



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

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

DATE: May 23, 2011

Approved

Date

5/31/11

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

1. Hold a public hearing on proposed 2011-2012 Storm Sewer Service Charges and proposed maximums for rate increases in 2012-2013; and direct staff to return during the 2012-2013 budget cycle with recommendations regarding rate increases in 2012-2013 consistent with staff recommended maximum rate increases noticed for that year;
2. Adopt a resolution setting the following Sewer Service and Use Charge rates for 2011-2012:

<u>Category</u>	<u>2011-2012 Monthly Rates</u>
Single-Family Residential	\$33.83
Multi-Family Residential	\$19.35 per unit
Mobile Home	\$19.39 per unit
Non-Monitored Commercial and Industrial	See Attachment A
Monitored Industrial	See Attachment A

3. Adopt a resolution setting the following Storm Sewer Service Charge rates for 2011-2012:

<u>Category</u>	<u>2011-2012 Monthly Rates</u>
Single Family Residential and Duplex	\$7.87
Mobile Home	\$3.94 per unit
Residential Condominium	\$4.30 per unit
Large Multi-Family Residential (5 or more units)	\$4.30
Small Multi-Family Residential (3-4 units)	\$14.95
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 3% for Sewer Service and Use Charges.
- Council would implement a rate increase of 3% 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 rates for Sewer Service and Use Charges and Storm Sewer Service Charges would enable the City to continue to cover increasing 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 biosolids processing facilities (digesters) 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 item on Santa Clara County 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 rates for 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, commercial, institutional, 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 and 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 during the preceding fiscal year. Due to the increased budget demand for sanitary sewer maintenance projects in FY 2011-2012, cost recovery for the SSUC shifts more heavily to the flow parameter. 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 2010-2011 through 2012-2013 were mailed on April 26, 2010, to over 227,000 residential and non-residential SSUC customers advising them of proposed rate increases. The notices informed residential customers of proposed SSUC increases of up to 6% annually for services beginning July 1, 2010, July 1, 2011, and July 1, 2012. The notices also informed non-residential customers of rate increases up to 8.62% for services beginning July 1, 2010, and up to 11% annually for services beginning July 1, 2011, and July 1, 2012.

Rate increases recommended for the residential customer categories for 2011-2012 are:

<u>Category</u>	<u>% Increase</u>
Single-Family Residential	2.95%
Multi-Family Residential	2.98%
Mobile Home	2.97%

These recommendations would increase the monthly single-family rate by \$0.97 from \$32.86 to \$33.83; the monthly multi-family rate from \$18.79 to \$19.35; and the monthly mobile home rate from \$18.83 to \$19.39. Proposed residential SSUC rates for 2011-2012 are included in this document as Attachment A.

The rates recommended for non-residential categories will range from a decrease of -6.71% to an increase of 10.82% depending on the rate category. The rate increases recommended for large monitored companies will average 3.98%. The proposed non-residential SSUC rates for 2011-2012 are included in this document as Attachment A.

Fund Balance

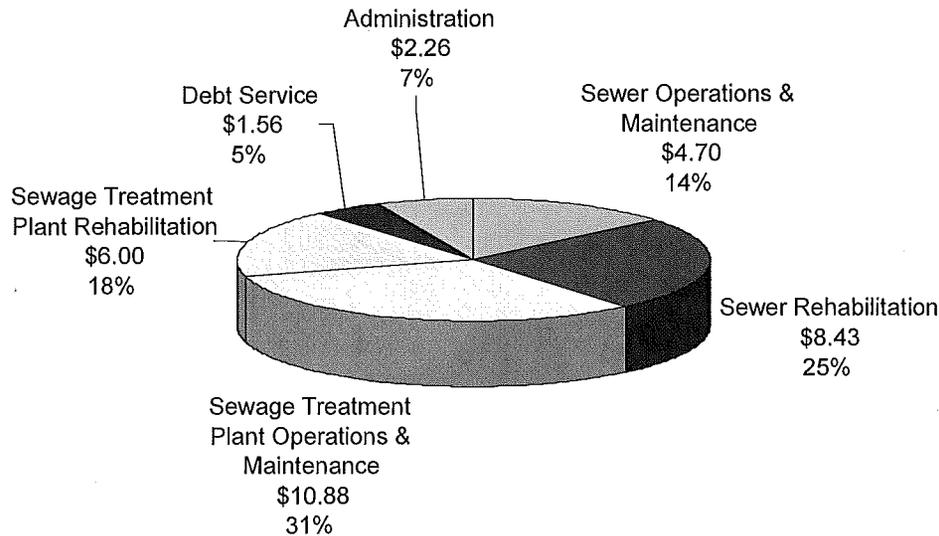
Staff's guideline is to maintain a SSUC fund balance reserve of two to three months expenses, currently between \$21 and \$31 million, in order to withstand financial or operational emergencies and provide a contingency for capital projects. For 2011-2012, unrestricted fund balance and reserves are sufficient to meet this requirement.

Program Expenditures

The SSUC Program costs for 2011-2012 are detailed in the Special Fund Section of the 2011-2012 Proposed Operating Budget, pages X-27 through X-40. These costs are associated with the City's wastewater collection and treatment systems which include the 2,200-mile San José sewage collection system and San José's portion of the San José/Santa Clara Water Pollution Control Plant (Plant). 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. In addition, 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 \$33.83 monthly single-family residential fee would be spent:

2011-2012 Proposed SFD Residential Monthly Sewer Fee = \$33.83



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 2011-2012. The proposed rate increases will provide funding for:

- Replacement of outdated equipment to improve the effectiveness and efficiency of sewer line cleaning and blockage removal;
- Capital projects to address critical infrastructure replacement and rehabilitation in the wastewater collection and treatment system.

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 and based on the type of use. Residential customers are assigned a flat rate. Rates for all other uses are calculated individually based on the size and type

of property. Rates for non-residential properties include a charge based on acreage plus a flat charge reflecting runoff characteristics.

Public Notices of proposed two-year rate increases for 2011-2012 and 2012-2013 were mailed between April 21, 2011 and April 29, 2011 to over 230,000 residential and non-residential SSSC customers advising them of proposed rate increases. The notices informed residential customers of proposed SSSC increases of up to 5% annually for services beginning July 1, 2011 and July 1, 2012. The notices also informed non-residential customers of rate increases up to 6% for services beginning July 1, 2011 and July 1, 2012.

Rate increases recommended for the residential customer categories for 2011-2012 are:

<u>Category</u>	<u>% Increase</u>
Residential	3.00%
Mobile Home	2.9%
Condominium	2.9%
Large Multi-Family	2.9%
Small Multi-Family	3.0%

These recommendations would increase the single-family monthly rate by \$0.23, from \$7.64 to \$7.87. The rate increases recommended for non-residential categories will not exceed 3.1%. Proposed SSSC rates for 2011-2012 are included in this document as Attachment B.

Fund Balance

Staff's guideline is to maintain SSSC fund reserves of one to two months expenses, currently between \$2.5 and \$5.0 million, in order to withstand financial emergencies and provide a contingency for capital projects. For 2011-2012, unrestricted fund balance and reserves are sufficient to meet this requirement.

Program Expenditures

Two 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) Stormwater 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 Stormwater Permit became effective December 1, 2009, and requires new and expanded programs to reduce pollutants discharged through the storm sewer system, such as mercury, pesticides, and trash; expanded implementation of treatment and flow controls on new development projects; expanded water quality monitoring and regional studies;

and rigorous data collection and reporting to demonstrate compliance. To address these new requirements, expenditures in 2011-2012 will focus on:

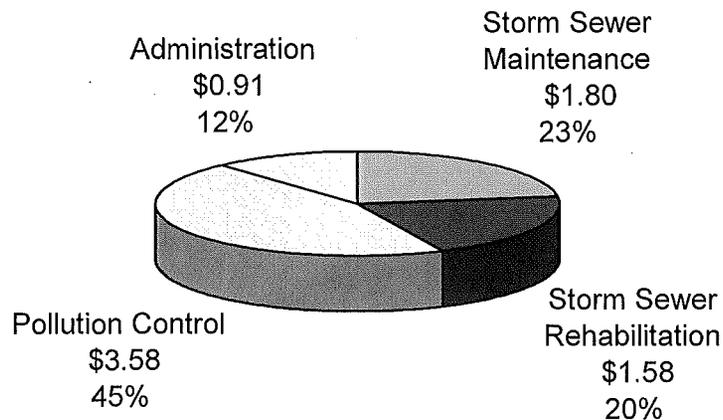
- The development and implementation of trash control activities, focusing on the installation of devices to capture and prevent trash from entering the storm sewer system and creeks;
- Targeted investments in equipment to facilitate water quality monitoring at storm sewer pump stations; and
- The design and construction of the City's first Green Street Storm Retrofit project.

As a result of limited available funds in the past, the Storm Sewer Capital Fund has maintained only a modest capital improvement program for the past ten years. With the more significant rate increases between 2007-2008 and 2009-2010, funds of approximately \$10.4 million were generated and programmed for capital projects in 2010-2011 and for beginning the development of a storm sewer system master plan. In 2011-2012 a total of \$6.0 million will be transferred to the storm capital fund, a decrease of approximately 42% from last year's budget, to continue to address the aging storm sewer infrastructure and begin development of a system master plan. Specific rehabilitation projects include:

- 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;
- Alviso Storm System rehabilitation to address drainage issues in the area; and
- Repair and reconstruct outfalls along local rivers and creeks.

The following chart displays how the recommended \$7.87 monthly single-family residential fee would be spent:

2011-12 Proposed SFD Residential Monthly Storm Fee = \$7.87



EVALUATION AND FOLLOW-UP

Once approved, the Sewer Service and Use Charge and the Storm Sewer Service Charge will be billed to property owners for 2011-2012 charges. Staff will return to Council in June 2012 with recommendations for 2012-2013 rates.

POLICY ALTERNATIVES

Alternative #1: Do not adopt the proposed 3% Sewer Service and Use Charge and 3% Storm Sewer Service Charge rate increases.

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

Cons: Revenues in the Sewer Service and Use Charge and Storm Sewer Service Charge Funds will be insufficient to cover the costs of services, compliance activities, and capital projects.

Reason for not recommending: If the recommended rate increases are not approved or are approved at a lower amount, fund balances could fall below recommended reserve levels and projects critical to the operation of the systems would be deferred. This could result in a combination of significantly higher rate increase recommendations in future years along with continued deferral of critical capital projects in the sanitary sewer and treatment plant infrastructure.

PUBLIC OUTREACH/INTEREST

- 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.

Proposition 218 Notifications and Letters of Protest for Storm Sewer Service Charge

Between April 21, 2011 and April 29, 2011, Public Notices were sent to over 230,000 Storm Sewer Service Charge (SSSC) residential and non-residential customers advising them of the proposed rate increases for 2011-2012. The notices also covered proposed SSSC increases for additional amounts of up to 6% annually for SSSC services beginning July 1, 2012.

As of May 13, the City Clerk's Office had received 167 letters of protest from San José property owners in response to the Public Notices. Written protests have been received by mail, fax, email, and hand delivery to the City Clerk's Office. A Supplemental Memo will be submitted to

Council shortly before the June 14 Public Hearing to report on the number of additional protests and comments received by the City Clerk's Office subsequent to May 13.

The majority of protest letters received to date simply indicate a wish to protest without offering any specific reason. Of the letters with comments, most cite economic downturn/hardship as the reason for the protest. Three percent of protests cite poor service as a reason for protest.

Proposition 218 requires that a rate increase be denied upon receipt of written protests from at least 50% of affected property owners. As of May 13, seven-tenths of one percent of San José property owners had formally protested the SSSC rate increases.

COORDINATION

This memorandum has been coordinated with the Departments of Public Works, Transportation, Finance, the Office of the City Attorney and the City Manager's Budget Office.

CEQA

Not a Project, File No. PP10-067 (a) Increases or Adjustments to Fees, Rates & Fares

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

For questions please contact Linda Charfauros, Administrative Officer at 535-8553.

Attachments:

(A) Sewer Service and Use Charge Schedule of Proposed 2011-2012 Rates

(B) Storm Sewer Service Charge Schedule of Proposed 2011-2012 Rates

ATTACHMENT A

**SEWER SERVICE AND USE CHARGES
SCHEDULE OF PROPOSED RATES
2011-2012**

I. RESIDENTIAL RATES

	2010-2011 CURRENT RATES		2011-2012 PROPOSED RATES		% INCREASE
	<u>Per Month</u>	<u>Per Year</u>	<u>Per Month</u>	<u>Per Year</u>	
Single-Family Residence	\$32.86	\$394.32	\$33.83	\$405.96	2.95%
Multiple-Family Residence (per unit)	\$18.79	\$225.48	\$19.35	\$232.20	2.98%
Mobile Home (per unit)	\$18.83	\$225.96	\$19.39	\$232.68	2.97%

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

	2010-2011 CURRENT RATES	2011-2012 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	\$3.93	\$4.07	3.56%
Dairy Product Processors	\$5.33	\$5.17	-3.00%
Wholesale Bakeries	\$4.78	\$4.78	0.00%
Soft Drink Bottlers	\$4.74	\$4.76	0.42%
Wineries	\$8.35	\$7.79	-6.71%
Paper Pulp Mills	\$6.08	\$5.85	-3.78%
Plating Works	\$2.78	\$3.08	10.79%
Electrical Equipment	\$3.17	\$3.41	7.57%
Machinery Manufacturers	\$4.10	\$4.18	1.95%
Film Service Laboratories	\$3.05	\$3.30	8.20%
Soft Water Services	\$2.81	\$3.11	10.82%
Car Washes	\$2.99	\$3.27	9.36%
Automotive Steam Cleaners	\$5.55	\$5.41	-2.52%
Printing Plants	\$3.94	\$4.05	2.79%
Restaurants/Delis	\$5.42	\$5.24	-3.32%
Hotel-Motels	\$3.23	\$3.43	6.19%
Hospitals and Convalescent Homes	\$3.13	\$3.35	7.03%
Private Schools, Colleges & Universities	\$3.78	\$3.96	4.76%
Public Schools, Colleges & Universities	\$3.78	\$3.96	4.76%
Repair Shops & Service Stations	\$3.30	\$3.50	6.06%
Domestic Laundries	\$2.92	\$3.17	8.56%
Business Office/Condos	\$3.11	\$3.36	8.04%
Government Agencies	\$3.11	\$3.36	8.04%

ATTACHMENT A

**SEWER SERVICE AND USE CHARGES
SCHEDULE OF PROPOSED RATES
2011-2012**

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

	2010-11 CURRENT RATES	2011-2012 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	\$3.18	\$3.43	7.86%
Beauty Salon	\$3.27	\$3.49	6.73%
Commercial & Department Stores	\$3.27	\$3.49	6.73%
Storage/Warehouse	\$3.06	\$3.29	7.52%
Health Care	\$3.14	\$3.36	7.01%
Theatre	\$3.23	\$3.43	6.19%
Association/ Communities Services	\$3.11	\$3.36	8.04%
Business Parks	\$3.20	\$3.45	7.81%
Building Construction/ Field Office	\$3.20	\$3.45	7.81%
Parking Lot	\$2.90	\$3.16	8.97%
Gas Service Station	\$3.20	\$3.41	6.56%
Auto Showroom, Body Shop, Detail, and Trucking	\$3.47	\$3.65	5.19%
Manufacturing Paint Products	\$3.20	\$3.45	7.81%
Concrete Company	\$3.20	\$3.45	7.81%
Paper Recovery	\$3.20	\$3.45	7.81%
General Manufacturing Industries	\$3.20	\$3.45	7.81%
Chemical Manufacturing	\$3.20	\$3.45	7.81%
Ice Plant	\$3.20	\$3.45	7.81%
Pub	\$3.36	\$3.56	5.95%
Amusement Park	\$3.37	\$3.59	6.53%
Athletic Club, Fitness	\$3.06	\$3.29	7.52%
Cemetery	\$3.06	\$3.29	7.52%
Country Clubs (Golf)	\$3.23	\$3.42	5.88%
Lounges, Clubs, Billiards	\$3.23	\$3.43	6.19%
Convenience Store	\$3.06	\$3.29	7.52%
Boarding/Rooming	\$3.28	\$3.47	5.79%
Cleaners (Commercial Laundry)	\$3.87	\$3.99	3.10%
Plaza/Mall	\$3.47	\$3.63	4.61%
Nursery (Grower)	\$3.68	\$3.82	3.80%
Laboratories (Commercial & Industrial)	\$3.72	\$3.89	4.57%
Café & Ice-creams	\$5.76	\$5.60	-2.78%
Donuts & Bakery	\$5.76	\$5.60	-2.78%
Supermarket Groceries	\$5.27	\$5.12	-2.85%
Mortuary (Embalming)	\$5.27	\$5.12	-2.85%
Catering	\$5.47	\$5.32	-2.74%
Miscellaneous Commercial, Institutional, and Industrial Premises	\$3.11	\$3.36	8.04%

ATTACHMENT A

**SEWER SERVICE AND USE CHARGES
SCHEDULE OF PROPOSED RATES
2011-2012**

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

	2010-2011 CURRENT RATES	2011-2012 PROPOSED RATES	% INCREASE
<u>A. Capital Cost Recovery:</u>			
Annual charge per million gallons per day of FLOW capacity required, plus	\$323,012.00	\$310,387.00	-3.91%
Annual charge per thousand pounds per day of BOD removal capacity required, plus	\$22,378.00	\$22,742.00	1.63%
Annual charge per thousand pounds per day of SS removal capacity required, plus	\$15,043.00	\$15,288.00	1.63%
Annual charge per thousand pounds per day of NH ₃ removal capacity required.	\$60,932.00	\$60,834.00	-0.16%
<u>B. Operations & Maintenance Cost Recovery:</u>			
Charge per Hundred Cubic Feet of sewage discharged to the sanitary sewer, plus	\$1.752 (2,342/MG)	\$2.117 (2,830/MG)	20.84%
Charge per thousand pounds of BOD discharged to the sanitary sewer, plus	\$210.00	\$164.00	-21.90%
Charge per thousand pounds of SS discharged to the sanitary sewer, plus	\$234.00	\$184.00	-21.37%
Charge per thousand pounds of NH ₃ discharged to the sanitary sewer.	\$1,778.00	\$1,394.00	-21.60%

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

ATTACHMENT B

**CITY OF SANJOSE
STORM SEWER SERVICE CHARGES
SCHEDULE OF PROPOSED RATES
2011-12**

RESIDENTIAL RATES	2010-11 CURRENT RATES	2011-12 PROPOSED RATES	% INCREASE
A. Single-Family Residential and Duplex if connected to the system prior to July 1, 2011	\$ 91.68 per year	\$ 94.44 per year	3.0%
Single-Family Residential and Duplex if connected to the system after July 1, 2011	\$ 7.64 per month	\$ 7.87 per month	
B. Mobile Home, per unit if connected to the system prior to July 1, 2011	\$ 45.96 per year	\$ 47.28 per year	2.9%
Mobile Home, per unit if connected to the system after July 1, 2011	\$ 3.83 per month	\$ 3.94 per month	
C. Residential Condominium, per unit if connected to the system prior to July 1, 2011	\$ 50.16 per year	\$ 51.60 per year	2.9%
Residential Condominium, per unit if connected to the system after July 1, 2011	\$ 4.18 per month	\$ 4.30 per month	
D. Large Multiple Family Residential, (5 or more units) if connected to the system prior to July 1, 2011	\$ 50.16 per year	\$ 51.60 per year	2.9%
Large Multiple Family Residential (5 or more units) if connected to the system after July 1, 2011	\$ 4.18 per month	\$ 4.30 per month	
E. Small Multiple family residential, (3-4 units) if connected to the system prior to July 1, 2011	\$ 174.12 per year	\$ 179.40 per year	3.0%
Small Multiple Family Residential, (3-4 units) if connected to the system after July 1, 2011	\$ 14.51 per month	\$ 14.95 per month	

ATTACHMENT B

**CITY OF SANJOSE
STORM SEWER SERVICE CHARGES
SCHEDULE OF PROPOSED RATES
2011-12**

	2010-11 CURRENT RATES	2011-12 PROPOSED RATES	% INCREASE
INSTITUTIONAL, COMMERCIAL, INDUSTRIAL			
F. Open Space, annual charge	\$ 161.52	\$ 166.32	3.0%
if connected to the system prior to July 1, 2011	-PLUS-	-PLUS-	
	\$ 89.28	\$ 92.04	3.1%
	per acre	per acre	
Open Space, monthly charge	\$ 13.46	\$ 13.86	
if connected to the system after July 1, 2011	-PLUS-	-PLUS-	
	\$ 7.44	\$ 7.67	
	per acre	per acre	
G. School, annual charge	\$ 161.52	\$ 166.32	3.0%
if connected to the system prior to July 1, 2011	-PLUS-	-PLUS-	
	\$ 44.40	\$ 45.72	3.0%
	per acre	per acre	
School, monthly charge	\$ 13.46	\$ 13.86	
if connected to the system after July 1, 2011	-PLUS-	-PLUS-	
	\$ 3.70	\$ 3.81	
	per acre	per acre	
H. Church, annual charge	\$ 322.92	\$ 332.76	3.0%
if connected to the system prior to July 1, 2011	-PLUS-	-PLUS-	
	\$ 89.28	\$ 92.04	3.1%
	per acre	per acre	
Church, monthly charge	\$ 26.91	\$ 27.73	
if connected to the system after July 1, 2011	-PLUS-	-PLUS-	
	\$ 7.44	\$ 7.67	
	per acre	per acre	

ATTACHMENT B
CITY OF SANJOSE
STORM SEWER SERVICE CHARGES
SCHEDULE OF PROPOSED RATES
2011-12

	2010-11 CURRENT RATES	2011-12 PROPOSED RATES	% INCREASE
INSTITUTIONAL, COMMERCIAL, INDUSTRIAL cont.			
I. College/University, annual charge if connected to the system prior to July 1, 2011	\$ 322.92 -PLUS-	\$ 332.76 -PLUS-	3.0%
	\$ 89.28 per acre	\$ 92.04 per acre	3.1%
College/University, monthly charge if connected to the system after July 1, 2011	\$ 26.91 -PLUS-	\$ 27.73 -PLUS-	
	\$ 7.44 per acre	\$ 7.67 per acre	
J. Commercial, Light Industrial and Miscellaneous Premises, annual charge if connected to the system prior to July 1, 2011	\$ 645.72 -PLUS-	\$ 665.40 -PLUS-	3.0%
	\$ 151.80 per acre	\$ 156.48 per acre	3.1%
Commercial, Light Industrial and Miscellaneous Premises, monthly charge if connected to the system after July 1, 2011	\$ 53.81 -PLUS-	\$ 55.45 -PLUS-	
	\$ 12.65 per acre	\$ 13.04 per acre	
K. Small Commercial, Light Industrial and Miscellaneous Premises, (under 0.2 acre) , annual charge if connected to the system prior to July 1, 2011	\$ 322.92 -PLUS-	\$ 332.76 -PLUS-	3.0%
	\$ 151.80 per acre	\$ 156.48 per acre	3.1%
Small Commercial, Light Industrial and Miscellaneous Premises, (under 0.2 acre) , monthly charge if connected to the system after July 1, 2011	\$ 26.91 -PLUS-	\$ 27.73 -PLUS-	
	\$ 12.65 per acre	\$ 13.04 per acre	

ATTACHMENT B

**CITY OF SANJOSE
STORM SEWER SERVICE CHARGES
SCHEDULE OF PROPOSED RATES
2011-12**

	2010-11 CURRENT RATES	2011-12 PROPOSED RATES	% INCREASE
INSTITUTIONAL, COMMERCIAL, INDUSTRIAL cont.			
L. Heavy Industrial Premises, annual charge	\$ 807.24	\$ 831.84	3.0%
if connected to the system prior to July 1, 2011	-PLUS-	-PLUS-	
	\$ 151.80	\$ 156.48	3.1%
	per acre	per acre	
Heavy Industrial Premises, monthly charge	\$ 67.27	\$ 69.32	
if connected to the system after July 1, 2011	-PLUS-	-PLUS-	
	\$ 12.65	\$ 13.04	
	per acre	per acre	
M. Parking Facility, annual charge	\$ 645.84	\$ 665.40	3.0%
if connected to the system prior to July 1, 2011	-PLUS-	-PLUS-	
	\$ 160.80	\$ 165.72	3.1%
	per acre	per acre	
Parking Facility, monthly charge	\$ 53.82	\$ 55.45	
if connected to the system after July 1, 2011	-PLUS-	-PLUS-	
	\$ 13.40	\$ 13.81	
	per acre	per acre	