

May 1, 2009

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

On June 16, 2009, 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, institutional, commercial, and industrial customers. At the hearing, the Department of Environmental Services will be proposing rate increases of up to 11.50% for Fiscal Year 2009-10 (July 1, 2009 to June 30, 2010).

San Jose Municipal Water System Area & Services

San Jose Municipal Water System provides the drinking water used in the communities of Alviso, North San José, Evergreen, Edenvale and Coyote. It purchases, treats, and delivers an average of 20 million gallons of water per day to single- and multi-family residences and businesses. This safe, high-quality water meets all state and federal drinking water standards. The San Jose Municipal Water System operates and maintains pipelines, pump stations, fire hydrants, storage reservoirs, wells, and water meters.

Why do water rates need to be increased?

Revenue received from the sale of potable water at the current rates is no longer sufficient to fully meet operational costs associated with the purchase, treatment, storage, and distribution of the water. To continue the City of San José's long tradition of providing reliable water service, rate increases are periodically necessary to balance revenue and expenses. Rate increases are now necessary due to loss of revenue because of the drought while at the same time facing increasing operational costs that include (but are not limited to):

- Wholesale water costs from Santa Clara Valley Water District and San Francisco Public Utilities Commission;
- Energy costs necessary to operate water wells, pumps and other utility facilities;
- Chemical costs for treating drinking water;
- Ongoing maintenance and labor costs to keep infrastructure in working order; and
- Compliance costs associated with stricter state and federal water quality regulations.

How will this proposed increase affect my utility bill?

The proposed potable water rates and charges are shown on Tables 1, 2 and 3. If the City Council adopts the proposed increase, the impacts to residential households would be calculated by adding the Proposed Monthly Meter Charge per meter size (Table 1) to the Proposed Monthly Quantity Charge per elevation zone (Table 2). The impact to non-residential customers would be calculated by adding the Proposed Monthly Meter Charge per meter size (Table 1) to the Proposed Non-Residential Monthly Quantity Charge per elevation zone (Table 3). Sample calculations follow Table 3.

Deadline for Protests: June 16, 2009

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 16, 2009.
- 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, a fax, or an e-mail as shown on the table 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, California 95113-1905	(408) 292-6207 San Jose Municipal Water System Office of the City Clerk Rate Increase	WaterRateProtest@sanjoseca.gov

Table 1: All Customers

MONTHLY METER CHARGE		
Meter Size	2008-09 Current Charges	2009-10 Proposed Charges
5/8-inch	\$7.88	\$8.79
3/4-inch	\$8.05	\$8.98
1-inch	\$14.01	\$15.62
1.5-inch	\$28.02	\$31.24
2-inch	\$43.19	\$48.16
3-inch	\$81.72	\$91.12
4-inch	\$124.91	\$139.27
6-inch	\$163.44	\$182.24
8-inch	\$233.48	\$260.33
10-inch	\$291.86	\$325.42

Table 2: Residential

RESIDENTIAL MONTHLY QUANTITY CHARGE		
Zones*	2008-09 Current Charges (per HCF)	2009-10 Proposed Charges (per HCF)
Zone 1 (Elevation 0 to 275 feet) Includes North San Jose, Alviso, Edenvale, Coyote, and the Evergreen area		
Tier 1: 0 to 7 HCF	\$1.80	\$2.01
Tier 2: 7 to 14 HCF	\$2.06	\$2.29
Tier 3: 14 to 21 HCF	\$2.28	\$2.54
Tier 4: > 21 HCF	\$2.52	\$2.80
Zone 1 Average Monthly Water Bill**	\$37.18	\$41.43
Zone 2 (Elevation 275 to 375 feet) Evergreen area		
Tier 1: 0 to 7 HCF	\$1.89	\$2.11
Tier 2: 7 to 14 HCF	\$2.14	\$2.38
Tier 3: 14 to 21 HCF	\$2.38	\$2.64
Tier 4: > 21 HCF	\$2.61	\$2.90
Zone 2 Average Monthly Water Bill**	\$38.47	\$42.86

RESIDENTIAL MONTHLY QUANTITY CHARGE		
Zones*	2008-09	2009-10
	Current Charges (per HCF)	Proposed Charges (per HCF)
Zones 3 & 4 (Elevation 375 to 630 feet) Evergreen area		
Tier 1: 0 to 7 HCF	\$1.97	\$2.20
Tier 2: 7 to 14 HCF	\$2.23	\$2.48
Tier 3: 14 to 21 HCF	\$2.46	\$2.73
Tier 4: > 21 HCF	\$2.70	\$3.00
Zones 3 & 4 Average Monthly Water Bill**	\$39.74	\$44.28
Zones 5 & 6 (Elevation 630 to 960 feet) Evergreen area		
Tier 1: 0 to 7 HCF	\$2.07	\$2.31
Tier 2: 7 to 14 HCF	\$2.33	\$2.59
Tier 3: 14 to 21 HCF	\$2.56	\$2.84
Tier 4: > 21 HCF	\$2.77	\$3.08
Zones 5 & 6 Average Monthly Water Bill**	\$41.24	\$45.93

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

** Average bill based on 5/8-inch meter and usage of 15 HCF; 1 HCF = 748 gallons

Table 3: Non-Residential

NON-RESIDENTIAL MONTHLY QUANTITY CHARGE		
Zones*	2008-09	2009-10
	Current Charges (per HCF)	Proposed Charges (per HCF)
Zone 1 (Elevation 0 to 275 feet) Includes North San Jose, Alviso, Edenvale, Coyote, and the Evergreen area	\$2.06	\$2.29
Zone 2 (Elevation 275 to 375 feet) Evergreen area	\$2.14	\$2.38
Zone 3 & 4 (Elevation 375 to 630 feet) Evergreen area	\$2.23	\$2.48
Zone 5 & 6 (Elevation 630 to 960 feet) Evergreen area	\$2.33	\$2.59

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

Sample Water Bill Calculations (Proposed Rate to be applied as of July 1, 2009)

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

Residential Example:

Monthly Usage: 15 HCF

Meter Size: 5/8-inch

Zone: 1

Current Rate: $\$7.88 + (7\text{HCF} \times \$1.80) + (7\text{HCF} \times \$2.06) + (1\text{HCF} \times \$2.28) = \underline{\$37.18}$

Proposed Rate: $\$8.79 + (7\text{HCF} \times \$2.01) + (7\text{HCF} \times \$2.29) + (1\text{HCF} \times \$2.54) = \underline{\$41.43}$

Non-Residential Example:

Monthly Usage: 100 HCF

Meter Size: 2-inch

Zone: 2

Current Rate: $\$43.19 + (100 \text{ HCF} \times \$2.14) = \underline{\$257.19}$

Proposed Rate: $\$48.16 + (100 \text{ HCF} \times \$2.38) = \underline{\$286.16}$

Requesting this Notice in Other Languages

Este aviso público describe los aumentos propuestos en las tarifas de agua potable del San José Municipal Water System (Sistema de Agua Municipal de San José). 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 17 de junio de 2008 es la fecha límite para recibir objeciones enviadas por correo; así que no se demore en solicitar esta información. Gracias.

Thông báo này cho biết về những tăng giá nước sạch của San Jose Municipal Water System (Hệ Thống Nước Sạch Thành San Jose). Nếu có bất kỳ thắc mắc nào về giá nước sạch bằng tiếng Việt, xin liên hệ www.sanjoseca.gov/esd/rates-notice.asp hoặc gọi (408) 535-3500. Ngày 17 tháng Sáu, 2008, là hạn chót để nhận các khiếu nại qua bưu điện, vì thế xin đừng chần chừ trong việc yêu cầu thông tin này. Cảm ơn quý vị.

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, audiotape, or computer disk. Requests can be made by calling (408) 535-3500 (voice) or (800) 735-2929 (California Relay System).