

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

On June 12, 2012, 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 a proposed increase 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 Environmental Services Department will be proposing a rate increase of up to 9.5% for fiscal year 2012-13 (July 1, 2012 to June 30, 2013).

**Reason for the Proposed Increase**

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 Valley. 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. The primary reason for this proposed rate change is to fund a projected 15% increase in the cost of wholesale water that the San Jose Municipal Water System purchases from the Santa Clara Valley Water District and San Francisco Public Utilities Commission.

**Deadline to Submit Written Protests: June 12, 2012**

If you wish to file a protest of the proposed increase 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 12, 2012.
- **You must indicate your name and the address(es)** of the property(ies) you own or rent 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 <sup>nd</sup> Fl. Wing San José, CA 95113-1905	(408) 292-6207 San Jose Municipal Water System Rate Increase	WaterRateProtest@sanjoseca.gov

### 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:**  $\$9.531 + (7\text{HCF} \times \$2.171) + (7\text{HCF} \times \$2.499) + (1\text{HCF} \times \$2.753) = \$44.97$

**Proposed Rate:**  $\$10.436 + (7\text{HCF} \times \$2.377) + (7\text{HCF} \times \$2.736) + (1\text{HCF} \times \$3.014) = \$49.24$

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

Monthly Usage: 100 HCF

Meter Size: 2-inch

Zone: 2

**Current Rate:**  $\$52.198 + (100 \text{ HCF} \times \$2.584) = \$310.60$

**Proposed Rate:**  $\$57.156 + (100 \text{ HCF} \times \$2.829) = \$340.06$

HCF = hundred cubic feet; 1 HCF = 748 gallons

Table 1: All Customers Monthly Meter Charge

MONTHLY METER CHARGE <i>(based on meter size)</i>		
Meter Size	2011-12 Current Charges	2012-13 Proposed Charges
5/8-inch	\$9.531	\$10.436
3/4-inch	\$9.732	\$10.656
1-inch	\$16.933	\$18.541
1.5-inch	\$33.867	\$37.084
2-inch	\$52.198	\$57.156
3-inch	\$98.762	\$108.144
4-inch	\$150.960	\$165.301
6-inch	\$197.525	\$216.289
8-inch	\$282.181	\$308.988
10-inch	\$352.742	\$386.252

**Table 2: Residential Monthly Quantity Charge**

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

Zones*	2011-12 Current Charges per HCF	2012-13 Proposed Charges per HCF
<b>Zone 1 - Elevation 0 to 275 feet - North San José, Alviso, Edenvale, Coyote Valley, and Evergreen</b>		
Tier 1: 0 to 7 HCF	\$2.171	\$2.377
Tier 2: 7 to 14 HCF	\$2.499	\$2.736
Tier 3: 14 to 21 HCF	\$2.753	\$3.014
Tier 4: > 21 HCF	\$3.039	\$3.327
<b>Zone 1 Average Monthly Water Bill</b>	<b>\$44.974</b>	<b>\$49.241</b>
<b>Zone 2 - Elevation 275 to 375 feet – Evergreen</b>		
Tier 1: 0 to 7 HCF	\$2.287	\$2.504
Tier 2: 7 to 14 HCF	\$2.584	\$2.829
Tier 3: 14 to 21 HCF	\$2.880	\$3.153
Tier 4: > 21 HCF	\$3.156	\$3.455
<b>Zone 2 Average Monthly Water Bill</b>	<b>\$46.508</b>	<b>\$50.920</b>
<b>Zone 3 &amp; 4 - Elevation 375 to 630 feet – Evergreen</b>		
Tier 1: 0 to 7 HCF	\$2.383	\$2.609
Tier 2: 7 to 14 HCF	\$2.690	\$2.945
Tier 3: 14 to 21 HCF	\$2.976	\$3.258
Tier 4: > 21 HCF	\$3.262	\$3.571
<b>Zone 3 &amp; 4 Average Monthly Water Bill</b>	<b>\$48.018</b>	<b>\$52.572</b>
<b>Zone 5 &amp; 6 - Elevation 630 to 960 feet – Evergreen</b>		
Tier 1: 0 to 7 HCF	\$2.510	\$2.748
Tier 2: 7 to 14 HCF	\$2.817	\$3.084
Tier 3: 14 to 21 HCF	\$3.103	\$3.397
Tier 4: > 21 HCF	\$3.346	\$3.663
<b>Zone 5 &amp; 6 Average Monthly Water Bill</b>	<b>\$49.923</b>	<b>\$54.657</b>

**Table 3: Non-Residential Monthly Quantity Charge**

Zones*	2011-12 Current Charges Per HCF	2012-13 Proposed Charges per HCF
<b>Zone 1 - Elevation 0 to 275 feet - North San José, Alviso, Edenvale, Coyote Valley, and Evergreen</b>	\$2.499	\$2.736
<b>Zone 2 - Elevation 275 to 375 feet – Evergreen</b>	\$2.584	\$2.829
<b>Zone 3 &amp; 4 - Elevation 375 to 630 feet - Evergreen</b>	\$2.690	\$2.945
<b>Zone 5 &amp; 6 - Elevation 630 to 960 feet – Evergreen</b>	\$2.817	\$3.084

\* The zone that indicates which charges apply to your water service is indicated at the top of the letter that is attached to this notice.