

April 21, 2014

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

The San José City Council is scheduled to conduct a public hearing on a proposed increase to the San Jose Municipal Water System recycled water rates on:

Tuesday, June 10, 2014 at 1:30 p.m.
San José City Hall Council Chambers
200 East Santa Clara Street
San José, CA 95113

Please refer to the San José City Council website at www.sanjoseca.gov/CouncilAgenda for the final agenda, which will be posted close to the hearing date.

At the hearing, the City of San José Environmental Services Department will be proposing an increase to the monthly meter charge of up to 11.0% for fiscal year 2014-15 (July 1, 2014 to June 30, 2015). These charges are paid by institutional, commercial, and industrial customers. The City Council will set the exact rate based on refinements in the calculations, but it will not be higher than the estimate specified. By resolution of the City Council, recycled quantity charge rates are set to increase automatically up to \$0.154 per hundred cubic feet (HCF*) of water for irrigation customers, and up to \$0.406 per HCF of water for industrial and agricultural customers, to recover increases in wholesale recycled water rates. If you have questions about this notice, please call the Customer Contact Center at (408) 535-3500.
(*1 HCF = 748 gallons)

Reason for the Proposed Increase

The San Jose Municipal Water System purchases and delivers on average three million gallons of recycled water per day to institutional, industrial, and commercial customers. The water system includes pipelines, pump stations, storage reservoirs, and water meters as well as facilities and processes required to comply with all state and federal water standards. Water rates are set at a level to generate enough revenue to cover the costs of operating and maintaining the system. The primary reason for this proposed rate change is to fund an increase in the cost of wholesale water that the San Jose Municipal Water System purchases from South Bay Water Recycling.

Deadline to Submit Written Protests: June 10, 2014

If you wish to file a protest of the proposed increase to the recycled 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 11, 2013.
- ***You must indicate your name and the address(es)*** of the property(ies) you own or rent that are subject to the proposed rate adjustment.
- 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
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

PROPOSED RECYCLED WATER RATE INCREASES

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	2013-14 Current Charge	2014-15 Proposed Charge
5/8-inch	\$11.270	\$12.510
3/4-inch	\$11.508	\$12.774
1-inch	\$20.024	\$22.227
1.5-inch	\$40.050	\$44.456
2-inch	\$61.728	\$68.518
3-inch	\$116.796	\$129.644
4-inch	\$178.525	\$198.163
6-inch	\$233.592	\$259.287
8-inch	\$333.707	\$370.415
10-inch	\$417.152	\$463.039

Table 2: Quantity Charge

RECYCLED WATER RATES Quantity Charge		
Use Type	2013-14 Current Charge per HCF	2014-15 Proposed Charge per HCF
Irrigation	\$1.953	\$2.107
Industrial	\$1.467	\$1.873
Agriculture	\$1.421	\$1.827
Irrigation Former Well	\$1.313	\$1.467
Industrial Former Well	\$1.131	\$1.537
Agriculture Former Well	\$1.131	\$1.537

Note: 1 HCF = 748 gallons