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PV Water Board Adopts New Rates

Continued Progress toward Sustainable Groundwater Resources

Watsonville, CA – April 21, 2021, the Board of Directors (Board) of the Pajaro Valley Water Management Agency (PV Water, Agency) adopted new rates to fund projects and programs developed to help stop groundwater overdraft and seawater intrusion. In particular, the newly adopted delivered water charges and groundwater augmentation charges will provide the revenue necessary to support the construction of the College Lake Integrated Resources Management Project, the Watsonville Slough System Managed Aquifer Recharge and Recovery Projects, water conservation programs, along with planning and permitting activities. The projects will add much needed supply to the Agency’s supplemental water system. Use of supplemental water offsets groundwater production while helping to keep agriculture viable in the Pajaro Valley.

Leading up to the April 21, 2021 public hearings and vote on the rate setting ordinances, PV Water hosted a series of rate setting public workshops to provide information and respond to questions on the 2021 Cost of Service Rate Study. An Ad Hoc Funding Committee, composed of ratepayers with representation from the City of Watsonville, small water districts, growers of different sizes and commodities, and individual well owners, reviewed and recommended for Board approval the Rate Study in February 2021. On February 17, 2021, the Board adopted the Rate Study and Resolution 2021-05 Adopting Procedures for Public Hearing, Notice, and Protest Concerning Proposed Revisions to Augmentation Charge and Delivered Water Charge.

Director Javier Zamora spoke during the public hearing, “As a grower, I pay for water. I pay for a lot of water and it’s very costly. I am not getting more money for my strawberries or vegetables but it is part of doing business.” Zamora commented that the community should not leave this problem for future generations, he continued, “As a grower, I can tell you this will be a difficult pill for me to swallow, very difficult. If we don’t do it, who else is going to come in and do it? No one will come with a magic wand and eliminate saltwater intrusion and say, ‘keep pumping as much as you want’ unfortunately that is not the case. We need to collaborate as individuals and community members and face our problem. We have to tackle things right away and not leave it for mañana. We gotta get it done and that’s what the Agency is trying to do.”

The rate structures, which include an augmentation charge based on pumped groundwater subject to Proposition 26, and a delivered water charge subject to Proposition 218 for blended recycled water supplied to growers in the coastal area, are similar to the rate structures currently in place. The Rate Study serves to provide the

documentation necessary to meet Proposition 26, Proposition 218, and other legal requirements. The rate increase for fiscal year 2021/22 will be effective December 1, 2021, five months later than initially planned, while future adjustments will go into effect on July 1 of each year through 2025.

The table below shows the summary of Adopted Rates (an acre-foot, AF, is 325,851 gallons of water).

Summary of Adopted Rates							
Rate Class	FY 2019/20 Existing Rate	FY 2020/21 Existing Rate	FY 2021/22 Effective 12/1/2021	FY 2022/23 Effective 7/1/2022	FY 2023/24 Effective 7/1/2023	FY 2024/25 Effective 7/1/2024	FY 2025/26 Effective 7/1/2025
Augmentation Charge – Inside DWZ	\$338/AF	\$338/AF	\$363/AF	\$391/AF	\$420/AF	\$452/AF	\$486/AF
Augmentation Charge – Outside DWZ	\$246/AF	\$246/AF	\$263/AF	\$282/AF	\$302/AF	\$323/AF	\$346/AF
Augmentation Charge – Rural Residential*	\$115/ Residence	\$115/ Residence	\$123/ Residence	\$132/ Residence	\$142/ Residence	\$152/ Residence	\$163/ Residence
Delivered Water Charge	\$392/AF	\$392/AF	\$412/AF	\$432/AF	\$454/AF	\$477/AF	\$501/AF

**Rural Residential users are billed for 0.5 AF/year*

PV Water is a state-chartered water management district formed to efficiently and economically manage existing and supplemental water supplies in order to prevent further increase in and to accomplish continuing reduction of, long-term overdraft. The agency also works to provide and ensure sufficient water supplies for present and future anticipated needs within its boundaries, generally the greater coastal Pajaro Valley. For more information, visit www.pvwater.org or www.facebook.com/PajaroValleyWater.

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