



April 24, 2015

Dear Mobile Home Resident,

Below are the proposed drinking water rates increases for the San Jose Municipal Water System. The City sent a formal notice to the property owner on April 23, 2015 which can be found at www.sjenvironment.org/ratenotices.

The San José City Council will hold a public hearing and vote to set the exact rates for fiscal year 2015–2016 on:

Tuesday, June 9, 2015 at 1:30 p.m.
 San José City Hall Council Chambers
 200 East Santa Clara Street
 San José, CA 95113

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 proposed rate increase is needed to cover projected increases in the cost of wholesale water that the San Jose Municipal Water System purchases from the Santa Clara Valley Water District (SCVWD) and San Francisco Public Utilities Commission (SFPUC), to cover the loss of revenue associated with the drought, and to fund investments in the water utility to ensure that it remains in reliable condition.

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

Residential Example: 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: $\$12.510 + (7\text{HCF} \times \$2.849) + (7\text{HCF} \times \$3.279) + (1\text{HCF} \times \$3.613) = \$59.02$

Proposed Rate: $\$16.130 + (7\text{HCF} \times \$3.670) + (7\text{HCF} \times \$4.220) + (1\text{HCF} \times \$4.660) = \$76.02$

Table 1: Monthly Meter Charge (based on meter size*)

Meter Size	2014-15 Current Charges	2015-16 Proposed Charges
5/8-inch	\$12.510	\$16.130
3/4-inch	\$12.774	\$16.470
1-inch	\$22.227	\$28.670
1.5-inch	\$44.456	\$57.340
2-inch	\$68.518	\$88.380

* Meter charge is higher for meter sizes larger than 2", refer to www.sjenvironment.org/ratenotices

Table 2: Residential Monthly Quantity Charge

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

	2014-15 Current Charges per HCF	2015-16 Proposed Charges per HCF
Zone 1 - Elevation 0 to 275 feet - North San José, Alviso, Edenvale, Coyote Valley, and Evergreen		
Tier 1: 0 to 7 HCF	\$2.849	\$3.670
Tier 2: 7 to 14 HCF	\$3.279	\$4.220
Tier 3: 14 to 21 HCF	\$3.613	\$4.660
Tier 4: > 21 HCF	\$3.988	\$5.140
Zone 1 Example Monthly Water Bill	\$59.01	\$76.02
Your residence is located within Zone 1 and is subject to the charges shown above. Rates are higher for customers located in Zones 2 through 6.		

For more information about the proposed rate increases:

- www.sanjoseca.gov/ratenotices
- City of San José Customer Contact Center at (408) 535-3500

Thank you,
City of San José - Environmental Services

La Ciudad de San José ha propuesto un aumento en las tarifas de agua potable. Para obtener una copia del aviso formal enviado a los dueños de propiedades en español, visite www.sjenvironment.org/ratenotices o llame al (408) 535-3500.

Thành Phố San José đang đề nghị tăng Cước Phí Sử Dụng Hệ Thống Nước (Drinking Water Service). Để xin bản thông báo chính thức bằng tiếng Việt, xin viếng trang mạng www.sjenvironment.org/ratenotices, hoặc gọi (408) 535-3500.