



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 05-26-09

Approved

Date

6/2/09

COUNCIL DISTRICT: City-Wide

SUBJECT: SEWER SERVICE AND USE CHARGES AND STORM SEWER SERVICE CHARGES

RECOMMENDATION

1. Adopt a resolution setting the following Sewer Service and Use Charge rates for FY 2009-10:

<u>Category</u>	<u>2009-10 Monthly Rates</u>
Single-Family Residential	\$31.00
Multi-Family Residential	\$17.73 per unit
Mobile Home	\$17.77 per unit
Non-monitored commercial and industrial	See Attachment A
Monitored industrial	See Attachment A

2. Adopt a resolution setting the following Storm Sewer Service Charge rates for FY 2009-10:

<u>Category</u>	<u>2009-10 Monthly Rates</u>
Single Family Residential and Duplex	\$7.64
Mobile Home	\$3.83 per unit
Residential Condominium	\$4.18 per unit
Large Multi-Family Residential (5 or more units)	\$4.18
Small Multi-Family Residential (3-4 units)	\$14.51
Commercial, institutional, and industrial	See Attachment B

OUTCOME

The approval of the recommendations contained in this memorandum will result in the following outcomes:

- Council would implement a rate increase of 15% for Sewer Service and Use Charges.
- Council would implement a rate increase of 30% for Storm Sewer Service Charges.
- San José's sanitary sewer and storm sewer rates would remain in line with those charged by other cities and agencies. The additional funds would enable the City to address aging infrastructure repair and replacement needs in San José to ensure reliable utility service, protect health and safety, and meet regulatory requirements.

Approval of the proposed increases for Sewer Service and Use Charge rates and Storm Sewer Service Charge rates would prepare the City for covering increased costs in the operating and capital budgets necessary over the next several years to respond to new wastewater discharge permit and stormwater permit requirements and to carry out critical projects, including: rehabilitation of the Treatment Plant's electrical distribution system and key treatment facilities; rehabilitation of 34,000 feet of trunk sewers; rehabilitation of sewer pump stations that are currently in degraded condition; storm sewer pump station rehabilitation; and neighborhood storm sewer improvements along heavily-utilized pedestrian corridors.

BACKGROUND

Each year, Council reviews the rates for Sewer Service and Use Charges (SSUC) and Storm Sewer Service Charges (SSSC) to determine whether adjustments are necessary to align revenue with program costs. The uses for which SSUC revenue can be allocated are restricted by Municipal Code Section 15.12.450 to "the acquisition, construction, reconstruction, maintenance and operation of the sanitary sewer system of the City of San José; as well as the principal and interest on any bonds, loans, and advances for the construction of the system." The purposes of the SSSC, as stated in Municipal Code Section 15.16.1250 are: "for the acquisition, construction, reconstruction, maintenance, and operation of the storm drainage system of the City of San José, to repay principal and interest on any bonds, loans and advances and for any other purposes set forth in Section 15.16.1430."

For the majority of users, these two charges are billed as a single line amount on property tax assessments. However, sanitary sewer charges for monitored industrial users (in excess of 25,000 gallons per day) are individually calculated and are billed on a monthly basis. The revenue received by the City is deposited to the SSUC and SSSC funds based on the rates established for the respective charges. This memorandum presents separate descriptions of the proposed rate increases in SSUC and SSSC.

ANALYSIS

SEWER SERVICE AND USE CHARGE

Sewer Service and Use Charge (SSUC) rates are based on the volume of flow and the strength of the wastewater from residential, institutional, commercial, and industrial properties. Flow is measured as the average wastewater flow, and strength is measured in terms of biochemical oxygen demand (BOD), suspended solids (SS), and ammonia (NH₃). The rate structure was designed to apportion the cost of wastewater treatment services to properties in proportion to their relative contribution of flow and strength to the system. This structure is dictated by State revenue guidelines and allows rates to reflect the costs of providing service to residential and non-residential properties.

Rates are assigned by groupings, based on the type of use. Residential customers are assigned a flat rate. Non-residential customers are assigned a rate based on their type of flow strength, and their annual charges are calculated using winter water usage. A small number of large industrial users are billed on a monthly basis based on actual wastewater discharge and flow strength.

Public Notices of proposed three-year rate increases for FY 2007-08 through 2009-10 were mailed on April 27, 2007, to over 213,000 residential and non-residential SSUC customers advising them of proposed rate increases. The notice informed residential customers of proposed SSUC increases of up to 15% annually and non-residential customers of rate increases up to 25% for services beginning July 1, 2008, and July 1, 2009.

Rate increases recommended for the residential customer categories for FY 2009-10 are:

<u>Category</u>	<u>% Increase</u>
Single-Family Residential	14.43%
Multi-Family Residential	14.98%
Mobile Home	14.87%

These recommendations would increase the monthly single-family rate by \$3.91 from \$27.09 to \$31.00; the monthly multi-family rate from \$15.42 to \$17.73; and the monthly mobile home rate from \$15.47 to \$17.77. Proposed residential SSUC rates for FY 2009-10 are included in this document as Attachment A.

The rate increases recommended for non-residential categories will range from 14.02% to 24.29% depending on the rate category. The rate increases recommended for large monitored companies will average 17%. The proposed non-residential SSUC rates for FY 2009-10 are included in this document as Attachment A.

Fund Balance

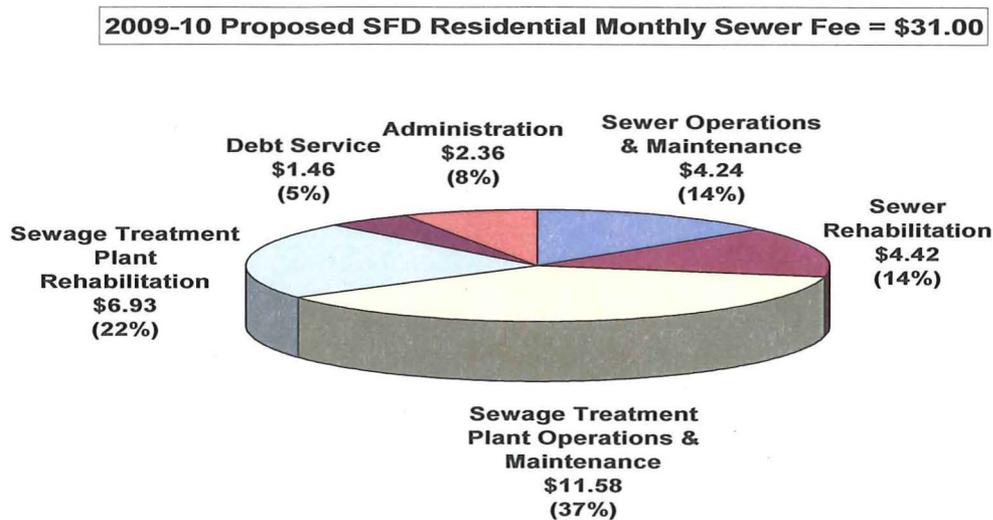
Staff's guideline is to maintain a SSUC fund balance reserve of two to three months expenses,

currently between \$20 and \$30 million, in order to withstand financial emergencies and offset future capital costs. Due to escalating capital project costs, increases in the cost of energy, and the increasing maintenance required to maintain the wastewater collection and treatment system infrastructure, the use of fund balance has been required to cover expenditures. As a result, fund balance reserves have been below targeted levels for several years. The proposed 15% rate increase for FY 2009-10 will bring the fund balance reserve to the minimum targeted level of \$20 million. Maintaining an adequate reserve will become more critical as the Plant Master Plan approaches completion and financing alternatives are evaluated for implementation of the Master Plan.

Program Expenditures

The SSUC Program costs for FY 2009-2010 are detailed in the Special Fund Section of the FY 2009-10 Proposed Operating Budget, pages X-29 through X-38. These costs are associated with the City's wastewater collection and treatment systems which include the San José/Santa Clara Water Pollution Control Plant (Plant) and the 2,200-mile San José sewage collection system. The various elements comprising this system are on average 30 to over 50 years old and have reached the end of their useful life. The age and harsh environment under which these systems operate have resulted in system-wide vulnerabilities and high risk conditions for possible failures that could result in Plant down time, sanitary sewer overflows, and regulatory permit violations. Outdated sewer maintenance equipment is resulting in insufficient cleaning and maintenance of several miles of sewers, mostly in residential areas, heightening concerns about potential sanitary sewer overflows. In addition to the current infrastructure condition and inadequate maintenance program resources, these systems are facing increasing regulatory requirements that necessitate additional resource allocations for operation and maintenance of the sanitary sewer collection and treatment systems.

The following chart displays how the recommended \$31.00 monthly single-family residential fee would be spent:



Proposed Rate Increases

In order to maintain adequate funding for necessary system operations and maintenance requirements, and to continue to substantially expand capital improvements to address the aging infrastructure, rate increases are recommended for FY 2009-10. The proposed rate increases will provide funding for:

- Equipment to improve the effectiveness and efficiency of sewer line cleaning and blockage removal;
- Rising costs associated with operation and maintenance of the Treatment Plant, such as electricity, chemicals, copper, steel, and piping;
- Phase II of the Sanitary Sewer Condition Assessment Project, which will enable Public Works to assess the condition of the sanitary sewers throughout the city in order to reduce sanitary sewer overflows;
- Capital projects to address critical infrastructure replacement and rehabilitation in the wastewater collection and treatment system;
- A salinity characterization study in the San José/Santa Clara Water Pollution Control Plant tributary areas to identify and evaluate salinity control strategies to support the expansion of uses for recycled water.

STORM SEWER SERVICE CHARGE

Storm Sewer Service Charge (SSSC) rates are based on the relative quality and quantity of storm water runoff contributed by residential and non-residential properties. The rate structure was designed to apportion the cost of storm sewer service to properties in proportion to their relative contribution of flow and pollution to the system. This structure allows rates to reflect the costs of providing service to residential and non-residential properties.

Rates are assigned by groupings, based on the type of use. Residential customers are assigned a flat rate. Rates for all other uses are calculated individually. Rates for non-residential properties include a charge based on acreage plus a flat charge reflecting runoff characteristics.

Public Notices of proposed three-year rate increases for FY 2007-08 through 2009-10 were mailed on April 27, 2007, to over 213,000 SSSC residential and non-residential customers advising them of the proposed increases. The notice informed customers of proposed SSSC residential increases of up to 30% annually and non-residential customers of rate increases up to 31% for services beginning July 1, 2008, and July 1, 2009.

Rate increases recommended for the residential customer categories for FY 2009-10 are:

<u>Category</u>	<u>% Increase</u>
Residential	29.9%
Mobile Home	29.8%

Condominium	29.8%
Large Multi-Family	29.8%
Small Multi-Family	29.9%

These recommendations would increase the single-family monthly rate by \$1.76, from \$5.88 to \$7.64. The rate increases recommended for non-residential categories will not exceed 30.3%. Proposed SSSC rates for FY 2009-10 are included in this document as Attachment B.

Fund Balance

Staff's guideline is to maintain a SSSC fund reserve of one to two months expenses, currently between \$2.4 and \$4.8 million, in order to withstand financial emergencies and offset future capital costs. Due to limited availability of funds, the fund balance reserve has remained below minimum levels for many years in order to maximize funding of capital projects and permit compliance activities. It is projected that the proposed 30% rate increase for FY 2009-10 will raise the fund balance reserve to the targeted reserve range.

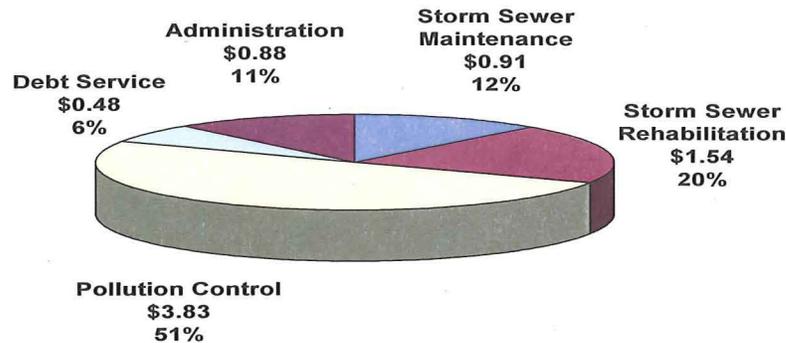
Program Expenditures

Three major factors impact the costs of programs supported by this fund: 1) aggressive pollution control programs mandated by the City's National Pollution Discharge Elimination System (NPDES) Storm Water Permit; and 2) the increasing age of the storm sewer system, which results in higher maintenance costs and a growing need for replacement and rehabilitation. The City's five-year NPDES Storm Water Permit was released in February 2009 and the Water Board is aiming to adopt the Municipal Regional Permit in summer 2009. The permit will direct significant enhancements to municipal maintenance activities, water quality monitoring, enforcement programs, and application of treatment and flow control measures on development projects. In 2008-2009, substantial funding was approved to implement enhancements to the City's stormwater programs, in response to the anticipated Municipal Regional Permit. The first year of implementation will emphasize redirecting operations, developing new and expanded programs, procurement of equipment, and the refinement of program data tracking.

As a result of limited available funds, the Storm Sewer Capital Fund has maintained only a modest capital improvement program for the past nine years. With the proposed 30% rate increase, additional funds can be programmed for capital projects for FY 2009-10. A total of \$5.8 million would be transferred to the storm capital fund, an increase of \$2.35 million, or almost 70%, over last year's budget, to continue to address the aging storm sewer infrastructure.

The following chart displays how the recommended \$7.64 monthly single-family residential fee would be spent:

2009-10 Proposed SFD Residential Monthly Storm Fee = \$7.64



Proposed Rate Increases

In order to maintain adequate funding for system operations and maintenance requirements, new permit requirements, and capital improvements in order to address the aging infrastructure, rate increases are recommended for FY 2009-10. The proposed rate increases will provide funding for:

- The development and implementation of trash control activities, including education, enforcement, and the installation of devices to capture and prevent trash from entering the storm sewer system and creeks;
- The addition of three inspectors to address increased inspection requirements for monitoring of businesses and completed development projects, as well as implementation of a focused effort to address mobile businesses;
- Staffing to address the increased requirements to control specific pollutants, such as mercury and Polychlorinated biphenyls (PCBs), from entering local waterways;
- Continuation of a comprehensive storm pump station rehabilitation capital program to replace or rehabilitate the oldest and least reliable pump stations, reducing the risk of localized flooding during storm events.

POLICY ALTERNATIVES

Alternative #1: Do not adopt the proposed 15% Sewer Service and Use Charge and 30% Storm Sewer Service Charge rate increases.

Pros: Customers will pay the same rates as they currently do.

Cons: Revenues in both funds will be insufficient to cover the costs of services and compliance activities.

Reason for not recommending: If the recommended rate increases are not approved or approved at a lower amount, deficit spending will occur and fund balances will fall below recommended reserve levels. This will result in a combination of significantly higher rate

increase recommendations in future years along with continued deferral of critical capital projects in the storm sewer, sanitary sewer, and treatment plant infrastructure.

PUBLIC OUTREACH/INTEREST

Proposition 218 Notifications and Letters of Protest

On April 27, 2007, Public Notices were sent to over 220,000 Sewer Service and Use Charge (SSUC) and Storm Sewer Service Charge (SSSC) residential and non-residential customers advising them of proposed rate increases for 2007-08. The notices also covered proposed SSUC increases for additional amounts of up to 15% annually for SSUC services beginning July 1, 2008, and July 1, 2009, and proposed SSSC increases for additional amounts up to 30% per year for services beginning July 1, 2008, and July 1, 2009.

Proposition 218 requires that a rate increase be denied upon receipt of written protests from at least 50% of affected property owners. By the end of the protest period, less than 1% of property owners protested to the proposed rate increases.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach.

COORDINATION

This memorandum has been coordinated with the Departments of Public Works, Transportation, Finance, and the Offices of the City Attorney and City Manager.

COST SUMMARY/ IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Not applicable.

HONORABLE MAYOR AND CITY COUNCIL

05-26-09

Subject: Sewer Service and Use Charge and Storm Sewer Service Charges

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CEQA

Not a project.



JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Kate Drayson, Administrative Officer at 535-8553.

Attachment A

Attachment B

ATTACHMENT A

**SEWER SERVICE AND USE CHARGE FUND 541
SCHEDULE OF PROPOSED RATES
FISCAL YEAR 2009-10**

I. RESIDENTIAL RATES

	2008-09 CURRENT RATES		2009-10 PROPOSED RATES		% INCREASE
	<u>Per Month</u>	<u>Per Year</u>	<u>Per Month</u>	<u>Per Year</u>	
	Single-Family Residence	\$27.09	\$325.08	\$31.00	
Multiple-Family Residence (per unit)	\$15.42	\$185.04	\$17.73	\$212.76	14.98%
Mobile Home (per unit)	\$15.47	\$185.64	\$17.77	\$213.24	14.87%

II. INSTITUTIONAL, COMMERCIAL, AND INDUSTRIAL RATES (less than 25,000 gallons per day)

	2008-09 CURRENT RATES		2009-10 PROPOSED RATES		% INCREASE
	<u>Charge Per Hundred Cubic Feet of Sewage Discharged</u>		<u>Charge Per Hundred Cubic Feet of Sewage Discharged</u>		
	Meat Packers	\$3.01	\$3.67	\$3.67	
Dairy Product Processors	\$4.39	\$5.02	\$5.02	14.35%	
Wholesale Bakeries	\$3.68	\$4.48	\$4.48	21.74%	
Soft Drink Bottlers	\$3.62	\$4.44	\$4.44	22.65%	
Wineries	\$6.58	\$7.85	\$7.85	19.30%	
Paper Pulp Mills	\$4.81	\$5.70	\$5.70	18.50%	
Plating Works	\$2.12	\$2.59	\$2.59	22.17%	
Electrical Equipment	\$2.44	\$2.95	\$2.95	20.90%	
Machinery Manufacturers	\$3.24	\$3.84	\$3.84	18.52%	
Film Service Laboratories	\$2.41	\$2.87	\$2.87	19.09%	
Soft Water Services	\$2.12	\$2.62	\$2.62	23.58%	
Car Washes	\$2.28	\$2.79	\$2.79	22.37%	
Automotive Steam Cleaners	\$4.38	\$5.20	\$5.20	18.72%	
Printing Plants	\$3.11	\$3.69	\$3.69	18.65%	
Restaurants/Delis	\$4.44	\$5.09	\$5.09	14.64%	
Hotel-Motels	\$2.63	\$3.06	\$3.06	16.35%	
Hospitals and Convalescent Homes	\$2.55	\$2.96	\$2.96	15.95%	
Private Schools, Colleges & Universities	\$2.80	\$3.48	\$3.48	24.29%	
Public Schools, Colleges & Universities	\$2.80	\$3.48	\$3.48	24.29%	
Repair Shops & Service Stations	\$2.64	\$3.11	\$3.11	17.80%	
Domestic Laundries	\$2.37	\$2.76	\$2.76	16.46%	
Business Office/Condos	\$2.43	\$2.92	\$2.92	20.16%	
Government Agencies	\$2.43	\$2.92	\$2.92	20.16%	

ATTACHMENT A

**SEWER SERVICE AND USE CHARGE FUND 541
SCHEDULE OF PROPOSED RATES
FISCAL YEAR 2009-10**

II. INSTITUTIONAL, COMMERCIAL, AND INDUSTRIAL RATES (less than 25,000 gallons per day) continued

	2008-09 CURRENT RATES	2009-10 PROPOSED RATES	% INCREASE
	<u>Charge Per Hundred Cubic Feet of Sewage Discharged</u>	<u>Charge Per Hundred Cubic Feet of Sewage Discharged</u>	
Medical Center/Clinic	\$2.45	\$2.98	21.63%
Beauty Salon	\$2.56	\$3.07	19.92%
Commercial & Department Stores	\$2.56	\$3.07	19.92%
Storage/Warehouse	\$2.49	\$2.89	16.06%
Health Care	\$2.56	\$2.97	16.02%
Theatre	\$2.64	\$3.05	15.53%
Association/ Communities Services	\$2.43	\$2.92	20.16%
Business Parks	\$2.46	\$2.99	21.54%
Building Construction/ Field Office	\$2.46	\$2.99	21.54%
Parking Lot	\$2.36	\$2.75	16.53%
Gas Service Station	\$2.60	\$3.03	16.54%
Auto Showroom, Body Shop, Detail, and Trucking	\$2.77	\$3.27	18.05%
Manufacturing Paint Products	\$2.46	\$2.99	21.54%
Concrete Company	\$2.46	\$2.99	21.54%
Paper Recovery	\$2.46	\$2.99	21.54%
General Manufacturing Industries	\$2.46	\$2.99	21.54%
Chemical Manufacturing	\$2.46	\$2.99	21.54%
Ice Plant	\$2.46	\$2.99	21.54%
Pub	\$2.68	\$3.17	18.28%
Amusement Park	\$2.60	\$3.15	21.15%
Athletic Club, Fitness	\$2.49	\$2.89	16.06%
Cemetery	\$2.49	\$2.89	16.06%
Country Clubs (Golf)	\$2.63	\$3.05	15.97%
Lounges, Clubs, Billiards	\$2.63	\$3.05	15.97%
Convenience Store	\$2.49	\$2.89	16.06%
Boarding/Rooming	\$2.67	\$3.10	16.10%
Cleaners (Commercial Laundry)	\$3.09	\$3.64	17.80%
Plaza/Mall	\$2.83	\$3.28	15.90%
Nursery (Grower)	\$2.94	\$3.46	17.69%
Laboratories (Commercial & Industrial)	\$2.87	\$3.48	21.25%
Café & Ice-creams	\$4.51	\$5.41	19.96%
Donuts & Bakery	\$4.51	\$5.41	19.96%
Supermarket Groceries	\$4.35	\$4.96	14.02%
Mortuary (Embalming)	\$4.35	\$4.96	14.02%
Catering	\$4.41	\$5.14	16.55%
Miscellaneous Commercial, Institutional, & Industrial Premises	\$2.43	\$2.98	21.63%

ATTACHMENT A

**SEWER SERVICE AND USE CHARGE FUND 541
SCHEDULE OF PROPOSED RATES
FISCAL YEAR 2009-10**

III. MONITORED INDUSTRIES (25,000 gallons per day and over)

	2008-09 CURRENT RATES	2009-10 PROPOSED RATES	% INCREASE
<u>A. Capital Cost Recovery:</u>			
Annual charge per million gallons per day of FLOW capacity required, plus	\$106,680.00	\$249,616.00	133.99%
Annual charge per thousand pounds per day of BOD removal capacity required, plus	\$8,247.00	\$24,289.00	194.52%
Annual charge per thousand pounds per day of SS removal capacity required, plus	\$5,527.00	\$16,526.00	199.00%
Annual charge per thousand pounds per day of NH ₃ removal capacity required.	\$22,568.00	\$67,204.00	197.78%
<u>B. Operations & Maintenance Cost Recovery:</u>			
Charge per Hundred Cubic Feet of sewage discharged to the sanitary sewer, plus	\$1.714 (\$2,292/MG)	\$1.775 (2,373/MG)	3.56%
Charge per thousand pounds of BOD discharged to the sanitary sewer, plus	\$223.00	\$187.00	-6.50%
Charge per thousand pounds of SS discharged to the sanitary sewer, plus	\$203.00	\$212.00	-4.93%
Charge per thousand pounds of NH ₃ discharged to the sanitary sewer.	\$1,723.00	\$1,635.00	-5.11%

FLOW - Sewage discharge FLOW
BOD - Biochemical Oxygen Demand
SS - Suspended Solids
NH₃ - Ammonia
MG - Million Gallons

ATTACHMENT B

**STORM SEWER OPERATING FUND 446
SCHEDULE OF PROPOSED RATES
FISCAL YEAR 2009-10**

RESIDENTIAL RATES

	2008-09 Current Rates	2009-10 Proposed Rates	% Increase
A. Single-Family Residential and Duplex if connected to the system prior to July 1, 2009	\$70.56 per year	\$91.68 per year	29.9%
Single-Family Residential and Duplex if connected to the system after July 1, 2009	\$5.88 per month	\$7.64 per month	
B. Mobile Home, per unit if connected to the system prior to July 1, 2009	\$35.40 per year	\$45.96 per year	29.8%
Mobile Home, per unit if connected to the system after July 1, 2009	\$2.95 per month	\$3.83 per month	
C. Residential Condominium, per unit if connected to the system prior to July 1, 2009	\$38.64 per year	\$50.16 per year	29.8%
Residential Condominium, per unit if connected to the system after July 1, 2009	\$3.22 per month	\$4.18 per month	
D. Large Multiple Family Residential, (5 or more units), if connected to the system prior to July 1, 2009	\$38.64 per year	\$50.16 per year	29.8%
Large Multiple Family Residential, (5 or more units), if connected to the system after July 1, 2009	\$3.22 per month	\$4.18 per month	
E. Small Multiple Family Residential, (3-4 units), if connected to the system prior to July 1, 2009	\$134.04 per year	\$174.12 per year	29.9%
Small Multiple Family Residential, (3-4 units), if connected to the system after July 1, 2009	\$11.17 per month	\$14.51 per month	

ATTACHMENT B

**STORM SEWER OPERATING FUND 446
SCHEDULE OF PROPOSED RATES
FISCAL YEAR 2009-10**

COMMERCIAL, INSTITUTIONAL, & INDUSTRIAL RATES

	2008-09 Current Rates	2009-10 Proposed Rates	% Increase
F. Open Space, annual charge if connected to the system prior to July 1, 2009	\$124.08 -PLUS- \$68.76 per acre	\$161.64 -PLUS- \$89.28 per acre	30.3% 29.8%
Open Space, monthly charge if connected to the system after July 1, 2009	\$10.34 -PLUS- \$5.73 per acre	\$13.47 -PLUS- \$7.44 per acre	
G. School, annual charge if connected to the system prior to July 1, 2009	\$124.08 -PLUS- \$34.20 per acre	\$161.64 -PLUS- \$44.40 per acre	30.3% 29.8%
School, monthly charge if connected to the system after July 1, 2009	\$10.34 -PLUS- \$2.85 per acre	\$13.47 -PLUS- \$3.70 per acre	
H. Church, annual charge if connected to the system prior to July 1, 2009	\$248.16 -PLUS- \$68.76 per acre	\$323.28 -PLUS- \$89.28 per acre	30.3% 29.8%
Church, monthly charge if connected to the system after July 1, 2009	\$20.68 -PLUS- \$5.73 per acre	\$26.94 -PLUS- \$7.44 per acre	
I. College/University, annual charge if connected to the system prior to July 1, 2009	\$248.16 -PLUS- \$68.76 per acre	\$323.28 -PLUS- \$89.28 per acre	30.3% 29.8%
College/University, monthly charge if connected to the system after July 1, 2009	\$20.68 -PLUS- \$5.73 per acre	\$26.94 -PLUS- \$7.44 per acre	

ATTACHMENT B

**STORM SEWER OPERATING FUND 446
SCHEDULE OF PROPOSED RATES
FISCAL YEAR 2009-10**

COMMERCIAL, INSTITUTIONAL, & INDUSTRIAL RATES continued

	2008-09 Current Rates	2009-10 Proposed Rates	% Increase
J. Commercial, Light Industrial and Miscellaneous Premises, annual charge if connected to the system prior to July 1, 2009	\$496.20 -PLUS- \$116.88 per acre	\$646.56 -PLUS- \$151.80 per acre	30.3% 29.9%
Commercial, Light Industrial and Miscellaneous Premises, monthly charge if connected to the system after July 1, 2009	\$41.35 -PLUS- \$9.74 per acre	\$53.88 -PLUS- \$12.65 per acre	
K. Small Commercial, Light Industrial and Miscellaneous Premises, (under .2 acre), annual charge if connected to the system prior to July 1, 2009	\$248.16 -PLUS- \$116.88 per acre	\$323.28 -PLUS- \$151.80 per acre	30.3% 29.9%
Small Commercial, Light Industrial and Miscellaneous Premises, (under .2 acre), monthly charge if connected to the system after July 1, 2009	\$20.68 -PLUS- \$9.74 per acre	\$26.94 -PLUS- \$12.65 per acre	
L. Heavy Industrial Premises, annual charge if connected to the system prior to July 1, 2009	\$620.28 -PLUS- \$116.88 per acre	\$808.20 -PLUS- \$151.80 per acre	30.3% 29.9%
Heavy Industrial Premises, monthly charge if connected to the system after July 1, 2009	\$51.69 -PLUS- \$9.74 per acre	\$67.35 -PLUS- \$12.65 per acre	
M. Parking Facility, annual charge if connected to the system prior to July 1, 2009	\$496.20 -PLUS- \$123.84 per acre	\$646.56 -PLUS- \$160.80 per acre	30.3% 29.8%
Parking Facility, monthly charge if connected to the system after July 1, 2009	\$41.35 -PLUS- \$10.32 per acre	\$53.88 -PLUS- \$13.40 per acre	