

April 22, 2011

**NOTICE OF PUBLIC HEARING:
PROPOSED STORM SEWER SERVICE CHARGE 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 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). Please refer to the attached schedule for more detailed information.

Subsequent Fiscal Year 2012-2013

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 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 Increase

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 Sanitary Sewer Service and Use Charge on the annual property tax bill, which is collected by the County of Santa Clara. ***This notice only relates to the Storm Sewer Service Charge, and the proposed rate increases are separate and apart from the Sanitary 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 to Submit Written Protests: June 14, 2011

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 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 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, CA 95113-1905	(408) 292-6207 Storm Sewer Service Rate Increase	SewerRateProtest@sanjoseca.gov

**SCHEDULE OF PROPOSED STORM SEWER SERVICE CHARGES
FY2011-2012 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