



April 9, 2024

**NOTICE OF PUBLIC HEARING:
PROPOSED CHANGE TO SANITARY SEWER SERVICE AND USE CHARGE**

Effective Date of Rate Changes

If the San José City Council (City Council) approves the proposed rate changes at the June 4, 2024 public hearing, an overall sanitary sewer service program funding increase of up to 9% would be effective July 1, 2024. If the City Council does not approve the proposed rate changes, current rates will remain in effect. This notice identifies the highest **potential** Sanitary Sewer Service and Use Charge rates. **Actual** proposed rate changes may be lower when presented to the City Council for approval. For assistance determining the cost of the proposed rate adjustments to you, please call the City of San José Customer Contact Center at (408) 535-3500.

Maximum impacts for each customer category are listed in the enclosed table, which includes an annual and monthly breakdown of costs. Please note for most properties, the Sanitary Sewer Service and Use Charge is combined with the Storm Sewer Charge on the annual property tax bill and collected by the County of Santa Clara. **This notice relates only to the Sewer Service and Use Charge. The proposed rate increases are separate and apart from the Storm Sewer Charge, which is not changing.**

Reason for the Proposed Rate Changes

The Sanitary Sewer system is based on full cost recovery from ratepayers and is not subsidized by any other funding source. Rates for these services were last increased in July 2022, and remain among the lowest in the region. The proposed increase will enable the City to ensure continued reliable utility services while protecting public health and the San Francisco Bay.

Sanitary Sewer Service and Use Charges are paid by residential, institutional, commercial, and industrial users of the sanitary sewer system. The charge covers costs associated with the San José-Santa Clara Regional Wastewater Facility (Facility) and San José's 2,000-mile sewage collection system, including operations and maintenance, and capital and equipment improvements.

Regional Wastewater Facility Funding Needs – This Facility has successfully served the community for over 60 years, working non-stop to protect our health, bay, and economy. Aging pipes, pumps, concrete, and electrical systems need immediate and long-range attention in order to continue successful operations well into the future. The Facility is in the middle of substantial capital improvements, increasing its self-sufficiency through renewable energy generation as well as rigorous review and implementation of cutting-edge sustainable technologies. As the Facility modernizes and implements changes to the treatment process, additional operating costs are anticipated associated with the shift from the traditional drying bed process to onsite dewatering of biosolids in 2025. Additional drivers of increased costs include inflationary factors for chemicals and solid waste hauling as well as assuring compliance with stricter environmental regulations.

Sanitary Sewer System Funding Needs – The sanitary sewer system, like the Facility, also needs additional resources to continue operation and maintenance of the system in a manner that complies with regulations. Additional resources will be added to address ongoing maintenance issues and new equipment will be purchased to improve the effectiveness of sewer line cleaning, odor control, condition assessment, and repair.

Important Deadlines

If you wish to protest the proposed Sanitary Sewer Service and Use rate changes, you must do the following for your protest to be included in the official tally presented to the City Council. If there is a protest of the majority, the City Council will not adopt the increase. Your protest must:

- **Be received by the City in writing** prior to the close of the public hearing on June 4, 2024.
- **Indicate the Assessor’s Parcel Number(s)** of the property(ies) you own that are subject to the proposed rate adjustment. Your parcel number is printed at the top of the cover letter.
- **Clearly state that you are protesting** the proposed rate change.

Protests must be presented in person at the public hearing or submitted to the Office of the City Clerk in the form of a letter, fax, or email:

Mail	Fax	Email
Sewer Services Rate Increase City of San José – Office of the City Clerk 200 E. Santa Clara St., 14 th Floor San José, California 95113-1905	(408) 292-6207 Sewer Services Rate Increase	SewerRateProtest@sanjoseca.gov

Legal Challenge: There is a 120-day statute of limitations to challenge any new, increased, or extended fee or charge.

Sewer Service and Use Charges Schedule of Proposed Rates

RATES FOR RESIDENTIAL CUSTOMER CATEGORIES					
USE (RESIDENCE)	CURRENT RATES		PROPOSED RATES (Effective July 1, 2024)		MONTHLY CHANGE
	<u>Per Month*</u>	<u>Per Year</u>	<u>Per Month*</u>	<u>Per Year</u>	
Single-Family Residence	\$45.49	\$545.88	\$49.59	\$595.08	\$4.10
Multiple-Family Residence (per unit)	\$30.48	\$365.75	\$33.23	\$398.76	\$2.75
Mobile Home (per unit)	\$34.34	\$412.08	\$37.44	\$449.28	\$3.10

*Monthly charge is used for prorating a partial year change.