



NOTICE OF PUBLIC HEARING: PROPOSED CHANGES TO POTABLE WATER RATES

On June 15, 2021, at 1:30 p.m., or when it can be heard after that time, the San José City Council will conduct a public hearing on proposed changes to the SJMWS potable water rates and charges. The hearing will be held at the City Council Chambers, 200 East Santa Clara Street, San José, California 95113 (Virtually). To help stop the spread of COVID-19 and keep our community safe, the City of San José is currently conducting City Council meetings virtually. Members of the public are invited to participate utilizing the following URL: www.sanjoseca.gov/news-stories/watch-a-meeting. Additional information on participating in remote meetings will be posted on the City Council Agenda for the meeting.

At the hearing, the Environmental Services Department will be proposing potable rates, water meter charges, zone charges, and private fire line charges (collectively “Water Rates”) starting fiscal year 2021-22 (July 1, 2021 to June 30, 2022). Water Rates are paid by residential, commercial, and industrial customers. Proposed Water Rates and sample bill calculations are on the following pages.

Reason for the Proposed Update

SJMWS purchases, treats, and delivers an average of 15 million gallons of drinking water per day to residences and businesses in the service areas of Alviso, North San José, Evergreen, Edenvale, and Coyote Valley. The system includes pipelines, pump stations, fire hydrants, storage reservoirs, wells, and water meters, as well as facilities and processes required to comply with all state and federal drinking water standards. Changes to Water Rates are primarily related to the projected increased cost of wholesale water, personnel costs, as well as COVID-19 related revenue shortfalls. Additional, smaller changes to costs of operating and maintaining the system include site security and other minor infrastructure improvements.

The Water Rates have two charges, those to recover fixed costs (meter charges) and variable costs (quantity rates). Customers will continue to be billed a flat service charge based on the size of the water meter (Table 1), as well as a quantity charge per unit of water used (Table 2). The proposed quantity rates reflect the cost to supply water to customers within each service area and within elevation zones in the Evergreen/Edenvale service area. Customers with a dedicated fire service will also pay flat service charges as shown in Table 3.

The Water Rates reflect the projected costs of providing water service to specific customer classes and service areas. Proposed quantity rates include one rate for each service area/zone, which reflects the difference in the costs of wholesale water provided to each service area. Proposed meter charges reflect the costs of service to each meter class. Additional information on how to reduce water use is available online at www.sjenvironment.org/waterefficiency or by calling (408) 277-3671.

Deadline to Submit Written Protests: June 15, 2021

To protest the proposed Water Rates, you must follow these rules 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:

- Written protests must be received by the City ***prior to the close of the public hearing*** on June 15, 2021.
- ***You must indicate your name and the service address*** of the property(ies) you own or rent that is/are subject to the proposed rate adjustment.
- Submit ***written*** protests to the City Clerk in the form of a letter, fax, or e-mail as shown below before the start of the public hearing:

Mail	Fax	E-mail
SJMWS Rate Changes City of San José – Office of the City Clerk 200 E. Santa Clara St., Tower 14 th Floor, San José, CA 95113-1905	(408) 292-6207 San José Municipal Water System Rate Changes	WaterRateProtest@sanjoseca.gov

Table 1: All Customers Monthly Meter Charge

MONTHLY METER CHARGE <i>(based on meter size)</i>		
Meter Size	2020-21 Current Charges	New Proposed Charges
5/8-inch	\$28.60	\$30.89
3/4-inch	\$28.60	\$30.89
1-inch	\$50.57	\$54.62
1.5-inch	\$87.17	\$94.15
2-inch	\$131.11	\$141.60
3-inch	\$270.23	\$291.85
4-inch	\$475.26	\$513.28
6-inch	\$1,039.06	\$1,122.19
8-inch	\$1,771.27	\$1,912.97
10-inch	\$2,796.38	\$3,020.09

Table 2: Quantity Charge

QUANTITY CHARGE <i>(per HCF*)</i>		
Service Area/Zone	2020-21 Current Charges	New Proposed Charges
Evergreen/Edenvale – Zone 1	\$4.31	\$4.96
Evergreen/Edenvale – Zone 2	\$4.39	\$5.06
Evergreen/Edenvale – Zone 3/4	\$4.70	\$5.39
Evergreen/Edenvale – Zone 5/6	\$5.09	\$5.81
North San José/Alviso	\$5.13	\$5.54
Coyote	\$2.10	\$2.26

Table 3: Bimonthly Private Fireline Charge

BIMONTHLY PRIVATE FIRELINE CHARGE <i>(based on service size)</i>		
Service Size	2020-21 Current Charges	New Proposed Charges
2-inch	\$19.18	\$20.72
3-inch	\$28.76	\$31.07
4-inch	\$38.34	\$41.42
6-inch	\$57.50	\$62.12
8-inch	\$76.68	\$82.82
10-inch	\$95.86	\$103.53

*HCF = hundred cubic feet; 1 HCF = 748 gallons

Billing Impacts

The proposed Water Rates are shown on Tables 1 and 2. The zone that indicates which charges apply to your service address is indicated at the top of the letter that is attached to this notice. If the City Council adopts the rates as proposed, the impact to your bill can be calculated as shown in the examples below:

Example Water Bill Calculations Comparing Current and Proposed Rates

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

Residential Example in Evergreen Zone 5/6:

Monthly Usage: 13 HCF

Meter Size: 3/4-inch

Current Rate: \$28.60 + (13 HCF x \$5.09) = \$94.77

Proposed Rate: \$30.89 + (13 HCF x \$5.81) = \$106.42

Non-Residential Example in North San José:

Monthly Usage: 100 HCF

Meter Size: 2-inch

Current Rate: \$131.11 + (100 HCF x \$5.13) = \$644.11

Proposed Rate: \$141.60 + (100 HCF x \$5.54) = \$695.60

Actual impacts to your bill will depend on service area, meter size, and the amount of water you use.

Calculations of example bill impacts are shown in Tables 4 and 5 for residential and industrial customers, respectively. Meter Charge and Quantity Charge are included in all example bill amounts. Example monthly residential bill is based on a 3/4-inch meter and usage of 13 HCF. Example monthly industrial bill is based on a 6-inch meter and usage of 600 HCF.

Table 4: Example Residential Monthly Bill (3/4" meter and 13 HCF usage)

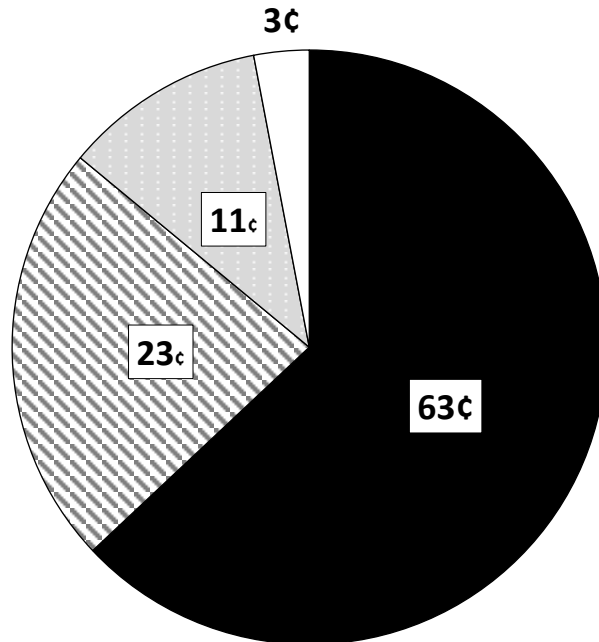
EXAMPLE RESIDENTIAL MONTHLY BILL		
	2020-21 Charges	New Charges
Evergreen/Edenvale – Zone 1	\$84.63	\$95.37
Evergreen/Edenvale – Zone 2	\$85.67	\$96.67
Evergreen/Edenvale – Zone 3/4	\$89.70	\$100.96
Evergreen/Edenvale – Zone 5/6	\$94.77	\$106.42
North San José/Alviso	\$95.29	\$102.91

Table 5: Example Industrial Monthly Bill (6" meter and 600 HCF usage)

EXAMPLE INDUSTRIAL MONTHLY BILL		
	2020-21 Charges	New Charges
Evergreen/Edenvale – Zone 1	\$3,625.06	\$4,098.19
Evergreen/Edenvale – Zone 2	\$3,673.06	\$4,158.19
Evergreen/Edenvale – Zone 3/4	\$3,859.06	\$4,356.19
Evergreen/Edenvale – Zone 5/6	\$4,093.06	\$4,608.19
North San José/Alviso	\$4,117.06	\$4,446.19

Where Your Dollar Goes*

Most ratepayer money goes to purchasing high-quality drinking water from the San Francisco Public Utilities Commission and Valley Water. SJMWS water costs less than a penny per gallon for residential customers. State-certified staff ensure the utility's efficient operation.



- Wholesale Water Purchases (Potable water bought from SFPUC and Valley Water)

- Operation Costs (Administration; operation and maintenance of water system and equipment; water system maintenance; daily monitoring and testing of drinking water quality)

- System Improvements (Regular upgrades to vital pipes, tanks and other equipment)

- Energy Costs (Electricity, gas and solar power to run the water system)

*Graphical representation of approximate costs; refer to the City's budget documents for actual and projected costs and expenditures