



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 03-16-11

Approved

Date 3/17/11

COUNCIL DISTRICT: Citywide

**SUBJECT: REPORT ON PROPOSITION 218 RATE NOTICING PROCESS FOR
UTILITY RATE CHANGES BEGINNING 2011-2012**

RECOMMENDATION

Approve sending Proposition 218 notices for proposed customer rate changes for Recycle Plus, Storm Sewer Service, and Municipal Water beginning 2011-2012 as described in this memorandum.

OUTCOME

Completion of this Proposition 218 rate noticing process is required for Council to approve utility rate changes effective beginning July 2011. With the completion of the noticing, Council can then approve any rate up to the noticed increase.

BACKGROUND

In April 2011, staff from the Environmental Services Department (ESD) will mail public notices to utility rate payers in San José, advising them of proposed rate increases and their right to submit a protest to the increase as required by California law (Proposition 218). Staff will issue notices for the following utilities: Recycle Plus Residential Garbage and Recycling services, Storm Sewer Service Charge, and Municipal Water Service. For the Sewer Service and Use Charge, the rate increase noticing process for 2011-2012 and 2012-2013 was completed in April 2010.

Issuing rate increase notices in Spring 2011 is required to provide sufficient time for the 45-day protest period for notice recipients and to conduct a required public hearing at the close of the protest period as required by State law; this schedule allows the City to adopt actual rate changes

in June 2011 for 2011-2012 if they are approved by Council. Details on each utility rate increase proposal are discussed below. This noticing process requires the City to prepare and mail nearly 500,000 individual notices. Given the time sensitivity of this process and the magnitude of the noticing effort, the production planning process is currently underway.

It is important to note that the rate increases in the attached draft notices reflect maximum increases. As part of the 2011-2012 Proposed Operating Budget, staff will make every effort to bring forward actual rate increases for Council consideration that will be lower than the noticed rate increases. Noticing for maximum increases provides flexibility as staff reviews the various factors which impact rate revenue requirements, including potential budget proposals and personal and non-personal services ratepayer cost changes.

ANALYSIS

Recycle Plus Rates

In early April 2011, a public notice will be mailed to approximately 220,000 residential property owners advising them of Recycle Plus rate increase proposals for garbage, recycling, yard trimmings, and street sweeping services (see Attachment A for draft notice). Mailing the notices will enable Council to conduct a public hearing in May 2011 on the proposed rate increases. Council consideration of staff's recommended rates is currently scheduled for June 14, 2011.

The notice sets forth a maximum Recycle Plus rate increase of 9% for both single-family dwelling (SFD) and multi-family dwelling (MFD) rate payers for 2011-2012. For SFD services, this increase would raise the rate for a standard 32-gallon garbage cart by \$2.47 per month, from \$27.50 to \$29.97. If approved by Council, the new SFD rate would become effective August 1, 2011 to invoice on the July-August bi-monthly bill cycles, and the new MFD rate would become effective July 1, 2011. The public notice and hearing also cover proposed maximum rate increases of 9% in 2012-2013 and 9% in 2013-2014, for both SFD and MFD properties. Recycle Plus rates were last increased in 2009-2010. The primary drivers for the 2011-2012 rate increase are the increased contract costs associated with vehicle maintenance and replacement, labor, and the cost of diesel fuel, which has increased by more than 50% in the last two years. The City's agreements with the residential garbage haulers require that the City adjust hauler compensation annually to cover increases or decreases in these costs per an annual Consumer Price Index methodology. The proposed rate change is necessary for the City to ensure sufficient rate payer revenue to pay for this annual hauler compensation adjustment. As part of the 2011-2012 Proposed Operating Budget, staff will make every effort to propose actual rate increases that will be lower than the noticed Recycle Plus increases.

Storm Sewer Service Charge Rates

On April 22, 2011, public notices will be mailed to approximately 230,000 residential and commercial property owners, advising them of Storm Sewer Service Charge rate increase proposals (see Attachments B and C for draft notices). The Storm Sewer Service rates pay for the

operation, maintenance, and improvement of the storm sewer system. Mailing the notices will enable Council to conduct a public hearing on June 14, 2011 on rate increases as recommended by staff.

The residential public notice sets forth a maximum Storm Sewer Service Charge rate increase of 5% for 2011-2012. The commercial public notice sets forth a maximum Storm Sewer Service Charge rate increase of 6% for 2011 -2012. A 5% residential increase for storm sewer service would increase the rate for single-family residences by \$0.38 per month, from \$7.64 to \$8.02. If approved by Council, the new rates would become effective July 1, 2011. The public notice and hearing also cover potential residential rate increases of up to 5% and potential commercial rate increases of up to 6% in 2012-2013.

Storm Sewer Service Charges were last increased in 2009-2010. The primary drivers for the 2011-2012 rate increase are infrastructure improvements, which include rehabilitating aging storm sewer pipelines and pump stations, much of which are more than 40 years old. This work will also help to reduce nuisance ponding that affects the safety of streets and sidewalks in neighborhoods and business districts and adjacent to parks, libraries and safe walking routes to schools. The proposed rate increase also supports retrofitting storm sewers with trash capture devices that prevent trash from reaching local creeks; such devices are required to meet the City's municipal stormwater permit issued by the Regional Water Quality Control Board. As part of the 2011-2012 Proposed Operating Budget, staff will make every effort to propose actual rate increases that will be lower than the noticed Storm Sewer Service increases.

Municipal Water System Rates

On April 22, 2011, public notices will be mailed to approximately 26,000 residential and commercial property owners and account holders, advising them of Municipal Water rate increase proposals (see Attachment D for draft notice). The San José Municipal Water System provides drinking water to Evergreen, Edenvale, Coyote Valley, and North San José. Mailing the notices will enable Council to conduct a public hearing on June 14, 2011 on rates increases as recommended by staff.

The notice sets forth a maximum Municipal Water rate increase of up to 6.5% for 2011-2012. If approved by Council, the new rate would become effective July 1, 2011.

Municipal Water rates were last increased in 2010-2011. The primary driver for the 2011-2012 rate increase is the rising cost of wholesale water from the Santa Clara Valley Water District and the San Francisco Public Utilities Commission.

Sewer Service and Use Charge Rates

Public notices of a proposed three-year rate strategy for 2010-2011 through 2012-2013 were mailed last year, on April 26, 2010, to more than 227,000 residential and commercial Sewer

Service and Use Charge ratepayers. The Sewer Service and Use Charge pays for costs associated with the City's wastewater collection and treatment systems. The residential notice informed customers of a proposed increase of up to 6% in 2010-2011, and possible increases of up to 6% annually for services in 2011-2012 and 2012-2013. The commercial notice informed customers of a proposed increase of up to 11% in 2010-2011 and possible increases of up to 11% annually for services in 2011-2012 and 2012-2013. Council approved recommended Sewer Service and Use Charge rates of up to 6% (residential)/up to 11% (commercial) for 2010-2011, which became effective July 1, 2010.

For 2011-2012, staff is recommending a Sewer Service and Use Charge residential rate increase of up to 5%. This increase would raise the rate for SFD ratepayers by \$1.64 per month, from \$32.86 to \$34.50. The recommended commercial rates would increase up to 11%. Both of the recommended rates are within the maximums for which formal notices were provided in 2010. If approved by Council, the new rates would be effective July 1, 2011.

The primary drivers for the 2011-2012 rate increase include sanitary sewer repairs, pump station rehabilitation and upgrades, infrastructure rehabilitation, and sewer maintenance vehicle replacements. As part of the 2011-2012 Proposed Operating Budget, staff will make every effort to propose actual rate increases that will be lower than the previously noticed increase.

EVALUATION AND FOLLOW-UP

Public hearings to review the protests received as part of the Proposition 218 process will be conducted at Council meetings in May and June 2011. Actual utility rate changes for 2011-2012 will be brought to Council for consideration in June 2011.

PUBLIC OUTREACH/INTEREST

This recommendation does not meet any of the below criteria.

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
(Required: Website Posting)
- Criteria 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. **(Required: E-mail and Website Posting)**
- Criteria 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. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The City's Customer Service Call Center will be trained to handle customer calls regarding the proposed rate increases. Copies of the notices will also be provided to other frontline staff in the Council and City Manager's offices. Complex questions requiring research will be directed to appropriate Environmental Services staff members for response.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Information Technology Department/Customer Contact Center.

COST SUMMARY/IMPLICATIONS

The cost of the Proposition 218 noticing process will be approximately \$156,000 for 2010-2011 and will be paid with Non-Personal Services appropriations in the Integrated Waste Management Fund (423), Storm Sewer Operating Fund (446), and Water Utility Fund (515).

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC.	Total Appn.	Amt. For Contract	2010-2011 Adopted Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
423	0762	Non-Personal/ Equip - Environmental Services	500545	\$2,878,867	\$68,000	XI-47	6/29/10 Ord 28765
446	0762	Non-Personal/ Equip - Environmental Services	700730	\$5,166,991	\$72,000	XI-82	6/29/10 Ord 28765
515	0762	Non-Personal/ Equip - Environmental Services	600660	\$18,263,559	\$16,000	XI-88	6/29/10 Ord 28765

HONORABLE MAYOR AND CITY COUNCIL

03-16-11

Subject: Proposition 218 Noticing Process for Utility Rate Changes beginning 2011-2012

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CEQA

CEQA: Not a Project, File No. PP10-066(e), e. Services that involve no physical changes to the environment.

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

For more information, please contact Linda Charfauros, Administrative Officer,
at (408) 535-8553.

Attachments:

A – Draft notice for Recycle Plus

B – Draft notice for Storm Sewer Service Charge Rates- Residential

C – Draft notice for Storm Sewer Service Charge Rates -Commercial

D – Draft notice for Municipal System Water Rates



Office of the City Clerk

OFFICE OF THE CITY CLERK
200 E. SANTA CLARA ST., 2ND FL. WING
SAN JOSE, CA 95113-1905

March 28, 2011

{APN Owner Name}
{APN Owner Address}
{APN Owner City, State, Zip}

Assessor's Parcel Number(s):
{XXX-XX-XXX}
Property Owner of:
{APN Address}

NOTICE OF PUBLIC HEARING: PROPOSED RECYCLE PLUS SERVICE RATE INCREASES

The City of San José is proposing rate increases for Recycle Plus garbage and recycling services. This notice provides details on the proposed increases and when they will become effective. This notice for residential ratepayers and the full schedule of maximum proposed Recycle Plus service rates for Fiscal Year 2011-2012 is available online at www.sanjoseca.gov/esd/rates-notice.asp. To obtain a hard copy of the full schedule of rates, call (408) 535-3500.

On **Tuesday, May 10, 2011**, at 1:30 p.m. or as soon thereafter as the matter may be heard, the San José City Council is scheduled to conduct a public hearing on the proposed increases to Recycle Plus rates for garbage and recycling services. The meeting will be held in the San José City Hall Council Chambers located at 200 East Santa Clara Street. If you wish to protest the proposed increases, the City must receive your written protest prior to the close of the public hearing on May 10, 2011. This notice provides protest information.

Requesting this Notice in Other Languages

This rate notice provides details on the proposed increases for San José Recycle Plus rates for garbage and recycling services. For a copy of this rate notice in Spanish, please visit www.sanjoseca.gov/esd/rates-notice.asp or call (408) 535-3500. The deadline to submit your *written* protest is **May 10, 2011**; therefore do not delay in requesting this information. Thank you.

This rate notice provides details on the proposed increases for San José Recycle Plus rates for garbage and recycling services. For a copy of this rate notice in Vietnamese, please visit www.sanjoseca.gov/esd/rates-notice.asp or call (408) 535-3500. The deadline to submit your *written* protest is **May 10, 2011**; therefore do not delay in requesting this information. Thank you.

Deadline to Submit Written Protests: May 10, 2011

If you wish to protest the proposed Recycle Plus service rate increases, you must follow these rules for your protest to be included in the official tally presented to the City Council:

- Protests must be in writing and received by the City prior to the close of the public hearing on May 10, 2011.
- **You must indicate the Assessor's Parcel Number(s)** of the property(ies) you own that are subject to the proposed rate adjustment. The parcel number is printed at the top of this notice.
- Submit *written* protests to the Office of the City Clerk in the form of a letter, fax, or e-mail as shown below:

Mail (or hand-deliver)	Fax	E-mail
Recycle Plus Rate Increase City of San José – Office of the City Clerk 200 E. Santa Clara St., 2 nd Fl. Wing San José, CA 95113-1905	(408) 292-6207 Recycle Plus Rate Increase	RPRateProtest@sanjoseca.gov

Reason for Rate Increases

Recycle Plus rates pay for garbage, recycling, yard trimmings, street sweeping, and neighborhood clean-up services. The rates for these services were last increased in FY09-10. There was no rate increase in FY10-11. Rate increases are necessary to cover the rising costs of the haulers providing the services (e.g., increased cost of diesel fuel, annual increases for vehicle replacement and maintenance). The Recycle Plus system is based on full cost recovery from rate-payers and is not subsidized by the General Fund.

Single-Family Rate Increases

A single-family property rate increase not to exceed 9% will be recommended for Fiscal Year 2011-2012. If approved by the City Council, this would amount to an increase of \$2.47 per month, from \$27.50 to \$29.97 for a standard 32-gallon garbage cart, effective August 1, 2011. The attached "Schedule of Recycle Plus Monthly Service Rates" provides information on other cart sizes.

Multi-Family Rate Increases

A rate increase not to exceed 9% will be recommended for multi-family properties during Fiscal Year 2011-2012. If approved by the City Council, this would amount to an increase of \$16.64 per month for one 3-Cubic-Yard Bin serviced once per week, effective July 1, 2011. The attached "Schedule of Recycle Plus Monthly Service Rates" provides information on other bin sizes and collection frequencies.

Other Rates

Current rates for multi-family properties that subscribed to shared garbage cart service prior to 2002 are proposed to be discontinued. These multi-family properties may continue to share garbage carts at the standard 96-gallon cart rate, or these customers may switch to multi-family collection service which utilizes bins rather than carts.

Optional Yard Trimmings cart rates have not been increased during the past three years and in order to maintain this service at full cost recovery, this rate is proposed to increase by up to 9%. Charges for large item collection will not increase in 2011-2012.

Subsequent Fiscal Years 2012-2013 and 2013-2014

This notice also covers possible Recycle Plus rate increases of up to 9% in Fiscal Year 2012-2013 and up to 9% in Fiscal Year 2013-2014. The City Council will set the exact rates closer to the implementation date in each case, based on refinements in the calculations – but they cannot be higher than the estimate specified without re-noticing.

Effective Date of Rate Increases

If the City Council approves rate changes at its June 14, 2011 meeting, the new rates will take effect July 1, 2011 for multi-family properties and August 1, 2011 for single-family properties. If the Council does not approve the proposed rate changes, current rates will remain in effect. For assistance in determining the cost of the proposed rate adjustments to you, please call the City of San José Customer Contact Center at (408) 535-3500.

Requesting Notice in Other Formats

In accordance with the Americans with Disabilities Act, this letter can be made available upon request in alternative formats such as Braille, large print, audiotope, or computer disk. Requests can be made by calling (408) 535-3500 (voice) or (800) 735-2929 (California Relay System).

**SCHEDULE OF PROPOSED RECYCLE PLUS MONTHLY SERVICE RATES
FISCAL YEAR 2011-2012**

Single-Family Service Rates (Effective August 1, 2011)

Single Family Curbside Service Rates

Single-Family Household Curbside Service	Current Monthly Rate	Maximum Proposed Monthly Rate for FY 2011-2012	Maximum Monthly Increase (9%)
20-Gallon Garbage Cart	\$25.90	\$28.23	\$2.33
32-Gallon Garbage Cart	\$27.50	\$29.97	\$2.47
64-Gallon Garbage Cart	\$55.00	\$59.95	\$4.95
96-Gallon Garbage Cart	\$82.50	\$89.92	\$7.42

For on-premises collection service, the add-on service charge will also increase by up to 9% to \$61.00 per household to the basic monthly curbside service rate.

Additional Rates

Additional Rates For Recycle Plus	Current Rate	Maximum Proposed Rate for FY 2011-2012
Optional Yard Trimmings Cart	\$4.00 per month	\$4.36
Single-Family Large Item Collection (three items)	\$25.00 per pickup	No Change*
Pickup of Contaminated Recycling Cart Rate	\$15.00 per pickup	No Change*
Excessive Lost, Stolen or Cart Damaged by Customer Rate	\$60.00 per incident	No Change*

*There are no changes to this rate recommended for FY 2011-2012, however increases up to the maximum allowable increase of 9% may be considered in each of the following two fiscal years (FY 2012-2013 and FY 2013-2014).

Small Commercial Business Rates*

Small Commercial Business Service	Current Monthly Rate	Maximum Proposed Monthly Rate for FY 2011-2012
32-Gallon Garbage Cart	\$34.16	\$37.23
64-Gallon Garbage Cart	\$61.69	\$67.24
96-Gallon Garbage Cart	\$89.19	\$97.21

For on-premises collection service, the add-on service charge will also increase by up to 9% to \$61.00 per location to the monthly small commercial business rate.

Shared Cart Rates for Multi-Family Properties

Shared Cart Service Level	Current Monthly Rates	Maximum Proposed Monthly Rate for FY 2011-2012
One 96-gallon cart	\$82.50	\$89.92
Two 96-gallon carts	\$165.00	\$179.85
<i>On-Premise - One 96-gallon cart</i>	<i>\$138.57</i>	<i>\$150.92</i>
<i>On-Premise - Two 96-gallon carts</i>	<i>\$277.14</i>	<i>\$301.85</i>
Grandfathered Rates for customers that subscribed to service prior to 2002.		
One 96-gallon cart	\$70.86	Discontinued
Two 96-gallon carts	\$105.77	Discontinued
<i>On-Premise - One 96-gallon cart</i>	<i>\$126.96</i>	<i>Discontinued</i>
<i>On-Premise - Two 96-gallon carts</i>	<i>\$217.97</i>	<i>Discontinued</i>

Per San Jose Municipal Code, shared cart service is limited to multi-family complexes that utilize carts (rather than bins) for garbage collection services. This service is not available for detached single-family households. Customers that currently have grandfathered rates have the option to keep shared cart service at the proposed rates in the table above or they may switch to bin service. The equivalent capacity of two 96-gallon carts is a 1-cubic-yard bin, which would increase to \$99.20 per month in FY 2011-2012, a \$6.57 decrease from the current \$105.77 monthly shared cart rate.

Multi-Family Service Rates (Effective July 1, 2011)

Multi-Family Dwelling (MFD) Monthly Service Rates	Current Monthly Rate	Maximum Proposed Monthly Rate for FY 2011-2012	Maximum Monthly Increase (9%)
One 1-Cubic-Yard Bin serviced once per week	\$91.01	\$99.20	\$8.19
One 2-Cubic-Yard Bin serviced once per week	\$138.21	\$150.64	\$12.44
One 3-Cubic-Yard Bin serviced once per week	\$184.90	\$201.54	\$16.64
One 3-Cubic-Yard Bin serviced twice per week	\$345.06	\$376.11	\$31.06
25-ft. Push once per week	\$20.39	\$22.22	\$1.84
MFD Large Item Collection (three items)	\$55.50 per pickup	No Change*	N/A

*There are no changes to this rate recommended for FY 2011-2012, however increases up to the maximum allowable increase of 9% may be considered in each of the following two fiscal years (FY 2012-2013 and FY 2013-2014).



April 22, 2011

**NOTICE OF PUBLIC HEARING:
PROPOSED STORM SEWER SERVICE CHARGE INCREASES**

On June 14, 2011, at 1:30 p.m., or as soon thereafter as the matter may be heard, the San José City Council is scheduled to conduct a public hearing on proposed increases to Storm Sewer Service Charges. These charges are paid by residential, commercial, industrial, and institutional users of the storm sewer system.

At the hearing, the Department of Environmental Services will be proposing residential rate increases of up to 5% for fiscal year 2011-2012 (July 1, 2011, to June 30, 2012). There was no rate increase in FY10-11. If the City Council adopts these proposed increases, the monthly impacts to residential households would be as follows:

PROPERTY TYPE	2010-2011 Current Rates Per Month	Proposed Monthly Increase	2011-2012 Proposed Rates Per Month
Single-Family Residential and Duplex	\$7.64	\$0.38	\$8.02
Small Multiple Family Residential (3-4 units),	\$14.51	\$0.72	\$15.23
Large Multiple Family Residential (5 or more units), per unit)	\$4.18	\$0.20	\$4.38
Residential Condominium, per unit	\$4.18	\$0.20	\$4.38
Mobil Home, per unit	\$3.83	\$0.19	\$4.02

This Notice also covers possible residential Storm Sewer Service Charge rate increases for fiscal year 2012-2013 beginning July 1, 2012, of up to 5% more than the City Council established 2011-2012 rates. The City Council will set the exact rates closer to time in each case, based on refinements in the calculations, but they cannot be higher than the estimate specified without re-noticing.

Reason for the Proposed Increases

Storm Sewer Service Charges pay for the operation, maintenance, and improvement of the storm sewer system, which includes the pipelines that convey rainfall away from your property as well as the associated pump stations and outfalls into the creeks. Significant portions of this system are more than 40 years old and in need of repair or replacement. The charges also support environmental protection programs required to meet federal and state water regulations that protect the water quality and health of local streams, creeks, and the South San Francisco Bay.

Over the next several years, the City is anticipating the need to undertake replacement or significant repairs to these pipelines, pump stations, and outfalls due to their age and likelihood of failure. The proposed increases also support environmental protection programs as required by federal and state water quality permits for protecting the South San Francisco Bay and local streams that flow into the Guadalupe River and Coyote Creek before entering the Bay.

Critical projects that will be funded by this rate increase include pump station rehabilitation and storm sewer rehabilitations throughout the City. In addition to addressing the current infrastructure condition, increasing regulatory requirements are prompting additional actions and modifications to the storm sewer system to control and manage trash and other pollutants.

The proposed increases will enable the City to address the aging infrastructure repair and replacement needs in San José to ensure reliable utility services and protect public health and safety. San José Storm Sewer Service Charges are among the lowest in the Bay Area and nationwide for large cities.

Property Tax Statements

For most properties, the Storm Sewer Service Charge is combined with the Sewer Service and Use Charge on the annual property tax bill and collected by the County of Santa Clara. **Included in this packet is a second Public Notice informing property owners of proposed rate increase for the City's Sewer Service and Use Charge.**

If the City Council approves the proposed charges, and your charge is included on your property tax bill, the new Storm Sewer Service Charge for services beginning July 1, 2011 will appear on your fiscal year 2011-2012 Property Tax Bill due November 1, 2011. If the Council does not approve the proposed charges, current charges will remain in effect. If you need assistance in determining the impact of the proposed rate adjustments on the charge against your property, or have other questions, please call our Customer Contact Center at (408) 535-3500.

Deadline for Protests: June 14

If you wish to file a protest of the proposed increases to the Storm Sewer Service charge, you must follow these rules for your protest to be included in the official tally presented to the City Council:

- Protests must be in writing and received by the City prior to the close of the public hearing on June 14, 2011.
- **You must indicate the Assessor's Parcel Number(s)** of the property(ies) you own that are subject to the proposed rate adjustment. The parcel number is printed at the top of the enclosed cover letter in this packet.
- Submit **written** protests to the Office of the City Clerk in the form of a letter, fax, or e-mail as shown on the table below:

Mail (or hand-deliver)	Fax	E-mail
Sewer Services Rate Increase City of San José – Office of the City Clerk 200 E. Santa Clara St., 2 nd Fl. Wing San José, California 95113-1905	(408) 292-6207 Storm Sewer Service Rate Increase	SewerRateProtest@sanjoseca.gov

Requesting this Notice in Other Languages

Este paquete contiene dos (2) avisos públicos que describen los aumentos propuestos en la tarifa para el fondo del servicio de drenaje de aguas lluvias y el fondo del servicio y uso del alcantarillado. Para obtener una copia en español de este aviso de tarifas, visite www.sanjoseca.gov/esd/rates-notice.asp o llame al (408) 535-3500. El 19 de junio de 2011 es la fecha límite para recibir objeciones enviadas por correo; así que no se demore en solicitar esta información. Gracias.

Taáp saùch nhỏu nạy còu hai (2) Thoàng Bàu Coàng Coàng trong nhỏu còu cày chừ tiết về ñeà nghò taêng giáù cho Ngàân Quyõ Phí Dòch Vủ Coàng Thoàùt Nồùc Mỏa và Ngàân Quyõ về Phí Dòch Vủ Coàng và Phí Sồu Dữing (Storm Sewer Service Charge rates and Sewer Service and Use Charge rates). Ñeà còu bàun sao cùuà thoàng bàu về giáù biẻu nạy bàeng tiẻng Viẻt, xin ñẻán www.sanjoseca.gov/esd/rates-notice.asp hoặc gỏii (408) 535-3500. Ngàøy 19 thàng Saùu, 2011, lặ hẻn chòt ñẻà nhẻn cày khẻng nghò gỏii qua bở ñẻẻn, vì theá xin ñỏng chẻm trẻẻ trong viẻc yeâu càyù thoàng tin nạy. Càym ỏn quyừ vò.

Requesting this Notice in Other Formats

In accordance with the Americans with Disabilities Act, this letter can be made available upon request in alternative formats such as Braille, large print, audiotope, or computer disk. Requests can be made by calling (408) 535-3500 (voice) or (800) 735-2929 (California Relay System).



April 22, 2011

**NOTICE OF PUBLIC HEARING:
PROPOSED STORM SEWER SERVICE CHARGE CHANGES**

On June 14, 2011, at 1:30 p.m., or as soon thereafter as the matter may be heard, the San José City Council is scheduled to conduct a public hearing on proposed increases to Storm Sewer Service Charges. These charges are paid by residential, commercial, industrial, and institutional users of the storm sewer system.

At the hearing, the Department of Environmental Services will be proposing commercial, institutional, and industrial rate increases of up to 6% for fiscal year 2011-2012 (July 1, 2011 to June 30, 2012). There was no rate increase in FY10-11. Please refer to the attached schedule for more detailed information.

This Notice also covers possible commercial, institutional, and industrial Storm Sewer Service Charge rate increases for fiscal year 2012-2013 beginning July 1, 2012, of up to 6% more than the City Council established 2011-2012 rates. The City Council will set the exact rates closer to time in each case, based on refinements in the calculations, but they cannot be higher than the estimate specified without re-noticing.

Reason for the Proposed Increases

Storm Sewer Service Charges pay for the operation, maintenance, and improvement of the storm sewer system, which includes the pipelines that convey rainfall away from your property as well as the associated pump stations and outfalls into the creeks. Significant portions of this system are more than 40 years old and in need of repair or replacement. The charges also support environmental protection programs required to meet federal and state water regulations that protect the water quality and health of local streams, creeks, and the South San Francisco Bay.

Over the next several years, the City is anticipating the need to undertake replacement or significant repairs to these pipelines, pump stations, and outfalls due to their age and likelihood of failure. The proposed increases also support environmental protection programs as required by federal and state water quality permits for protecting the South San Francisco Bay and local streams that flow into the Guadalupe River and Coyote Creek before entering the Bay.

Critical projects that will be funded by this rate increase include pump station rehabilitation and storm sewer rehabilitations throughout the City. In addition to addressing the current infrastructure condition, increasing regulatory requirements are prompting additional actions and modifications to the storm sewer system to control and manage trash and other pollutants.

The proposed increases will enable the City to address the aging infrastructure repair and replacement needs in San José to ensure reliable utility services and to protect public health and safety. San José Storm Sewer Service Charges are among the lowest in the Bay Area and nationwide for large cities.

Property Tax Statements

For most properties, the Storm Sewer Service Charge is combined with the Sewer Service and Use Charge on the annual Property Tax Bill and collected by the County. ***This notice only relates to the Storm Sewer Service Charge, and the proposed rate increases are separate and apart from the Sewer Service and Use Charge.*** If the City Council approves the proposed charges, and your charge is included on your property tax bill, the new Storm Sewer Service Charge for services beginning July 1, 2011, will appear on your fiscal year 2011-2012 Property Tax Bill due November 1, 2011. If the Council does not approve the proposed charges, current charges will remain in effect. The Council may approve any amount of increase up to the maximum stated in this notice. If you need assistance in determining the impact of the proposed rate adjustments on the charge against your property, or have questions, please call our Customer Contact Center at (408) 535-3500.

Deadline for Protests: June 14

If you wish to file a protest of the proposed increases to the Storm Sewer Service charge, you must follow these rules for your protest to be included in the official tally presented to the City Council:

- Protests must be in writing and received by the City prior to the close of the public hearing on June 14, 2011.
- ***You must indicate the Assessor's Parcel Number(s)*** of the property(ies) you own that are subject to the proposed rate adjustment. The parcel number is printed at the top of the enclosed cover letter in this packet.
- Submit ***written*** protests to the Office of the City Clerk in the form of a letter, fax, or e-mail as shown on the table below:

Mail (or hand-deliver)	Fax	E-mail
Sewer Services Rate Increase City of San José – Office of the City Clerk 200 E. Santa Clara St., 2 nd Fl. Wing San José, California 95113-1905	(408) 292-6207 Storm Sewer Rate Increase	SewerRateProtest@sanjoseca.gov

Requesting Notice in Other Formats

In accordance with the Americans with Disabilities Act, this letter can be made available upon request in alternative formats such as Braille, large print, audiotape, or computer disk. Requests can be made by calling (408) 535-3500 (voice) or (800) 735-2929 (California Relay System).

**SCHEDULE OF PROPOSED STORM SEWER SERVICE CHARGES
FISCAL YEAR 2011-2012
COMMERCIAL, INSTITUTIONAL, AND INDUSTRIAL RATES**

Storm Sewer Service Charges for all non-residential property types are computed by acreage-based formulas by property type. To determine the annual charge imposed on your property:

1. Find the type of property that you own in column (A);
2. Multiply the acreage of your parcel by amount (B) and then add amount (C).

(A) PROPERTY TYPE	2010-2011 Current Monthly Rates	2011-2012 Maximum Monthly Increase	2011-2012 Maximum Monthly Rate
Open Space	(B) \$ 7.44 per acre -PLUS- (C) \$13.46	(B) \$0.44 per acre -PLUS- (C) \$0.80	(B) \$7.88 per acre -PLUS- (C) \$14.26
School	(B) \$ 3.70 per acre -PLUS- (C) \$13.46	(B) \$0.22 per acre -PLUS- (C) \$0.80	(B) \$3.92 per acre -PLUS- (C) \$14.26
Church	(B) \$ 7.44 per acre -PLUS- (C) \$26.91	(B) \$0.44 per acre -PLUS- (C) \$1.61	(B) \$7.88 per acre -PLUS- (C) \$28.52
College/University	(B) \$ 7.44 per acre -PLUS- (C) \$26.91	(B) \$0.44 per acre -PLUS- (C) \$1.61	(B) \$7.88 per acre -PLUS- (C) \$28.52
Commercial, Light Industrial and Miscellaneous Premises	(B) \$12.65 per acre -PLUS- (C) \$53.81	(B) \$0.75 per acre -PLUS- (C) \$3.22	(B) \$13.40 per acre -PLUS- (C) \$57.03
Small Commercial, Light Industrial and Miscellaneous Premises, (under .2 acre)	(B) \$12.65 per acre -PLUS- (C) \$26.91	(B) \$0.75 per acre -PLUS- (C) \$1.61	(B) \$13.40 per acre -PLUS- (C) \$28.52
Heavy Industrial Premises	(B) \$12.65 per acre -PLUS- (C) \$67.27	(B) \$0.75 per acre -PLUS- (C) \$4.03	(B) \$13.40 per acre -PLUS- (C) \$71.30
Parking Facility	(B) \$13.40 per acre -PLUS- (C) \$53.82	(B) \$0.80 per acre -PLUS- (C) \$3.22	(B) \$14.20 per acre -PLUS- (C) \$57.04



April 25, 2011

**NOTICE OF PUBLIC HEARING:
PROPOSED POTABLE WATER RATE INCREASE**

On June 14, 2011, at 1:30 p.m. or as soon thereafter as the matter may be heard, the San José City Council is scheduled to conduct a public hearing on proposed increases to San Jose Municipal Water System potable water rates. These charges are paid to the City by residential, commercial, institutional, and industrial customers.

At the hearing, the Department of Environmental Services will be proposing rate increases of up to 6.5% for fiscal year 2011-12 (July 1, 2011, to June 30, 2012).

Reason for the Proposed Increases

The San Jose Municipal Water System purchases, treats, and delivers an average of 20 million gallons of drinking water per day to residences and businesses in the service areas of Alviso, North San José, Evergreen, Edenvale, and Coyote. The system includes pipelines, pump stations, fire hydrants, storage reservoirs, wells, and water meters as well as facilities and processes required to comply with all state and federal drinking water standards. Water rates are set at a level to generate enough revenue to cover the costs of operating and maintaining this system. Rate increases are necessary to cover the following costs:

- Higher wholesale water rates from the Santa Clara Valley Water District and San Francisco Public Utilities Commission;
- Energy costs associated with operating facilities and equipment;
- Chemicals used to treat drinking water;
- Maintaining an ongoing investment in the water system infrastructure to keep it in reliable condition; and
- Complying with stricter state and federal water quality regulations.

Deadline for Protests: June 14, 2011

If you wish to file a protest of the proposed increases to the water rates, you must follow these rules for your protest to be included in the official tally presented to the City Council:

- Protests must be in writing and received by the City prior to the close of the public hearing on June 14, 2011.
- ***You must indicate the address(es)*** of the property(ies) you own, rent, or otherwise occupy that are subject to the proposed rate adjustment.
- Submit ***written*** protests to the Office of the City Clerk in the form of a letter, fax, or e-mail as shown below:

Mail (or hand-deliver)	Fax	E-mail
San Jose Municipal Water System Rate Increase City of San José – Office of the City Clerk 200 E. Santa Clara St., 2 nd Fl. Wing San José, CA 95113-1905	(408) 292-6207 San Jose Municipal Water System Rate Increase	WaterRateProtest@sanjoseca.gov

Requesting this Notice in Other Formats

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Billing Impacts

The proposed potable water rates and charges are shown on Tables 1, 2, and 3. If the City Council adopts the proposed increase, the impact to your bill can be calculated using the proposed rates as shown in the examples below:

Sample Water Bill Calculations Comparing Current and Proposed Rates

Water Bill Amount (without utility tax) = Meter Charge + (Quantity x Rate per HCF)

Residential Example (using Tables 1 and 2):

Residential charges use a four-tiered rate structure, with a higher rate applying as water use exceeds thresholds of 7 HCF increments. In the example below, a resident using 15 HCF will need to calculate the total bill using three of the tiered rates:

Monthly Usage: 15 HCF

Meter Size: 5/8-inch

Zone: 1

Current Rate: $\$9.00 + (7\text{HCF} \times \$2.05) + (7\text{HCF} \times \$2.36) + (1\text{HCF} \times \$2.60) = \$42.47$

Proposed Rate: $\$9.59 + (7\text{HCF} \times \$2.18) + (7\text{HCF} \times \$2.51) + (1\text{HCF} \times \$2.77) = \$45.19$

Non-Residential Example (using Tables 1 and 3):

Monthly Usage: 100 HCF

Meter Size: 2-inch

Zone: 2

Current Rate: $\$49.29 + (100 \text{ HCF} \times \$2.44) = \$293.29$

Proposed Rate: $\$52.49 + (100 \text{ HCF} \times \$2.60) = \$312.49$

HCF = hundred cubic feet; 1 HCF = 748 gallons

Table 1: All Customers Monthly Meter Charge

MONTHLY METER CHARGE (based on meter size)		
Meter Size	2010-11 Current Charges	2011-12 Proposed Charges
5/8-inch	\$9.00	\$9.59
3/4-inch	\$9.19	\$9.79
1-inch	\$15.99	\$17.03
1.5-inch	\$31.98	\$34.06
2-inch	\$49.29	\$52.49
3-inch	\$93.26	\$99.32
4-inch	\$142.55	\$151.82
6-inch	\$186.52	\$198.64
8-inch	\$266.46	\$283.78
10-inch	\$333.09	\$354.74

Table 2: Residential Monthly Quantity Charge

Average monthly water bill per zone is based on a 5/8-inch meter and usage of 15 HCF.

Zones*	2010-11 Current Charges per HCF	2011-12 Proposed Charges per HCF
Zone 1 - Elevation 0 to 275 feet - North San José, Alviso, Edenvale, Coyote, and Evergreen		
Tier 1: 0 to 7 HCF	\$2.05	\$2.18
Tier 2: 7 to 14 HCF	\$2.36	\$2.51
Tier 3: 14 to 21 HCF	\$2.60	\$2.77
Tier 4: > 21 HCF	\$2.87	\$3.06
Zone 1 Average Monthly Water Bill	\$42.47	\$45.19
Zone 2 - Elevation 275 to 375 feet – Evergreen		
Tier 1: 0 to 7 HCF	\$2.16	\$2.30
Tier 2: 7 to 14 HCF	\$2.44	\$2.60
Tier 3: 14 to 21 HCF	\$2.72	\$2.90
Tier 4: > 21 HCF	\$2.98	\$3.17
Zone 2 Average Monthly Water Bill	\$43.92	\$46.79
Zone 3 & 4 - Elevation 375 to 630 feet – Evergreen		
Tier 1: 0 to 7 HCF	\$2.25	\$2.40
Tier 2: 7 to 14 HCF	\$2.54	\$2.71
Tier 3: 14 to 21 HCF	\$2.81	\$2.99
Tier 4: > 21 HCF	\$3.08	\$3.28
Zone 3 & 4 Average Monthly Water Bill	\$45.34	\$48.35
Zone 5 & 6 - Elevation 630 to 960 feet – Evergreen		
Tier 1: 0 to 7 HCF	\$2.37	\$2.52
Tier 2: 7 to 14 HCF	\$2.66	\$2.83
Tier 3: 14 to 21 HCF	\$2.93	\$3.12
Tier 4: > 21 HCF	\$3.16	\$3.37
Zone 5 & 6 Average Monthly Water Bill	\$47.14	\$50.16

Table 3: Non-Residential Monthly Quantity Charge

Zones*	2010-11 Current Charges Per HCF	2011-12 Proposed Charges per HCF
Zone 1 - Elevation 0 to 275 feet - North San José, Alviso, Edenvale, Coyote, and Evergreen	\$2.36	\$2.51
Zone 2 - Elevation 275 to 375 feet – Evergreen	\$2.44	\$2.60
Zone 3 & 4 - Elevation 375 to 630 feet - Evergreen	\$2.54	\$2.71
Zone 5 & 6 - Elevation 630 to 960 feet – Evergreen	\$2.66	\$2.83

* If you are not sure which zone charges apply to your water service, call the Customer Contact Center at (408) 535-3500.