 0.1%	\$160,000 0.4%

**Connection Charge Revenue**

Based on actual revenues, connection charges of \$400,000 have been projected for 206/27 and the following years.

**Capital Improvement Program Funding**

Connection charge revenue and contributions from rates are used to fund the District’s Capital Improvement Program projects that are not funded by loans or grants. The funding for 2026/27 is \$6,595,000. This will be generated by \$400,000 in connection charge revenue and \$6,195,000 in sewer service fees. The funding for those projects in the five years of the study period is show in Table 2. The projects included in this program are listed in Table 3. Existing fund balances will be used for the additional costs of these projects.

**Table 2  
Capital Improvement Program Funding**

Item	Annual Capital Improvement Program Funding				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Connection Charge Revenue	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Contribution from Rates	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Capital Improvement Program Funding	\$6,595,000	\$5,156,000	\$8,136,000	\$10,199,000	\$11,097,000

**Table 3  
District Funded Capital Improvement Program**

Project	2026/27	2027/28	2028/29	2029/30	2030/31
Upper Rodeo Sewer Rehabilitation Annual Monitoring	\$16,650	\$16,650	\$16,650	\$16,650	\$16,650
East Cliff Trans. Main Replacement at Murray St. Bridge	\$370,000				
Arana Trunkline Annual Monitoring	\$26,196	\$22,755	\$22,755	\$22,755	\$24,698
Flowmeter Replacements and Repairs		\$45,000		\$45,000	
Transmission Line Inspection	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCADA System Improvements	\$350,000	\$364,000	\$378,560	\$393,702	\$409,450
Pump Station Sewage Level Monitoring	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Cathodic Protection	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Road Repairs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Consulting Engineering Services	\$400,000	\$400,000	\$400,000	\$500,000	\$500,000
Minor Projects	\$900,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
East Cliff Force Main Inspection				\$200,000	
East Cliff Force Main Repairs - II	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Moosehead Realignment	\$1,175,000				
Santa Cruz Harbor Area Sewer Rehab Phase 2			\$100,000		
Rio Del Mar Sewer Rehab Phase 2			\$100,000		
Concrete Stairs Rehab (Conc Rehab Various PS)	\$475,000				
2028 Sewer Pipe Rehabilitation Project		\$100,000	\$2,000,000		
D.A. Porath Pump Station Study	\$18,755				
EJ21-EJ27 Annual Monitoring	\$22,200	\$21,090	\$21,090		
A1 Pump Station Hardening	\$241,230				
Arana Pump Station Relocation	\$100,000	\$292,570			
Aptos Esplanade Pump Station Valve Replacement		\$100,000			
Portola Sewer Capacity Upgrade		\$110,000			
Bay Avenue Sewer Upgrade		\$100,000			
7th Avenue Sewer Capacity Upgrade		\$100,000			
A1 Pump Station Relocation			\$100,000	\$6,561,000	
Sea Level Mitigation	\$300,000	\$500,000	\$500,000		\$500,000
Secondary Force Main					\$2,000,000
Other Rehab (Collection and Operations)					\$2,000,000
Contingencies	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
<b>Total District Funded Capital Projects</b>	<b>\$6,145,031</b>	<b>\$5,922,065</b>	<b>\$7,389,055</b>	<b>\$11,489,107</b>	<b>\$9,200,798</b>

**Operation and Maintenance Expenses**

The projected operation and maintenance expenses include treatment costs paid to the City of Santa Cruz and the District’s expenses for pump station and collection line maintenance, engineering, source control and fixed assets.

As shown in Table 4, projected treatment expenses have decreased from those used in the 2025/26 fees. The District’s share of treatment operations costs has increased by \$417,000 due to utility costs, chemical costs and inflation. With the completion of projects at the treatment plant there is a reduction in capital costs. The District’s 8/17 share of capital projects has decreased by \$1,835,000. The total decrease in treatment costs for 2026/27 is \$1,418,000. The treatment plant projects for the five-year study period are shown in Table 5. These do not include construction of the Electrical Replacement Project which will be funded by a 2027/28 debt issue.

**Table 4  
2026/27 District Treatment Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$7,056,000	\$4,417,000	\$11,473,000
2026/27	\$7,473,000	\$2,582,000	\$10,055,000
Difference	\$417,000 5.9%	(\$1,835,000) (41.5%)	(\$1,418,000) (12.4%)

**Table 5  
Treatment Plant Capital Improvement Program**

Project	2026/27	2027/287	2028/29	2029/30	2030/31
Equipment Replacement	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Nearby Park Mitigation CIP	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Upgrade Digester Equipment/Cleaning		\$800,000		\$800,000	
Electrical Replacement Project Design	\$2,000,000				
Modernize Lab	\$500,000				
WWTP Infrastructure and Major Equipment	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>Total Treatment Plant Capital Projects</b>	<b>\$5,275,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>

As shown in Table 6, the District’s O&M expense projections for the next fiscal year have increased by \$680,000 from those used in the 2025/26 fees. This includes increases of 2.6%, or \$470,000, in operating costs and a \$210,000 increase in routine capital expenses.

**Table 6  
2026/27 District Operation and Maintenance Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$18,182,000	\$1,325,000	\$19,507,000
2026/27	\$18,652,000	\$1,535,000	\$20,187,000
Difference	\$470,000 2.6%	\$210,000 15.8%	\$680,000 3.5%

**Debt Service**

The District currently has three projects funded by State Revolving Fund (SRF) loans. These include \$12 million for the Aptos Transmission Relocation Project, \$5 million for the Soquel Creek Pump Station Force Main and \$3.3 million for the Valencia

Creek Sewer Relocation. The Capitola/Jewel Box Sewer project was funded by a \$7 million California Infrastructure and Economic Development Bank (IBank) loan.

In June 2022 the District issued \$19.9 million in revenue bonds to fund five projects. In June 2024 the District issued \$29.0 million in revenue bonds to fund twelve projects.

The District plans to issue three additional revenue bonds starting in 2027. These include a \$24 million issue in 2027 to fund seven projects and a \$27 million issue in 2030 to fund four projects.

The District will be participating in the funding for the Electrical Replacement Project at the wastewater treatment plant which is currently under design. The actual project cost and funding have not been established at this time. Estimated District debt service participation for this project starting in 2027 has been included for the study period but is subject to change at a later date. In addition, The District is also participating in a \$3.5 million IBank loan for the Ultraviolet System Replacement project at the treatment plant.

The debt service schedules for all the District’s loans and bonds for the study period are shown in Table 7. The proposed projects funded by these loans and bonds over the next five fiscal years are shown in Table 8.

**Table 7  
District Debt Service**

Item	Annual Debt Service				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
SRF Loan - Aptos Transmission Project	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
SRF Loan - Soquel Creek Pump Station	\$219,000	\$219,000	\$219,000	\$219,000	\$219,000
SRF Loan - Valencia Creek Sewer Relocation	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
IBank Loan - Capitola/Jewel Box	\$401,000	\$401,000	\$400,000	\$399,000	\$399,000
2022 Bond Issue - 4 Projects	\$1,199,000	\$1,200,000	\$1,195,000	\$1,199,000	1197000
2024 Bond Issue - 13 Projects	\$1,653,000	\$1,654,000	\$1,654,000	\$1,652,000	1654000
2027 Bond Issue - 7 Projects		\$1,610,000	\$1,610,000	\$1,610,000	\$1,610,000
2030 Bond Issue -4 Projects					\$1,810,000
City WWTP Ibank Loan - UV Replacement	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
City WWTP Electrical System Upgrade Participation		\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
<b>Total Debt Service</b>	<b>\$4,455,000</b>	<b>\$8,767,000</b>	<b>\$8,761,000</b>	<b>\$8,762,000</b>	<b>\$10,572,000</b>

**Table 8  
District Loan and Bond Funded Capital Improvement Program**

Project	Prior Years	2026/27	2027/28	2028/29	2029/30	2030/31
State Revolving Fund Loans:						
Aptos Transmission Relocation	\$11,982,000					
Soquel Ck. PS FM Replacement	\$5,002,000					
Valencia Creek Sewer Relocation	\$3,265,000					
Bank Loans:						
Capitola / Jewel Box Sewer	\$7,000,000					
2022 Bond Issue:						
East Cliff, Portola, & Richmond Dr.	\$7,300,000					
Upper Rodeo, Lower Rodeo Trunklines and Rodeo PS	\$8,500,000					
Arana Trunkline	\$4,100,000					
Non Project	\$45,000					
Total 2022 Bond Issue	\$19,945,000					
2024 Bond Issue:						
Eddy Lane Sewer Rehabilitation	\$1,600,000					
Soquel Village Sewer Rehabilitation Phase 2	\$6,100,000					
Seacliff/Rio Del Mar Sewer Rehabilitation	\$2,442,000					
Hidden Beach Bypass	\$800,000					
Emergency Bypass Improvements	\$739,000					
DA Porath Bypass	\$4,444,000					
Upper Rodeo Gulch Trunkline	\$3,850,000					
Capitola Pump Station Pump Replacement	\$680,000					
West Seaciff Sewer Rehabilitation	\$3,435,000					
East Cliff Drive Sewer Rehabilitation	\$500,000					
Arana Gulch Sewer Rehabilitation	\$850,000					
Rodeo Pump Station Capacity Upgrade	\$3,100,000					
AA10-AA17 Vienna Drive Sewer Emergency Repair	\$460,000					
Total 2024 Bond Issue	\$29,000,000					
2027 Bond Issue:						
Capitola Village Phase 1			\$3,000,000			
Bay Avenue Sewer Upgrade			\$785,000			
D.A. Porath Pump Station Capacity Upgrade			\$3,000,000			
Arana Pump Station Relocation			\$5,515,000			
Aptos Esplanade Pump Station Valve Replacement			\$1,500,000			
Portola Sewer Capacity Upgrade			\$6,400,000			
7th Avenue Sewer Capacity Upgrade - North			\$3,800,000			
Total 2027 Bond Issue			\$24,000,000			
2030 Bond Issue:						
Soquel Pump Station Auxillary Wet Well						\$5,870,000
Santa Cruz Harbor Sewer Rehabilitation Phase 2						\$6,456,900
Rio Del Mar Sewer Rehabilitation Phase 2						\$10,594,600
2030 Sewer Pipe Rehabilitation						\$4,078,500
Total 2030 Bond Issue						\$27,000,000
City WWTP Projects:						
UV Replacement (\$3.5 million X 8/17)	\$1,647,000					
Electrical System Construction (\$91.0 million X 8/17)			\$42,824,000			
<b>Total Loan and Bond Funded Projects</b>	<b>\$77,841,000</b>	<b>\$0</b>	<b>\$66,824,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,000,000</b>

**Revenue Trust Interest Income**

The District uses the investment income received in the Revenue Trust Fund to fund a portion of its operating expenses every year. This reduces the total revenues required from fees for sewer service. Based on actual earnings, the projected annual interest income for 2026/27 and the following years is \$500,000.

**Reserve Fund**

The District’s Reserve Fund will have a balance of \$3,600,000 at the beginning of 2026/27. The District’s plan is to continue increases of \$300,000 over the next five years. Additional transfers would continue in the following years. This will bring the balance to \$5,100,000 by the end of 2030/31. These amounts will be recovered annually through sewer service fees.

**Total Revenues**

Projected revenues required for 2026/27 through 2030/31 from fees for sewer service are shown in Table 9. The total revenue required in 2026/27 is \$41,103,000 which will require an overall fee increase of \$2,779,000 or 7.3%. Annual fee increases for the following four years are projected to be 7.7%

**Table 9  
Total Revenue Requirements**

Item	Annual Revenue Requirement				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Capital Improvement Funding	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Debt Service	\$4,455,000	\$8,767,000	\$8,761,000	\$8,762,000	\$10,572,000
City Treatment	\$10,055,000	\$9,601,000	\$9,574,000	\$10,347,000	\$10,354,000
District O&M	\$20,187,000	\$20,903,000	\$21,330,000	\$22,127,000	\$23,326,000
Reserve Fund	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Revenue Collection Expense	\$411,000	\$443,000	\$477,000	\$513,000	\$553,000
Interest Earnings	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>Total Revenue Requirement</b>	<b>\$41,103,000</b>	<b>\$44,270,000</b>	<b>\$47,678,000</b>	<b>\$51,348,000</b>	<b>\$55,302,000</b>
<b>Fee Increase</b>	<b>7.3%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>

**Sewer Service Fees**

The proposed 2026/27 fees for sewer service, based on increased customer usage and total revenue requirements, are shown in Table 10. The overall 2026/27 fee increase is 7.3%. Residential increases are of 7.6% for single family residences, 7.5% for multiple and 7.2% for mobile homes.

These proposed fees are based the average wastewater discharges for the three residential classifications, as adopted by the District Board in January 2022. The discharge by customers in the single family classification is 5.1 HCF per month. The discharge by customers in the combined multiple family classification is 4.1 HCF per month. Mobile home discharge is 3.2 HCF per month. Nonresidential fee increases vary based on customer size and strength of wastewater discharged.

A five-year fee program for the study period is shown in Table 11. This table includes adopted fees since 1991/92 and proposed increases through 2030/31.

**Table 10  
Proposed 2026/27 Fees**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalescent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

(1) Volume Rate = \$/ADA/year  
 (2) Volume Rate = \$/FTES/year

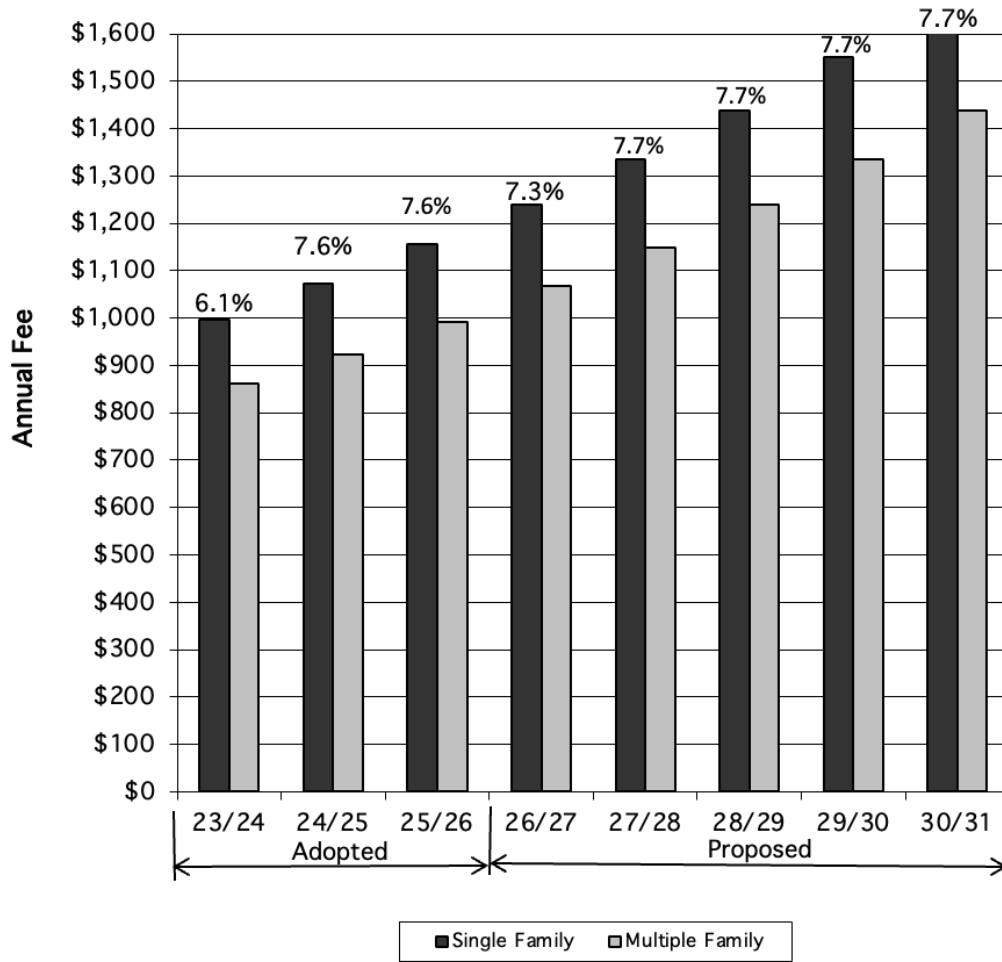
**Summary**

The overall projected increase in fees for sewer service for fiscal year 2026/27 is 7.3%. The annual increases for the following four years are 7.7%. These increases reflect increased customer usage, additional debt service, treatment plant operating costs and capital improvements and District operating costs and capital improvements. The proposed single family and multiple family annual fees are shown in Figure 1. Future fee increases are dependent upon the magnitude of treatment and collection operating costs, general inflationary trends, interest rates and customer usage.

**Table 11  
Five-Year Fee Program**

Fiscal Year	Average Increase					
	Single Family	Multiple Family	Mobile Home	Average Other Business	Average Restaurant	Elementary School
	5.1 HCF/mo.	4.1 HCF/mo.	3.2 HCF/mo.	12 HCF/mo.	44 HCF/mo.	369 ADA
<b>Adopted</b>						
1991/92	27.1%	23.9%	23.9%			
1992/93	4.2%	13.5%	13.5%	4.5%	8.2%	0.4%
1993/94	22.4%	35.7%	35.7%	25.9%	30.3%	19.4%
1994/95	5.6%	5.4%	5.4%	5.9%	9.5%	5.5%
1995/96	5.3%	5.7%	5.7%	5.5%	-1.1%	5.9%
1996/97	4.4%	4.3%	4.3%	3.5%	9.6%	-25.8%
1997/98	3.1%	2.1%	2.1%	2.6%	12.5%	-2.0%
1998/99	2.9%	3.3%	3.3%	2.6%	2.2%	1.7%
1999/00	2.9%	3.3%	3.3%	3.2%	0.3%	2.1%
2000/01	4.7%	3.9%	3.9%	4.9%	7.9%	6.3%
2001/02	3.3%	3.0%	3.0%	3.8%	4.7%	4.0%
2002/03	9.8%	20.6%	-5.4%	-1.1%	-2.3%	-1.1%
2003/04	4.1%	4.1%	4.0%	4.6%	3.4%	5.1%
2004/05	4.9%	5.1%	5.3%	4.6%	3.7%	4.3%
2005/06	3.7%	1.2%	6.8%	5.7%	1.6%	4.9%
2006/07	2.3%	2.3%	2.5%	2.2%	-1.1%	2.7%
2007/08	3.2%	2.9%	2.6%	3.1%	6.5%	3.2%
2008/09	1.3%	0.9%	2.5%	7.2%	10.0%	7.8%
2009/10	5.2%	5.1%	5.0%	5.0%	4.3%	-30.6%
2010/11	4.2%	4.0%	4.0%	3.9%	5.5%	4.3%
2011/12	1.6%	3.9%	4.3%	11.0%	10.7%	10.6%
2012/13	3.7%	3.7%	3.7%	3.4%	2.0%	4.0%
2013/14	2.7%	2.8%	2.9%	2.0%	2.6%	2.0%
2014/15	0.2%	1.5%	3.9%	8.3%	9.9%	8.2%
2015/16	4.8%	4.9%	5.0%	2.3%	1.3%	2.4%
2016/17	2.7%	2.7%	2.7%	3.1%	1.1%	3.9%
2017/18	1.2%	4.5%	3.6%	8.7%	7.2%	9.3%
2018/19	3.3%	3.5%	3.7%	5.2%	0.7%	3.4%
2019/20	5.3%	5.3%	5.4%	5.2%	2.0%	5.7%
2020/21	2.8%	2.7%	2.6%	1.3%	2.2%	2.4%
2021/22	4.0%	4.2%	4.4%	4.3%	-0.4%	4.4%
2022/23	6.7%	6.5%	6.3%	6.4%	8.5%	-3.7%
2023/24	6.1%	6.0%	5.9%	5.9%	7.2%	6.1%
2024/25	7.6%	7.2%	6.7%	8.9%	9.8%	9.7%
2025/26	7.6%	7.5%	7.2%	7.8%	9.8%	8.0%
<b>Proposed</b>						
2026/27	7.3%	7.6%	7.9%	7.4%	3.0%	8.1%
2027/28	7.7%	7.6%	7.5%	7.1%	10.6%	7.0%
2028/29	7.7%	7.8%	7.9%	7.8%	5.9%	8.1%
2029/30	7.7%	7.7%	7.7%	7.6%	7.5%	7.9%
2030/31	7.7%	7.8%	7.9%	7.8%	6.1%	8.0%

**Figure 1**  
**Annual Residential Fees**



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- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

Steve Troth  
4590 Emerald St  
Capitola Ca, 95010

5-09-2026

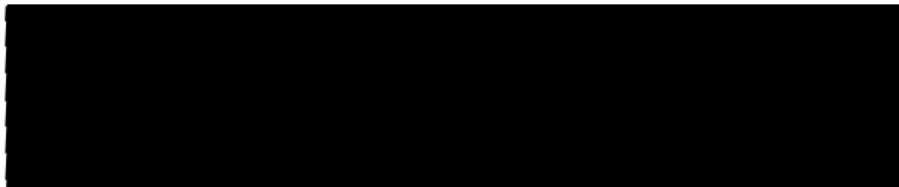
SANTA CRUZ Council SANITATION DISTRICT,

PLEASE DO NOT INCREASE MY  
SEWER SERVICE CHARGES BY 7.3 PERCENT

Thank You, STEVEN TROTH  
*Steve Troth*

4590 EMERALD ST  
CAPITOLA CA 95010

PARCEL # 03403304



Steve Troth  
4590 Emerald St  
Capitola Ca, 95010



SAN JOSE CA 950

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DISTRICT SECRETARY  
SANTA CRUZ COUNTY SANITATION DISTRICT  
GOVERNMENT CENTER  
701 OCEAN STREET, ROOM 410  
SANTA CRUZ CA 95060

95060-407059





## SANTA CRUZ COUNTY SANITATION DISTRICT

701 OCEAN STREET, SUITE 410 · SANTA CRUZ, CA · 95060-4073  
(831) 454-2160 · FAX (831) 454-2089 · TDD: (831) 454-2123 · WWW.SCCSD.US  
MATT MACHADO, DISTRICT ENGINEER

MAY 14, 2026

STEVE TROTH  
4590 EMERALD STREET  
CAPITOLA CA 95010

SUBJECT: 2026/27 SEWER SERVICE CHARGE RATE INCREASES  
PROPOSTION 218 NOTIFICATION  
APN: 034-03-304

Dear Steve Troth,

The Santa Cruz County Sanitation District (District) has received your written protest regarding the proposed rate increases. The Board will review and consider all oral and written protests during the Public Hearing on May 21, 2026.

In response to your written objection, the District confirms that the proposed rates are necessary to cover the actual costs of operations, maintenance, and capital projects as approved by the Board of Directors (please refer to the enclosed 2026/27 Revenue Study explaining the substantive justification for the rate increase). For these reasons, the objection(s) you have raised, which will be presented for the Board's consideration, do not, from District staff's perspective, provide necessary grounds to modify the proposed rates.

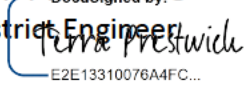
To attend the meeting:

- **In-Person:** D.A. Porath Sanitation Facility Meeting Room, 2750 Lode Street, Santa Cruz, CA 95062 (off 26th Avenue).
- **Virtually (Zoom):** <https://santacruzcounty-us.zoomgov.com/j/1609753251>
  - **Meeting ID:** 160 975 3251
  - **Phone Access:** +1 669 254 5252 (San Jose)

For questions or comments, please contact the District Secretary at (831) 454-2792.

Yours truly,

MATT MACHADO  
District Engineer

By:   
E2E13310076A4FC...

Terra Prestwich  
District Secretary

Tlp/26-083.docx;SewerServiceChargeRateIncreaseResponseLetter 2026\_27 FINAL.docx

Attachment:

SCCSD 2026/27 Revenue Study

**SANTA CRUZ COUNTY SANITATION DISTRICT**

**2026/27 REVENUE STUDY**



**February 2026**

**Hornberger Engineering**  
San Jose, California

2661 Thrasher Lane • San Jose, CA • 95125 • (408) 264-5029



February 12, 2026

Mr. Matt Machado, P.E.  
District Engineer  
Santa Cruz County Sanitation District  
701 Ocean Street  
Santa Cruz, CA 95060

Subject: Santa Cruz County Sanitation District  
2026/27 Revenue Study

Dear Mr. Machado,

We are pleased to submit this five-year program of sewer service charges for the Santa Cruz County Sanitation District. The purpose of this study is to incorporate the latest costs associated with the District's projects and programs and to project revenue requirements for the years 2026/27 through 2030/31. The study is based on the projected capital costs, operation and maintenance expenses and customer information prepared by the District staff.

This study assumes two bond issues will be issued as part of the District's Capital Improvement Program funding over the next ten years. The first bond issue will be for \$24.0 million in June 2027 to fund seven projects. A second bond issue will be for \$27.0 million in June 2030 to fund four projects. In addition, the District will participate in funding its share of the Electrical Replacement Project at the Wastewater Treatment Plant. The financing for this project is currently under discussion with the City of Santa Cruz.

As a result of this study, the overall fee increase for fiscal year 2026/27 is 7.3%. Proposed fees for the individual user groups are shown in the following table. Increases of 7.7% are projected for the following four years.

We appreciate this opportunity to prepare this revenue study for the Santa Cruz County Sanitation District. Please do not hesitate to contact me if you have any questions or would like any additional information.

Sincerely,

Hornberger Engineering

**Hornberger Engineering**

**Santa Cruz County Sanitation District  
Proposed 2026/27 Fee Increases**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalencent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

- (1) Volume Rate = \$/ADA/year
- (2) Volume Rate = \$/FTES/year

## **SANTA CRUZ COUNTY SANITATION DISTRICT 2026/27 REVENUE STUDY**

### **Introduction**

The Santa Cruz County Sanitation District will require approximately 7.3% to 7.7% annual increases in revenue from fees for sewer service in the next five fiscal years, 2026/27 through 2030/31. The overall fee increase for 2026/27 developed in this study is 7.3%. These increases are primarily related to increased operating expenses and capital projects at the wastewater treatment plant operated by the City of Santa Cruz, the District's operating costs and debt service with an additional \$51 million in bonds, and general inflation.

The District staff has reviewed connection charge revenue, capital outlay needs, operation and maintenance expenses, debt service and miscellaneous revenues for the next five fiscal years. Based on this updated information, proposed fees for sewer service in 2026/27 and estimated fees through 2030/31 have been calculated. The development of these fees is discussed in the following sections.

### **Requirements for Sewer Service Fees**

The District's fees for sewer service are subject to the requirements contained in the Revenue Program Guidelines issued by the California State Water Resources Control Board. This is a condition of the State and Federal grants and loans received by the District.

The Guidelines require that fees for sewer service be designed to recover adequate revenues for the operation and maintenance of the District's facilities. In addition, each user and user class must pay its proportional share of those costs, based on its proportional contribution to the total wastewater loadings from all users. The District's sewer service fees have been reviewed by the State Water Resources Control Board staff and are in compliance with the Guidelines.

The District's fees are also subject to the requirements of Proposition 218. This proposition, passed in 1996, requires that fees shall not exceed the proportional cost of service attributable to any parcel. The District's fees also comply with Proposition 218.

**Customer Revenue**

The projected revenue received for sewer services under the current 2025/26 fees has increased by \$160,000 as shown in Table 1. This is a combination of a \$152,000 increase in residential revenue and an \$8,000 increase in nonresidential revenue. The most significant usage increase in 2025 was for ADUs which increased by 28%. The increase in customer revenue has the effect of decreasing the proposed 2026/27 sewer service fees by 0.4%.

**Table 1  
Customer Revenue at Current 2025/26 Fees**

Year	Residential Revenue (\$/year)	Nonresidential Revenue (\$/year)	Total Revenue (\$/year)
2025/26	\$31,708,000	\$6,456,000	\$38,164,000
2026/27	\$31,860,000	\$6,464,000	\$38,324,000
Difference	\$152,000 0.5%	\$8,000 0.1%	\$160,000 0.4%

**Connection Charge Revenue**

Based on actual revenues, connection charges of \$400,000 have been projected for 206/27 and the following years.

**Capital Improvement Program Funding**

Connection charge revenue and contributions from rates are used to fund the District’s Capital Improvement Program projects that are not funded by loans or grants. The funding for 2026/27 is \$6,595,000. This will be generated by \$400,000 in connection charge revenue and \$6,195,000 in sewer service fees. The funding for those projects in the five years of the study period is show in Table 2. The projects included in this program are listed in Table 3. Existing fund balances will be used for the additional costs of these projects.

**Table 2  
Capital Improvement Program Funding**

Item	Annual Capital Improvement Program Funding				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Connection Charge Revenue	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Contribution from Rates	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Capital Improvement Program Funding	\$6,595,000	\$5,156,000	\$8,136,000	\$10,199,000	\$11,097,000

**Table 3  
District Funded Capital Improvement Program**

Project	2026/27	2027/28	2028/29	2029/30	2030/31
Upper Rodeo Sewer Rehabilitation Annual Monitoring	\$16,650	\$16,650	\$16,650	\$16,650	\$16,650
East Cliff Trans. Main Replacement at Murray St. Bridge	\$370,000				
Arana Trunkline Annual Monitoring	\$26,196	\$22,755	\$22,755	\$22,755	\$24,698
Flowmeter Replacements and Repairs		\$45,000		\$45,000	
Transmission Line Inspection	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCADA System Improvements	\$350,000	\$364,000	\$378,560	\$393,702	\$409,450
Pump Station Sewage Level Monitoring	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Cathodic Protection	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Road Repairs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Consulting Engineering Services	\$400,000	\$400,000	\$400,000	\$500,000	\$500,000
Minor Projects	\$900,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
East Cliff Force Main Inspection				\$200,000	
East Cliff Force Main Repairs - II	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Moosehead Realignment	\$1,175,000				
Santa Cruz Harbor Area Sewer Rehab Phase 2			\$100,000		
Rio Del Mar Sewer Rehab Phase 2			\$100,000		
Concrete Stairs Rehab (Conc Rehab Various PS)	\$475,000				
2028 Sewer Pipe Rehabilitation Project		\$100,000	\$2,000,000		
D.A. Porath Pump Station Study	\$18,755				
EJ21-EJ27 Annual Monitoring	\$22,200	\$21,090	\$21,090		
A1 Pump Station Hardening	\$241,230				
Arana Pump Station Relocation	\$100,000	\$292,570			
Aptos Esplanade Pump Station Valve Replacement		\$100,000			
Portola Sewer Capacity Upgrade		\$110,000			
Bay Avenue Sewer Upgrade		\$100,000			
7th Avenue Sewer Capacity Upgrade		\$100,000			
A1 Pump Station Relocation			\$100,000	\$6,561,000	
Sea Level Mitigation	\$300,000	\$500,000	\$500,000		\$500,000
Secondary Force Main					\$2,000,000
Other Rehab (Collection and Operations)					\$2,000,000
Contingencies	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
<b>Total District Funded Capital Projects</b>	<b>\$6,145,031</b>	<b>\$5,922,065</b>	<b>\$7,389,055</b>	<b>\$11,489,107</b>	<b>\$9,200,798</b>

**Operation and Maintenance Expenses**

The projected operation and maintenance expenses include treatment costs paid to the City of Santa Cruz and the District’s expenses for pump station and collection line maintenance, engineering, source control and fixed assets.

As shown in Table 4, projected treatment expenses have decreased from those used in the 2025/26 fees. The District’s share of treatment operations costs has increased by \$417,000 due to utility costs, chemical costs and inflation. With the completion of projects at the treatment plant there is a reduction in capital costs. The District’s 8/17 share of capital projects has decreased by \$1,835,000. The total decrease in treatment costs for 2026/27 is \$1,418,000. The treatment plant projects for the five-year study period are shown in Table 5. These do not include construction of the Electrical Replacement Project which will be funded by a 2027/28 debt issue.

**Table 4  
2026/27 District Treatment Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$7,056,000	\$4,417,000	\$11,473,000
2026/27	\$7,473,000	\$2,582,000	\$10,055,000
Difference	\$417,000 5.9%	(\$1,835,000) (41.5%)	(\$1,418,000) (12.4%)

**Table 5  
Treatment Plant Capital Improvement Program**

Project	2026/27	2027/287	2028/29	2029/30	2030/31
Equipment Replacement	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Nearby Park Mitigation CIP	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Upgrade Digester Equipment/Cleaning		\$800,000		\$800,000	
Electrical Replacement Project Design	\$2,000,000				
Modernize Lab	\$500,000				
WWTP Infrastructure and Major Equipment	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>Total Treatment Plant Capital Projects</b>	<b>\$5,275,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>

As shown in Table 6, the District’s O&M expense projections for the next fiscal year have increased by \$680,000 from those used in the 2025/26 fees. This includes increases of 2.6%, or \$470,000, in operating costs and a \$210,000 increase in routine capital expenses.

**Table 6  
2026/27 District Operation and Maintenance Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$18,182,000	\$1,325,000	\$19,507,000
2026/27	\$18,652,000	\$1,535,000	\$20,187,000
Difference	\$470,000 2.6%	\$210,000 15.8%	\$680,000 3.5%

**Debt Service**

The District currently has three projects funded by State Revolving Fund (SRF) loans. These include \$12 million for the Aptos Transmission Relocation Project, \$5 million for the Soquel Creek Pump Station Force Main and \$3.3 million for the Valencia

Creek Sewer Relocation. The Capitola/Jewel Box Sewer project was funded by a \$7 million California Infrastructure and Economic Development Bank (IBank) loan.

In June 2022 the District issued \$19.9 million in revenue bonds to fund five projects. In June 2024 the District issued \$29.0 million in revenue bonds to fund twelve projects.

The District plans to issue three additional revenue bonds starting in 2027. These include a \$24 million issue in 2027 to fund seven projects and a \$27 million issue in 2030 to fund four projects.

The District will be participating in the funding for the Electrical Replacement Project at the wastewater treatment plant which is currently under design. The actual project cost and funding have not been established at this time. Estimated District debt service participation for this project starting in 2027 has been included for the study period but is subject to change at a later date. In addition, The District is also participating in a \$3.5 million IBank loan for the Ultraviolet System Replacement project at the treatment plant.

The debt service schedules for all the District’s loans and bonds for the study period are shown in Table 7. The proposed projects funded by these loans and bonds over the next five fiscal years are shown in Table 8.

**Table 7  
District Debt Service**

Item	Annual Debt Service				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
SRF Loan - Aptos Transmission Project	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
SRF Loan - Soquel Creek Pump Station	\$219,000	\$219,000	\$219,000	\$219,000	\$219,000
SRF Loan - Valencia Creek Sewer Relocation	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
IBank Loan - Capitola/Jewel Box	\$401,000	\$401,000	\$400,000	\$399,000	\$399,000
2022 Bond Issue - 4 Projects	\$1,199,000	\$1,200,000	\$1,195,000	\$1,199,000	1197000
2024 Bond Issue - 13 Projects	\$1,653,000	\$1,654,000	\$1,654,000	\$1,652,000	1654000
2027 Bond Issue - 7 Projects		\$1,610,000	\$1,610,000	\$1,610,000	\$1,610,000
2030 Bond Issue -4 Projects					\$1,810,000
City WWTP Ibank Loan - UV Replacement	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
City WWTP Electrical System Upgrade Participation		\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
<b>Total Debt Service</b>	<b>\$4,455,000</b>	<b>\$8,767,000</b>	<b>\$8,761,000</b>	<b>\$8,762,000</b>	<b>\$10,572,000</b>

**Table 8  
District Loan and Bond Funded Capital Improvement Program**

Project	Prior Years	2026/27	2027/28	2028/29	2029/30	2030/31
State Revolving Fund Loans:						
Aptos Transmission Relocation	\$11,982,000					
Soquel Ck. PS FM Replacement	\$5,002,000					
Valencia Creek Sewer Relocation	\$3,265,000					
Bank Loans:						
Capitola / Jewel Box Sewer	\$7,000,000					
2022 Bond Issue:						
East Cliff, Portola, & Richmond Dr.	\$7,300,000					
Upper Rodeo, Lower Rodeo Trunklines and Rodeo PS	\$8,500,000					
Arana Trunkline	\$4,100,000					
Non Project	\$45,000					
Total 2022 Bond Issue	\$19,945,000					
2024 Bond Issue:						
Eddy Lane Sewer Rehabilitation	\$1,600,000					
Soquel Village Sewer Rehabilitation Phase 2	\$6,100,000					
Seacliff/Rio Del Mar Sewer Rehabilitation	\$2,442,000					
Hidden Beach Bypass	\$800,000					
Emergency Bypass Improvements	\$739,000					
DA Porath Bypass	\$4,444,000					
Upper Rodeo Gulch Trunkline	\$3,850,000					
Capitola Pump Station Pump Replacement	\$680,000					
West Seaciff Sewer Rehabilitation	\$3,435,000					
East Cliff Drive Sewer Rehabilitation	\$500,000					
Arana Gulch Sewer Rehabilitation	\$850,000					
Rodeo Pump Station Capacity Upgrade	\$3,100,000					
AA10-AA17 Vienna Drive Sewer Emergency Repair	\$460,000					
Total 2024 Bond Issue	\$29,000,000					
2027 Bond Issue:						
Capitola Village Phase 1			\$3,000,000			
Bay Avenue Sewer Upgrade			\$785,000			
D.A. Porath Pump Station Capacity Upgrade			\$3,000,000			
Arana Pump Station Relocation			\$5,515,000			
Aptos Esplanade Pump Station Valve Replacement			\$1,500,000			
Portola Sewer Capacity Upgrade			\$6,400,000			
7th Avenue Sewer Capacity Upgrade - North			\$3,800,000			
Total 2027 Bond Issue			\$24,000,000			
2030 Bond Issue:						
Soquel Pump Station Auxillary Wet Well						\$5,870,000
Santa Cruz Harbor Sewer Rehabilitation Phase 2						\$6,456,900
Rio Del Mar Sewer Rehabilitation Phase 2						\$10,594,600
2030 Sewer Pipe Rehabilitation						\$4,078,500
Total 2030 Bond Issue						\$27,000,000
City WWTP Projects:						
UV Replacement (\$3.5 million X 8/17)	\$1,647,000					
Electrical System Construction (\$91.0 million X 8/17)			\$42,824,000			
<b>Total Loan and Bond Funded Projects</b>	<b>\$77,841,000</b>	<b>\$0</b>	<b>\$66,824,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,000,000</b>

**Revenue Trust Interest Income**

The District uses the investment income received in the Revenue Trust Fund to fund a portion of its operating expenses every year. This reduces the total revenues required from fees for sewer service. Based on actual earnings, the projected annual interest income for 2026/27 and the following years is \$500,000.

**Reserve Fund**

The District’s Reserve Fund will have a balance of \$3,600,000 at the beginning of 2026/27. The District’s plan is to continue increases of \$300,000 over the next five years. Additional transfers would continue in the following years. This will bring the balance to \$5,100,000 by the end of 2030/31. These amounts will be recovered annually through sewer service fees.

**Total Revenues**

Projected revenues required for 2026/27 through 2030/31 from fees for sewer service are shown in Table 9. The total revenue required in 2026/27 is \$41,103,000 which will require an overall fee increase of \$2,779,000 or 7.3%. Annual fee increases for the following four years are projected to be 7.7%

**Table 9  
Total Revenue Requirements**

Item	Annual Revenue Requirement				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Capital Improvement Funding	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Debt Service	\$4,455,000	\$8,767,000	\$8,761,000	\$8,762,000	\$10,572,000
City Treatment	\$10,055,000	\$9,601,000	\$9,574,000	\$10,347,000	\$10,354,000
District O&M	\$20,187,000	\$20,903,000	\$21,330,000	\$22,127,000	\$23,326,000
Reserve Fund	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Revenue Collection Expense	\$411,000	\$443,000	\$477,000	\$513,000	\$553,000
Interest Earnings	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>Total Revenue Requirement</b>	<b>\$41,103,000</b>	<b>\$44,270,000</b>	<b>\$47,678,000</b>	<b>\$51,348,000</b>	<b>\$55,302,000</b>
<b>Fee Increase</b>	<b>7.3%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>

**Sewer Service Fees**

The proposed 2026/27 fees for sewer service, based on increased customer usage and total revenue requirements, are shown in Table 10. The overall 2026/27 fee increase is 7.3%. Residential increases are of 7.6% for single family residences, 7.5% for multiple and 7.2% for mobile homes.

These proposed fees are based the average wastewater discharges for the three residential classifications, as adopted by the District Board in January 2022. The discharge by customers in the single family classification is 5.1 HCF per month. The discharge by customers in the combined multiple family classification is 4.1 HCF per month. Mobile home discharge is 3.2 HCF per month. Nonresidential fee increases vary based on customer size and strength of wastewater discharged.

A five-year fee program for the study period is shown in Table 11. This table includes adopted fees since 1991/92 and proposed increases through 2030/31.

**Table 10  
Proposed 2026/27 Fees**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalescent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

(1) Volume Rate = \$/ADA/year  
 (2) Volume Rate = \$/FTES/year

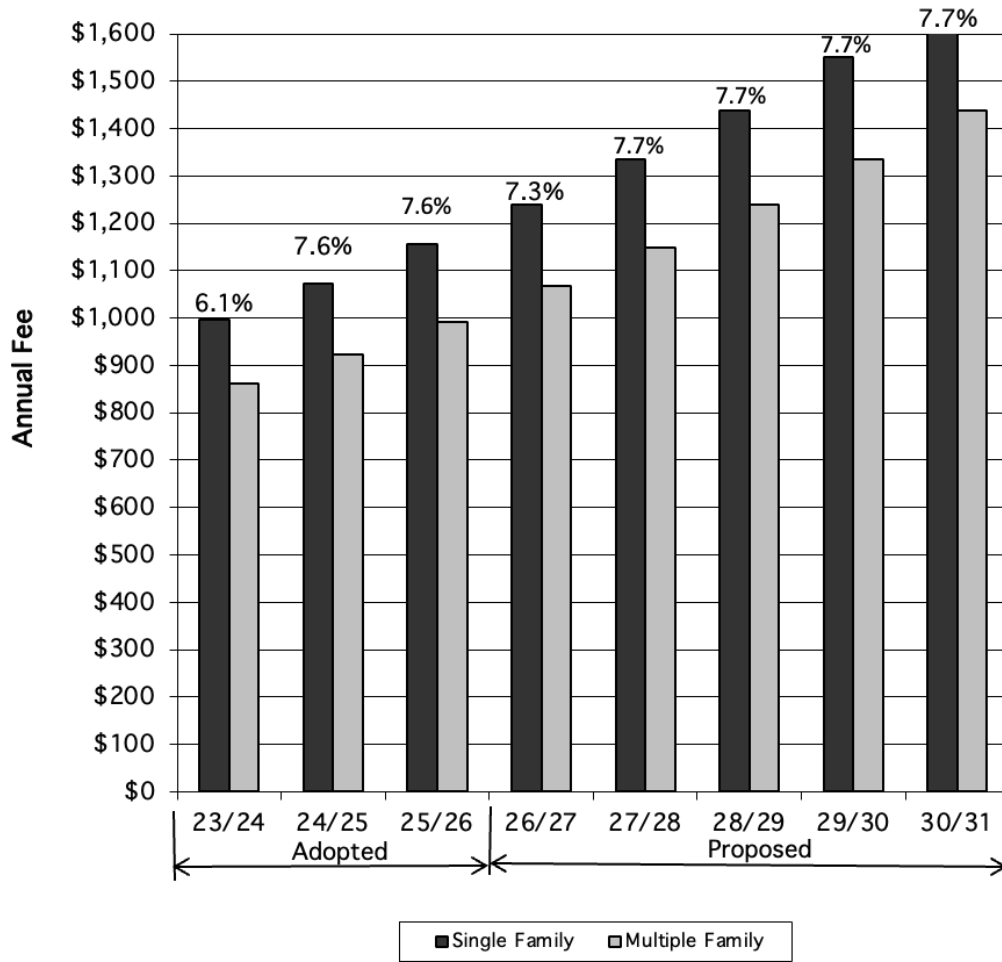
**Summary**

The overall projected increase in fees for sewer service for fiscal year 2026/27 is 7.3%. The annual increases for the following four years are 7.7%. These increases reflect increased customer usage, additional debt service, treatment plant operating costs and capital improvements and District operating costs and capital improvements. The proposed single family and multiple family annual fees are shown in Figure 1. Future fee increases are dependent upon the magnitude of treatment and collection operating costs, general inflationary trends, interest rates and customer usage.

**Table 11  
Five-Year Fee Program**

Fiscal Year	Average Increase					
	Single Family	Multiple Family	Mobile Home	Average Other Business	Average Restaurant	Elementary School
	5.1 HCF/mo.	4.1 HCF/mo.	3.2 HCF/mo.	12 HCF/mo.	44 HCF/mo.	369 ADA
<b>Adopted</b>						
1991/92	27.1%	23.9%	23.9%			
1992/93	4.2%	13.5%	13.5%	4.5%	8.2%	0.4%
1993/94	22.4%	35.7%	35.7%	25.9%	30.3%	19.4%
1994/95	5.6%	5.4%	5.4%	5.9%	9.5%	5.5%
1995/96	5.3%	5.7%	5.7%	5.5%	-1.1%	5.9%
1996/97	4.4%	4.3%	4.3%	3.5%	9.6%	-25.8%
1997/98	3.1%	2.1%	2.1%	2.6%	12.5%	-2.0%
1998/99	2.9%	3.3%	3.3%	2.6%	2.2%	1.7%
1999/00	2.9%	3.3%	3.3%	3.2%	0.3%	2.1%
2000/01	4.7%	3.9%	3.9%	4.9%	7.9%	6.3%
2001/02	3.3%	3.0%	3.0%	3.8%	4.7%	4.0%
2002/03	9.8%	20.6%	-5.4%	-1.1%	-2.3%	-1.1%
2003/04	4.1%	4.1%	4.0%	4.6%	3.4%	5.1%
2004/05	4.9%	5.1%	5.3%	4.6%	3.7%	4.3%
2005/06	3.7%	1.2%	6.8%	5.7%	1.6%	4.9%
2006/07	2.3%	2.3%	2.5%	2.2%	-1.1%	2.7%
2007/08	3.2%	2.9%	2.6%	3.1%	6.5%	3.2%
2008/09	1.3%	0.9%	2.5%	7.2%	10.0%	7.8%
2009/10	5.2%	5.1%	5.0%	5.0%	4.3%	-30.6%
2010/11	4.2%	4.0%	4.0%	3.9%	5.5%	4.3%
2011/12	1.6%	3.9%	4.3%	11.0%	10.7%	10.6%
2012/13	3.7%	3.7%	3.7%	3.4%	2.0%	4.0%
2013/14	2.7%	2.8%	2.9%	2.0%	2.6%	2.0%
2014/15	0.2%	1.5%	3.9%	8.3%	9.9%	8.2%
2015/16	4.8%	4.9%	5.0%	2.3%	1.3%	2.4%
2016/17	2.7%	2.7%	2.7%	3.1%	1.1%	3.9%
2017/18	1.2%	4.5%	3.6%	8.7%	7.2%	9.3%
2018/19	3.3%	3.5%	3.7%	5.2%	0.7%	3.4%
2019/20	5.3%	5.3%	5.4%	5.2%	2.0%	5.7%
2020/21	2.8%	2.7%	2.6%	1.3%	2.2%	2.4%
2021/22	4.0%	4.2%	4.4%	4.3%	-0.4%	4.4%
2022/23	6.7%	6.5%	6.3%	6.4%	8.5%	-3.7%
2023/24	6.1%	6.0%	5.9%	5.9%	7.2%	6.1%
2024/25	7.6%	7.2%	6.7%	8.9%	9.8%	9.7%
2025/26	7.6%	7.5%	7.2%	7.8%	9.8%	8.0%
<b>Proposed</b>						
2026/27	7.3%	7.6%	7.9%	7.4%	3.0%	8.1%
2027/28	7.7%	7.6%	7.5%	7.1%	10.6%	7.0%
2028/29	7.7%	7.8%	7.9%	7.8%	5.9%	8.1%
2029/30	7.7%	7.7%	7.7%	7.6%	7.5%	7.9%
2030/31	7.7%	7.8%	7.9%	7.8%	6.1%	8.0%

**Figure 1**  
**Annual Residential Fees**



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If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

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You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

### **To advise County of Santa Cruz of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

May 7, 2026

District Secretary  
Santa Cruz County Sanitation District  
Government Center  
701 Ocean Street, Room 410  
Santa Cruz, CA 95060

RECEIVED  
MAY 19 2026  
Santa Cruz County  
Sanitation District

Service Address: 4440 Soquel Dr., Soquel, CA 95073  
APN: 03014122

I am protesting the current and proposed sewer service fees.

I am a low water two person household user. My separate studio is currently unoccupied and used only for occasional guests. I believe that my parcel should not be billed at the same rate as households of more individuals and higher water use. In the past there was some relief for this disparity, but that relief was discontinued.

I note that commercial customers and schools are billed on the basis of water use. It seems that is a more equitable billing procedure for all served properties.

I am requesting a revision of the billing procedure for all properties or a reduction in fees for low water use households.

Thank you for your consideration of this protest. I look forward to some rate relief.

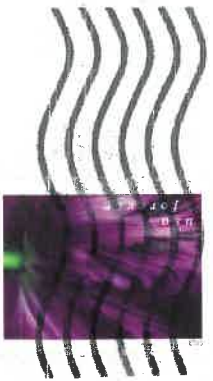
Cordially,



Edison C. Rossen

PO Box 552  
95010

SAN JOSE CA 950  
13 MAY 2026 PM 4 L



DISTRICT SECRETARY  
SANTA CARZ County Sanitation District  
Government Center  
701 OCEAN ST., Room 410  
SANTA CARZ, CA 95060

95060-407099





## SANTA CRUZ COUNTY SANITATION DISTRICT

701 OCEAN STREET, SUITE 410 · SANTA CRUZ, CA · 95060-4073  
(831) 454-2160 · FAX (831) 454-2089 · TDD: (831) 454-2123 · WWW.SCCSD.US  
**MATT MACHADO, DISTRICT ENGINEER**

MAY 19, 2026

EDISON C. ROSSEN  
4440 SOQUEL DRIVE  
SOQUEL, CA 95073

SUBJECT: 2026/27 SEWER SERVICE CHARGE RATE INCREASES  
PROPOSTION 218 NOTIFICATION

Dear Edison Rossen,

The Santa Cruz County Sanitation District (District) has received your written protest regarding the proposed rate increases. The Board will review and consider all oral and written protests during the Public Hearing on May 21, 2026.

In response to your written objection, the District confirms that the proposed rates are necessary to cover the actual costs of operations, maintenance, and capital projects as approved by the Board of Directors (please refer to the enclosed 2026/27 Revenue Study explaining the substantive justification for the rate increase). For these reasons, the objection(s) you have raised, which will be presented for the Board's consideration, do not, from District staff's perspective, provide necessary grounds to modify the proposed rates.

To attend the meeting:

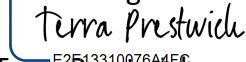
- **In-Person:** D.A. Porath Sanitation Facility Meeting Room, 2750 Lode Street, Santa Cruz, CA 95062 (off 26th Avenue).
- **Virtually (Zoom):** <https://santacruzcounty-us.zoomgov.com/j/1609753251>
  - **Meeting ID:** 160 975 3251
  - **Phone Access:** +1 669 254 5252 (San Jose)

For questions or comments, please contact the District Secretary at (831) 454-2792.

Yours truly,

MATT MACHADO

District Engineer

By:   
Terra Prestwich  
District Secretary

Tlp/26-085 SewerServiceChargeRateIncreaseResponseLetter 2026\_27 FINAL.docx  
Attachment:  
SCCSD 2026/27 Revenue Study  
CC: EDISON C. ROSSEN, P.O. BOX 556, CAPITOLA, CA 95010

**SANTA CRUZ COUNTY SANITATION DISTRICT**

**2026/27 REVENUE STUDY**



**February 2026**

**Hornberger Engineering**  
San Jose, California

2661 Thrasher Lane • San Jose, CA • 95125 • (408) 264-5029



February 12, 2026

Mr. Matt Machado, P.E.  
District Engineer  
Santa Cruz County Sanitation District  
701 Ocean Street  
Santa Cruz, CA 95060

Subject: Santa Cruz County Sanitation District  
2026/27 Revenue Study

Dear Mr. Machado,

We are pleased to submit this five-year program of sewer service charges for the Santa Cruz County Sanitation District. The purpose of this study is to incorporate the latest costs associated with the District's projects and programs and to project revenue requirements for the years 2026/27 through 2030/31. The study is based on the projected capital costs, operation and maintenance expenses and customer information prepared by the District staff.

This study assumes two bond issues will be issued as part of the District's Capital Improvement Program funding over the next ten years. The first bond issue will be for \$24.0 million in June 2027 to fund seven projects. A second bond issue will be for \$27.0 million in June 2030 to fund four projects. In addition, the District will participate in funding its share of the Electrical Replacement Project at the Wastewater Treatment Plant. The financing for this project is currently under discussion with the City of Santa Cruz.

As a result of this study, the overall fee increase for fiscal year 2026/27 is 7.3%. Proposed fees for the individual user groups are shown in the following table. Increases of 7.7% are projected for the following four years.

We appreciate this opportunity to prepare this revenue study for the Santa Cruz County Sanitation District. Please do not hesitate to contact me if you have any questions or would like any additional information.

Sincerely,

Hornberger Engineering

**Hornberger Engineering**

**Santa Cruz County Sanitation District  
Proposed 2026/27 Fee Increases**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalencent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
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Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

- (1) Volume Rate = \$/ADA/year
- (2) Volume Rate = \$/FTES/year

**SANTA CRUZ COUNTY SANITATION DISTRICT  
2026/27 REVENUE STUDY**

**Introduction**

The Santa Cruz County Sanitation District will require approximately 7.3% to 7.7% annual increases in revenue from fees for sewer service in the next five fiscal years, 2026/27 through 2030/31. The overall fee increase for 2026/27 developed in this study is 7.3%. These increases are primarily related to increased operating expenses and capital projects at the wastewater treatment plant operated by the City of Santa Cruz, the District's operating costs and debt service with an additional \$51 million in bonds, and general inflation.

The District staff has reviewed connection charge revenue, capital outlay needs, operation and maintenance expenses, debt service and miscellaneous revenues for the next five fiscal years. Based on this updated information, proposed fees for sewer service in 2026/27 and estimated fees through 2030/31 have been calculated. The development of these fees is discussed in the following sections.

**Requirements for Sewer Service Fees**

The District's fees for sewer service are subject to the requirements contained in the Revenue Program Guidelines issued by the California State Water Resources Control Board. This is a condition of the State and Federal grants and loans received by the District.

The Guidelines require that fees for sewer service be designed to recover adequate revenues for the operation and maintenance of the District's facilities. In addition, each user and user class must pay its proportional share of those costs, based on its proportional contribution to the total wastewater loadings from all users. The District's sewer service fees have been reviewed by the State Water Resources Control Board staff and are in compliance with the Guidelines.

The District's fees are also subject to the requirements of Proposition 218. This proposition, passed in 1996, requires that fees shall not exceed the proportional cost of service attributable to any parcel. The District's fees also comply with Proposition 218.

**Customer Revenue**

The projected revenue received for sewer services under the current 2025/26 fees has increased by \$160,000 as shown in Table 1. This is a combination of a \$152,000 increase in residential revenue and an \$8,000 increase in nonresidential revenue. The most significant usage increase in 2025 was for ADUs which increased by 28%. The increase in customer revenue has the effect of decreasing the proposed 2026/27 sewer service fees by 0.4%.

**Table 1  
Customer Revenue at Current 2025/26 Fees**

Year	Residential Revenue (\$/year)	Nonresidential Revenue (\$/year)	Total Revenue (\$/year)
2025/26	\$31,708,000	\$6,456,000	\$38,164,000
2026/27	\$31,860,000	\$6,464,000	\$38,324,000
Difference	\$152,000 0.5%	\$8,000 0.1%	\$160,000 0.4%

**Connection Charge Revenue**

Based on actual revenues, connection charges of \$400,000 have been projected for 206/27 and the following years.

**Capital Improvement Program Funding**

Connection charge revenue and contributions from rates are used to fund the District’s Capital Improvement Program projects that are not funded by loans or grants. The funding for 2026/27 is \$6,595,000. This will be generated by \$400,000 in connection charge revenue and \$6,195,000 in sewer service fees. The funding for those projects in the five years of the study period is show in Table 2. The projects included in this program are listed in Table 3. Existing fund balances will be used for the additional costs of these projects.

**Table 2  
Capital Improvement Program Funding**

Item	Annual Capital Improvement Program Funding				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Connection Charge Revenue	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Contribution from Rates	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Capital Improvement Program Funding	\$6,595,000	\$5,156,000	\$8,136,000	\$10,199,000	\$11,097,000

**Table 3  
District Funded Capital Improvement Program**

Project	2026/27	2027/28	2028/29	2029/30	2030/31
Upper Rodeo Sewer Rehabilitation Annual Monitoring	\$16,650	\$16,650	\$16,650	\$16,650	\$16,650
East Cliff Trans. Main Replacement at Murray St. Bridge	\$370,000				
Arana Trunkline Annual Monitoring	\$26,196	\$22,755	\$22,755	\$22,755	\$24,698
Flowmeter Replacements and Repairs		\$45,000		\$45,000	
Transmission Line Inspection	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCADA System Improvements	\$350,000	\$364,000	\$378,560	\$393,702	\$409,450
Pump Station Sewage Level Monitoring	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Cathodic Protection	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Road Repairs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Consulting Engineering Services	\$400,000	\$400,000	\$400,000	\$500,000	\$500,000
Minor Projects	\$900,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
East Cliff Force Main Inspection				\$200,000	
East Cliff Force Main Repairs - II	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Moosehead Realignment	\$1,175,000				
Santa Cruz Harbor Area Sewer Rehab Phase 2			\$100,000		
Rio Del Mar Sewer Rehab Phase 2			\$100,000		
Concrete Stairs Rehab (Conc Rehab Various PS)	\$475,000				
2028 Sewer Pipe Rehabilitation Project		\$100,000	\$2,000,000		
D.A. Porath Pump Station Study	\$18,755				
EJ21-EJ27 Annual Monitoring	\$22,200	\$21,090	\$21,090		
A1 Pump Station Hardening	\$241,230				
Arana Pump Station Relocation	\$100,000	\$292,570			
Aptos Esplanade Pump Station Valve Replacement		\$100,000			
Portola Sewer Capacity Upgrade		\$110,000			
Bay Avenue Sewer Upgrade		\$100,000			
7th Avenue Sewer Capacity Upgrade		\$100,000			
A1 Pump Station Relocation			\$100,000	\$6,561,000	
Sea Level Mitigation	\$300,000	\$500,000	\$500,000		\$500,000
Secondary Force Main					\$2,000,000
Other Rehab (Collection and Operations)					\$2,000,000
Contingencies	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
<b>Total District Funded Capital Projects</b>	<b>\$6,145,031</b>	<b>\$5,922,065</b>	<b>\$7,389,055</b>	<b>\$11,489,107</b>	<b>\$9,200,798</b>

**Operation and Maintenance Expenses**

The projected operation and maintenance expenses include treatment costs paid to the City of Santa Cruz and the District’s expenses for pump station and collection line maintenance, engineering, source control and fixed assets.

As shown in Table 4, projected treatment expenses have decreased from those used in the 2025/26 fees. The District’s share of treatment operations costs has increased by \$417,000 due to utility costs, chemical costs and inflation. With the completion of projects at the treatment plant there is a reduction in capital costs. The District’s 8/17 share of capital projects has decreased by \$1,835,000. The total decrease in treatment costs for 2026/27 is \$1,418,000. The treatment plant projects for the five-year study period are shown in Table 5. These do not include construction of the Electrical Replacement Project which will be funded by a 2027/28 debt issue.

**Table 4  
2026/27 District Treatment Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$7,056,000	\$4,417,000	\$11,473,000
2026/27	\$7,473,000	\$2,582,000	\$10,055,000
Difference	\$417,000 5.9%	(\$1,835,000) (41.5%)	(\$1,418,000) (12.4%)

**Table 5  
Treatment Plant Capital Improvement Program**

Project	2026/27	2027/287	2028/29	2029/30	2030/31
Equipment Replacement	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Nearby Park Mitigation CIP	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Upgrade Digester Equipment/Cleaning		\$800,000		\$800,000	
Electrical Replacement Project Design	\$2,000,000				
Modernize Lab	\$500,000				
WWTP Infrastructure and Major Equipment	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>Total Treatment Plant Capital Projects</b>	<b>\$5,275,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>	<b>\$3,575,000</b>	<b>\$2,775,000</b>

As shown in Table 6, the District’s O&M expense projections for the next fiscal year have increased by \$680,000 from those used in the 2025/26 fees. This includes increases of 2.6%, or \$470,000, in operating costs and a \$210,000 increase in routine capital expenses.

**Table 6  
2026/27 District Operation and Maintenance Expenses**

Year	Operations (\$/year)	Capital (\$/year)	Total (\$/year)
2025/26	\$18,182,000	\$1,325,000	\$19,507,000
2026/27	\$18,652,000	\$1,535,000	\$20,187,000
Difference	\$470,000 2.6%	\$210,000 15.8%	\$680,000 3.5%

**Debt Service**

The District currently has three projects funded by State Revolving Fund (SRF) loans. These include \$12 million for the Aptos Transmission Relocation Project, \$5 million for the Soquel Creek Pump Station Force Main and \$3.3 million for the Valencia

Creek Sewer Relocation. The Capitola/Jewel Box Sewer project was funded by a \$7 million California Infrastructure and Economic Development Bank (IBank) loan.

In June 2022 the District issued \$19.9 million in revenue bonds to fund five projects. In June 2024 the District issued \$29.0 million in revenue bonds to fund twelve projects.

The District plans to issue three additional revenue bonds starting in 2027. These include a \$24 million issue in 2027 to fund seven projects and a \$27 million issue in 2030 to fund four projects.

The District will be participating in the funding for the Electrical Replacement Project at the wastewater treatment plant which is currently under design. The actual project cost and funding have not been established at this time. Estimated District debt service participation for this project starting in 2027 has been included for the study period but is subject to change at a later date. In addition, The District is also participating in a \$3.5 million IBank loan for the Ultraviolet System Replacement project at the treatment plant.

The debt service schedules for all the District’s loans and bonds for the study period are shown in Table 7. The proposed projects funded by these loans and bonds over the next five fiscal years are shown in Table 8.

**Table 7  
District Debt Service**

Item	Annual Debt Service				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
SRF Loan - Aptos Transmission Project	\$790,000	\$790,000	\$790,000	\$790,000	\$790,000
SRF Loan - Soquel Creek Pump Station	\$219,000	\$219,000	\$219,000	\$219,000	\$219,000
SRF Loan - Valencia Creek Sewer Relocation	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
IBank Loan - Capitola/Jewel Box	\$401,000	\$401,000	\$400,000	\$399,000	\$399,000
2022 Bond Issue - 4 Projects	\$1,199,000	\$1,200,000	\$1,195,000	\$1,199,000	1197000
2024 Bond Issue - 13 Projects	\$1,653,000	\$1,654,000	\$1,654,000	\$1,652,000	1654000
2027 Bond Issue - 7 Projects		\$1,610,000	\$1,610,000	\$1,610,000	\$1,610,000
2030 Bond Issue -4 Projects					\$1,810,000
City WWTP Ibank Loan - UV Replacement	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
City WWTP Electrical System Upgrade Participation		\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
<b>Total Debt Service</b>	<b>\$4,455,000</b>	<b>\$8,767,000</b>	<b>\$8,761,000</b>	<b>\$8,762,000</b>	<b>\$10,572,000</b>

**Table 8  
District Loan and Bond Funded Capital Improvement Program**

Project	Prior Years	2026/27	2027/28	2028/29	2029/30	2030/31
State Revolving Fund Loans:						
Aptos Transmission Relocation	\$11,982,000					
Soquel Ck. PS FM Replacement	\$5,002,000					
Valencia Creek Sewer Relocation	\$3,265,000					
Bank Loans:						
Capitola / Jewel Box Sewer	\$7,000,000					
2022 Bond Issue:						
East Cliff, Portola, & Richmond Dr.	\$7,300,000					
Upper Rodeo, Lower Rodeo Trunklines and Rodeo PS	\$8,500,000					
Arana Trunkline	\$4,100,000					
Non Project	\$45,000					
Total 2022 Bond Issue	\$19,945,000					
2024 Bond Issue:						
Eddy Lane Sewer Rehabilitation	\$1,600,000					
Soquel Village Sewer Rehabilitation Phase 2	\$6,100,000					
Seacliff/Rio Del Mar Sewer Rehabilitation	\$2,442,000					
Hidden Beach Bypass	\$800,000					
Emergency Bypass Improvements	\$739,000					
DA Porath Bypass	\$4,444,000					
Upper Rodeo Gulch Trunkline	\$3,850,000					
Capitola Pump Station Pump Replacement	\$680,000					
West Seaciff Sewer Rehabilitation	\$3,435,000					
East Cliff Drive Sewer Rehabilitation	\$500,000					
Arana Gulch Sewer Rehabilitation	\$850,000					
Rodeo Pump Station Capacity Upgrade	\$3,100,000					
AA10-AA17 Vienna Drive Sewer Emergency Repair	\$460,000					
Total 2024 Bond Issue	\$29,000,000					
2027 Bond Issue:						
Capitola Village Phase 1			\$3,000,000			
Bay Avenue Sewer Upgrade			\$785,000			
D.A. Porath Pump Station Capacity Upgrade			\$3,000,000			
Arana Pump Station Relocation			\$5,515,000			
Aptos Esplanade Pump Station Valve Replacement			\$1,500,000			
Portola Sewer Capacity Upgrade			\$6,400,000			
7th Avenue Sewer Capacity Upgrade - North			\$3,800,000			
Total 2027 Bond Issue			\$24,000,000			
2030 Bond Issue:						
Soquel Pump Station Auxillary Wet Well						\$5,870,000
Santa Cruz Harbor Sewer Rehabilitation Phase 2						\$6,456,900
Rio Del Mar Sewer Rehabilitation Phase 2						\$10,594,600
2030 Sewer Pipe Rehabilitation						\$4,078,500
Total 2030 Bond Issue						\$27,000,000
City WWTP Projects:						
UV Replacement (\$3.5 million X 8/17)	\$1,647,000					
Electrical System Construction (\$91.0 million X 8/17)			\$42,824,000			
<b>Total Loan and Bond Funded Projects</b>	<b>\$77,841,000</b>	<b>\$0</b>	<b>\$66,824,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,000,000</b>

**Revenue Trust Interest Income**

The District uses the investment income received in the Revenue Trust Fund to fund a portion of its operating expenses every year. This reduces the total revenues required from fees for sewer service. Based on actual earnings, the projected annual interest income for 2026/27 and the following years is \$500,000.

**Reserve Fund**

The District’s Reserve Fund will have a balance of \$3,600,000 at the beginning of 2026/27. The District’s plan is to continue increases of \$300,000 over the next five years. Additional transfers would continue in the following years. This will bring the balance to \$5,100,000 by the end of 2030/31. These amounts will be recovered annually through sewer service fees.

**Total Revenues**

Projected revenues required for 2026/27 through 2030/31 from fees for sewer service are shown in Table 9. The total revenue required in 2026/27 is \$41,103,000 which will require an overall fee increase of \$2,779,000 or 7.3%. Annual fee increases for the following four years are projected to be 7.7%

**Table 9  
Total Revenue Requirements**

Item	Annual Revenue Requirement				
	2026/27 (\$/year)	2027/28 (\$/year)	2028/29 (\$/year)	2029/30 (\$/year)	2030/31 (\$/year)
Capital Improvement Funding	\$6,195,000	\$4,756,000	\$7,736,000	\$9,799,000	\$10,697,000
Debt Service	\$4,455,000	\$8,767,000	\$8,761,000	\$8,762,000	\$10,572,000
City Treatment	\$10,055,000	\$9,601,000	\$9,574,000	\$10,347,000	\$10,354,000
District O&M	\$20,187,000	\$20,903,000	\$21,330,000	\$22,127,000	\$23,326,000
Reserve Fund	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Revenue Collection Expense	\$411,000	\$443,000	\$477,000	\$513,000	\$553,000
Interest Earnings	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>Total Revenue Requirement</b>	<b>\$41,103,000</b>	<b>\$44,270,000</b>	<b>\$47,678,000</b>	<b>\$51,348,000</b>	<b>\$55,302,000</b>
<b>Fee Increase</b>	<b>7.3%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>

**Sewer Service Fees**

The proposed 2026/27 fees for sewer service, based on increased customer usage and total revenue requirements, are shown in Table 10. The overall 2026/27 fee increase is 7.3%. Residential increases are of 7.6% for single family residences, 7.5% for multiple and 7.2% for mobile homes.

These proposed fees are based the average wastewater discharges for the three residential classifications, as adopted by the District Board in January 2022. The discharge by customers in the single family classification is 5.1 HCF per month. The discharge by customers in the combined multiple family classification is 4.1 HCF per month. Mobile home discharge is 3.2 HCF per month. Nonresidential fee increases vary based on customer size and strength of wastewater discharged.

A five-year fee program for the study period is shown in Table 11. This table includes adopted fees since 1991/92 and proposed increases through 2030/31.

**Table 10  
Proposed 2026/27 Fees**

User Group	Proposed 2026/27 Fees		Existing 2025/26 Fees		2026/27 Increases
	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Flat Fee (\$/year)	Volume Fee (\$/HCF)	Change (%)
Single Family	\$1,240.08		\$1,155.36		7.3%
Townhomes & Condominiums	\$1,067.76		\$992.40		7.6%
Multiple Family & ADUs	\$1,067.76		\$992.40		7.6%
Mobile Homes	\$912.72		\$845.64		7.9%
Bakeries/Donut Shops	\$487.44	\$17.43	\$451.44	\$16.96	3.1%
Restaurants/Catering	\$487.44	\$17.43	\$451.44	\$16.96	3.2%
Food Processing	\$487.44	\$20.06	\$451.44	\$20.20	-0.3%
Hospitals/Convalescent Hospitals	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Other Businesses	\$487.44	\$13.53	\$451.44	\$12.61	7.5%
Schools (Sr. High ADA Basis) (1)	\$487.44	\$47.41	\$451.44	\$43.85	8.1%
Schools (Sr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Schools (Elem. & Jr. High ADA Basis) (1)	\$487.44	\$31.65	\$451.44	\$29.27	8.1%
Schools (Elem. & Jr. High Usage Basis)	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Junior Colleges (2)	\$487.44	\$41.77	\$451.44	\$38.63	8.1%
State Parks	\$487.44	\$13.13	\$451.44	\$12.15	8.1%
Dominican Hospital	\$487.44	\$14.03	\$451.44	\$13.20	6.3%
Chaminade	\$487.44	\$17.70	\$451.44	\$17.48	1.3%
Overall Increase					7.3%

(1) Volume Rate = \$/ADA/year  
 (2) Volume Rate = \$/FTES/year

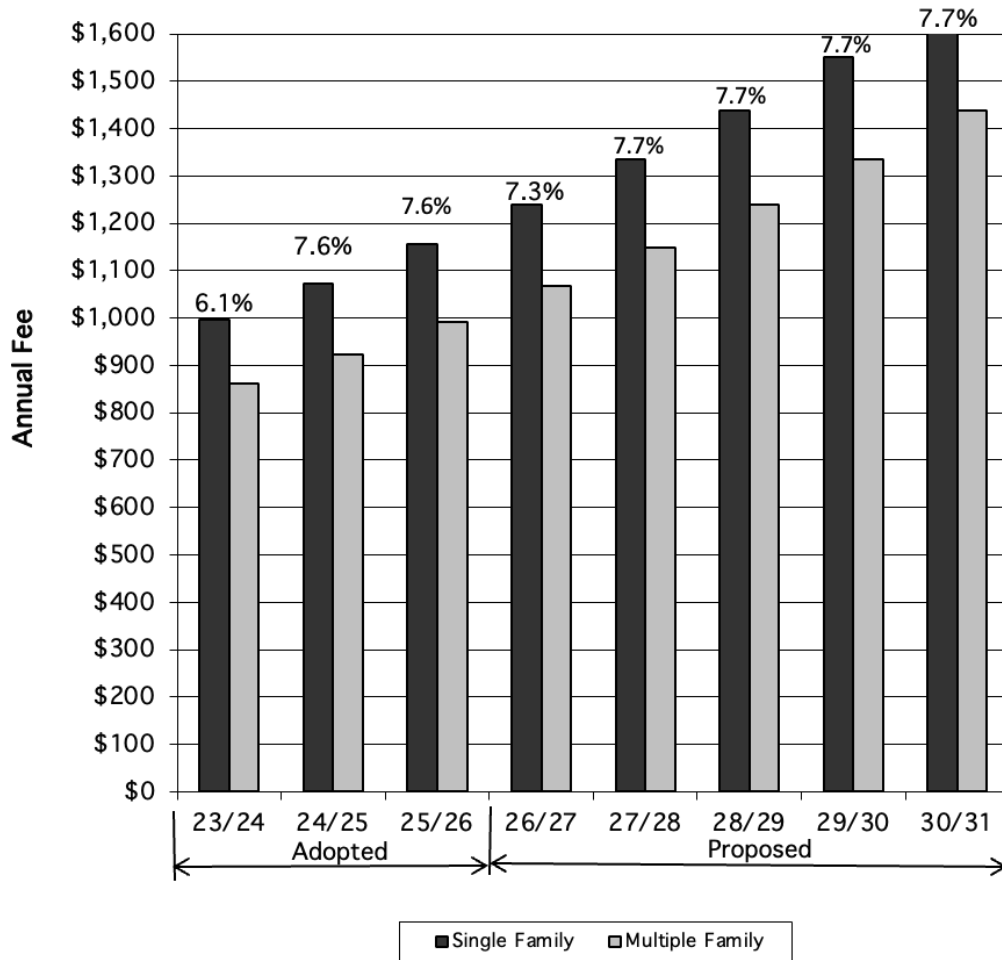
**Summary**

The overall projected increase in fees for sewer service for fiscal year 2026/27 is 7.3%. The annual increases for the following four years are 7.7%. These increases reflect increased customer usage, additional debt service, treatment plant operating costs and capital improvements and District operating costs and capital improvements. The proposed single family and multiple family annual fees are shown in Figure 1. Future fee increases are dependent upon the magnitude of treatment and collection operating costs, general inflationary trends, interest rates and customer usage.

**Table 11  
Five-Year Fee Program**

Fiscal Year	Average Increase					
	Single Family	Multiple Family	Mobile Home	Average Other Business	Average Restaurant	Elementary School
	5.1 HCF/mo.	4.1 HCF/mo.	3.2 HCF/mo.	12 HCF/mo.	44 HCF/mo.	369 ADA
<b>Adopted</b>						
1991/92	27.1%	23.9%	23.9%			
1992/93	4.2%	13.5%	13.5%	4.5%	8.2%	0.4%
1993/94	22.4%	35.7%	35.7%	25.9%	30.3%	19.4%
1994/95	5.6%	5.4%	5.4%	5.9%	9.5%	5.5%
1995/96	5.3%	5.7%	5.7%	5.5%	-1.1%	5.9%
1996/97	4.4%	4.3%	4.3%	3.5%	9.6%	-25.8%
1997/98	3.1%	2.1%	2.1%	2.6%	12.5%	-2.0%
1998/99	2.9%	3.3%	3.3%	2.6%	2.2%	1.7%
1999/00	2.9%	3.3%	3.3%	3.2%	0.3%	2.1%
2000/01	4.7%	3.9%	3.9%	4.9%	7.9%	6.3%
2001/02	3.3%	3.0%	3.0%	3.8%	4.7%	4.0%
2002/03	9.8%	20.6%	-5.4%	-1.1%	-2.3%	-1.1%
2003/04	4.1%	4.1%	4.0%	4.6%	3.4%	5.1%
2004/05	4.9%	5.1%	5.3%	4.6%	3.7%	4.3%
2005/06	3.7%	1.2%	6.8%	5.7%	1.6%	4.9%
2006/07	2.3%	2.3%	2.5%	2.2%	-1.1%	2.7%
2007/08	3.2%	2.9%	2.6%	3.1%	6.5%	3.2%
2008/09	1.3%	0.9%	2.5%	7.2%	10.0%	7.8%
2009/10	5.2%	5.1%	5.0%	5.0%	4.3%	-30.6%
2010/11	4.2%	4.0%	4.0%	3.9%	5.5%	4.3%
2011/12	1.6%	3.9%	4.3%	11.0%	10.7%	10.6%
2012/13	3.7%	3.7%	3.7%	3.4%	2.0%	4.0%
2013/14	2.7%	2.8%	2.9%	2.0%	2.6%	2.0%
2014/15	0.2%	1.5%	3.9%	8.3%	9.9%	8.2%
2015/16	4.8%	4.9%	5.0%	2.3%	1.3%	2.4%
2016/17	2.7%	2.7%	2.7%	3.1%	1.1%	3.9%
2017/18	1.2%	4.5%	3.6%	8.7%	7.2%	9.3%
2018/19	3.3%	3.5%	3.7%	5.2%	0.7%	3.4%
2019/20	5.3%	5.3%	5.4%	5.2%	2.0%	5.7%
2020/21	2.8%	2.7%	2.6%	1.3%	2.2%	2.4%
2021/22	4.0%	4.2%	4.4%	4.3%	-0.4%	4.4%
2022/23	6.7%	6.5%	6.3%	6.4%	8.5%	-3.7%
2023/24	6.1%	6.0%	5.9%	5.9%	7.2%	6.1%
2024/25	7.6%	7.2%	6.7%	8.9%	9.8%	9.7%
2025/26	7.6%	7.5%	7.2%	7.8%	9.8%	8.0%
<b>Proposed</b>						
2026/27	7.3%	7.6%	7.9%	7.4%	3.0%	8.1%
2027/28	7.7%	7.6%	7.5%	7.1%	10.6%	7.0%
2028/29	7.7%	7.8%	7.9%	7.8%	5.9%	8.1%
2029/30	7.7%	7.7%	7.7%	7.6%	7.5%	7.9%
2030/31	7.7%	7.8%	7.9%	7.8%	6.1%	8.0%

**Figure 1  
Annual Residential Fees**



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You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

### **To advise County of Santa Cruz of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from County of Santa Cruz**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with County of Santa Cruz**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

### Certificate Of Completion

Envelope Id: EE102A1D-5BF1-808D-81E0-43755DEA60C7	Status: Completed
Subject: Complete with Docusign: SCCSD Agenda Item May 21 - Public Hearing - 26/27 Sewer Charge Increase	
Source Envelope:	
Document Pages: 117	Signatures: 2
Certificate Pages: 5	Initials: 2
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Terra Prestwich
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	701 Ocean Street
	Santa Cruz, CA 95060
	Terra.Prestwich@santacruzcountyca.gov
	IP Address: 63.194.190.225

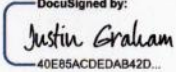
### Record Tracking

Status: Original	Holder: Terra Prestwich	Location: DocuSign
5/6/2026 11:07:28 AM	Terra.Prestwich@santacruzcountyca.gov	
Security Appliance Status: Connected	Pool: FedRamp	

### Signer Events

Justin Graham  
 Justin.Graham@santacruzcountyca.gov  
 Reviewed as to form / Assistant County Counsel  
 County of Santa Cruz  
 Security Level: Email, Account Authentication  
 (None)

### Signature

DocuSigned by:  
  
 40E85ACDEDAB42D...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 63.194.190.227


### Timestamp

Sent: 5/6/2026 11:10:47 AM  
 Viewed: 5/6/2026 11:21:54 AM  
 Signed: 5/6/2026 11:22:13 AM

### Electronic Record and Signature Disclosure:

Accepted: 3/1/2022 10:15:00 AM  
 ID: dd5bcf3a-9e05-49ae-af0f-0166e942a77f

Matt Machado  
 Matt.Machado@santacruzcountyca.gov  
 Director of Community Development & Infrastructure  
 County of Santa Cruz  
 Security Level: Email, Account Authentication  
 (None)

DocuSigned by:  
  
 50EBAC64454C48C...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 63.194.190.227

Sent: 5/6/2026 11:22:15 AM  
 Viewed: 5/6/2026 2:10:08 PM  
 Signed: 5/6/2026 2:10:25 PM

### Electronic Record and Signature Disclosure:

Accepted: 3/1/2022 8:22:46 AM  
 ID: 82550d6a-8dcd-4ff4-b394-1d902bcd64c7

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Andrea Gifford  
 Andrea.Gifford@santacruzcountyca.gov  
 Board Clerk  
 County of Santa Cruz  
 Security Level: Email, Account Authentication  
 (None)

**COPIED**

Sent: 5/6/2026 2:10:28 PM

### Electronic Record and Signature Disclosure:

<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
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Accepted: 5/2/2022 11:48:55 AM  
ID: 098da81a-7523-4cdc-a1ac-872ede37676f

<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
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Envelope Sent	Hashed/Encrypted	5/6/2026 11:10:47 AM
Certified Delivered	Security Checked	5/6/2026 2:10:08 PM
Signing Complete	Security Checked	5/6/2026 2:10:25 PM
Completed	Security Checked	5/6/2026 2:10:28 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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<b>Electronic Record and Signature Disclosure</b>
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## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

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