

April 25, 2011

**NOTICE OF PUBLIC HEARING
PROPOSED RECYCLED WATER RATES**

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 the San Jose Municipal Water System recycled water rates. These charges are paid by institutional, commercial, and industrial customers.

At the hearing, the Department of Environmental Services will be proposing an increase to the recycled water rate for fiscal year 2011-12 (July 1, 2011 to June 30, 2012) of up to \$0.112 per hundred cubic feet (HCF), and an increase to the monthly meter charge of 6.5%. The City Council will set the exact rate based on refinements in the calculations, but it will not be higher than the estimate specified.
(1 HCF = 748 gallons)

Reason for the Proposed Increase

The San Jose Municipal Water System purchases, treats, and delivers on average three million gallons of recycled water per day to institutional, industrial, commercial customers. The system includes pipelines, pump stations, storage reservoirs, and water meters as well as facilities and processes required to comply with all state and federal recycled water standards. Recycled water rates are set at a level to generate enough revenue to cover the costs of operating and maintaining this system. Rate increases are now necessary to cover increasing costs associated with (but not limited to) the following:

- § Rising wholesale cost of recycled water;
- § Energy costs associated with operating facilities and equipment;
- § Chemicals used to treat recycled water;
- § Maintaining the recycled water system infrastructure; and
- § Complying with stricter state and federal regulations for recycled water.

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).

Billing Impacts

The following tables show the current and proposed recycled water rates and charges:

Table 1: Monthly Meter Charge

MONTHLY METER CHARGE All Customers		
Meter Size	2010-11 Current Charge	2011-12 Proposed Charge
5/8 inch	\$9.00	\$9.585
3/4 inch	\$9.19	\$9.787
1 inch	\$15.99	\$17.029
1.5 inch	\$31.98	\$34.059
2 inch	\$49.29	\$52.494
3 inch	\$93.26	\$99.322
4 inch	\$142.55	\$151.816
6 inch	\$186.52	\$198.644
8 inch	\$266.46	\$283.780
10 inch	\$333.09	\$354.741

Table 2: Quantity Charge

RECYCLED WATER RATES Quantity Charge		
Use Type	2010-11 Current Charge per HCF	2011-12 Proposed Charge per HCF
Irrigation	\$1.587	\$1.699
Industrial	\$1.101	\$1.213
Agriculture	\$1.055	\$1.167
Irrigation Former Well	\$0.947	\$1.059
Industrial Former Well	\$0.765	\$0.877
Agriculture Former Well	\$0.765	\$0.877

Note: 1 HCF = 748 gallons

Deadline to Submit Written Protests: June 14, 2011

If you wish to submit a written protest the proposed increases to the recycled water rates and charges, please submit your written protest, identifying the Assessor's Parcel Number(s) or address of the property(ies) you own, rent, or otherwise occupy that are subject to the proposed rate adjustment. Submit your written protest before 1:30 pm on June 14th to the Office of the City Clerk in the form of a letter, fax, or e-mail as shown:

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, CA 95113-1905	(408) 292-6207 San Jose Municipal Water System Rate Increase	WaterRateProtest@sanjoseca.gov