NOTICE OF PUBLIC HEARING AND PROPOSED RATE INCREASE FOR CITY OF SANTA CLARA SOLID WASTE, WATER AND SEWER UTILITY CUSTOMERS

Commitment to maintaining affordable high quality services

The City provides customers with dependable, efficient, safe, and cost effective water, sewer, recycled water, garbage and recycling services. The City strives to maintain the affordability of these services for the residents and businesses that call Santa Clara home.

In order to reduce operating costs, the Water and Sewer Utilities have consolidated positions and reduced personnel costs. The Utilities must ensure that the water and sewer systems within the City are maintained, so that the same high quality of service can continue to be enjoyed by the City's current and future residents. The Water & Sewer Utilities strive to comply with all applicable rules and regulations. Compliance with several recent State regulations have caused an increase in operating costs. This commitment to maintain critical infrastructure and ensure compliance has resulted in the need to increase the fees charged for these services.

You, the customer, have our commitment that the City will continue to implement appropriate and prudent cost saving and cost controlling measures to maintain the affordability of these basic services.

Water Rates

The City of Santa Clara Water and Sewer Utilities staff is proposing to increase the water consumption charges from $3.17 to $ 3.42 per unit (one unit is equal to 748 gallons). The increase would become effective for utility bills issued on and after July 1, 2013. For the average residential customer who uses 12 units of water per month, this new rate will result in a $3.00 increase in the average residential monthly bill. Even with the proposed increase, Santa Clara's water rates remain among the lowest in the Bay Area.

The Water and Sewer Utilities staff is also proposing increasing the minimum monthly charge by up to 7%. The current and proposed charges are shown in Table 1. The minimum monthly meter rate entitles the customer to the quantity of water that the minimum charge would purchase. The minimum charge is not an additional meter charge.

Table 1 **Water Meter Size**	**Current Minimum Monthly Charge 2012/13**	**Proposed Minimum Monthly Charge 2013/14**
5/8 x 3/4 inch	$10.10	$10.80
1 inch	$16.10	$17.20
1 1/2 inch	$29.25	$31.25
2 inch	$41.25	$44.10
3 inch	$114.50	$122.45
4 inch	$162.35	$173.60
6 inch	$319.30	$341.45
8 inch	$488.50	$522.40
10 inch	$602.90	$644.70
12 inch	$774.60	$828.35

The proposed increases are required to recover the rising prices for operating expenses, including the costs of purchasing water from wholesale water suppliers, increased costs for replacement of aging infrastructure, and to maintain existing service levels.

Sewer Rates

Staff proposes to increase the residential monthly sewer charge from $29.20/month to a possible maximum of $33.58/month, resulting in an overall $3.78/month increase. This increase would apply to both single family and multi family residential rates. The proposed increases in commercial and industrial sewer rates are dependent on the business type. Table 2 below shows the current and proposed sewer rates per hundred cubic feet of wastewater discharged. One hundred cubic feet is equal to 748 gallons.

If the proposed rates are approved by the City Council, the City is projecting that even with increased rates, Sewer Utility reserves will be used in fiscal year 2013/14 to balance the Sewer Utility budget. The City has identified significant sewer collection system projects that must be constructed in the next five years. In addition, the San Jose/Santa Clara Water Pollution Control Plant,

which the City jointly owns with San Jose, has begun necessary repairs. The City of Santa Clara share of the repairs is more than $300 million over the next 30 years. The Sewer Utility is using reserves and borrowing funds to pay for a portion of these projects in order to minimize the needed rate increases.

Table 2
Proposed Sewer Rates

Residential Type (per month)	Current Rate	Proposed Rate 7/1/13
Single Family	$29.20	$33.58
Multi Family	$29.20	$33.58
Non Residential Type (per HCF)		
Food and Kindred Products	$7.35	$8.45
Paper	$7.75	$8.91
Industrial Chemical	$5.57	$6.41
Metal Plating	$2.72	$3.13
Machinery Manufacturers	$4.91	$5.65
Electrical and Electronic Equip.	$2.92	$3.36
Auto Dealers and Service Stations	$3.81	$4.38
Restaurants	$7.39	$8.50
Motels and Hotels	$3.75	$4.31
Laundries	$3.28	$3.77
Industrial Water Treatment	$2.54	$2.92
Repair Shops and Car Washes	$3.79	$4.36
Amusement Parks	$3.93	$4.52
Hospitals and Convalescent Homes	$3.58	$4.12
Schools and Colleges	$3.85	$4.43
Churches	$3.66	$4.21
Other Non-residential	$3.30	$3.80
Minimum Charge	$29.20	$33.58

Recycled Water

Staff is also proposing an increase in the recycled water consumption charges. The increase is dependent on the type of use. Table 3 shows the current and proposed rates for each type of use based on the maximum proposed rate increase. The proposed rate increase is necessary to pay for increased production costs. The minimum monthly charge for a recycled water account is based on the size of the meter at the facility. The minimum charges for recycled water are also proposed to be increased by 7% . The current and proposed minimum charges are shown in Table 1 and are identical to the minimum charges for potable water.

Table 3

Proposed Recycle Water Rates Recycled Water Use Type	Current Rate 2012/13 per HCF	Proposed Rate 2013/14 per HCF
Irrigation	$1.89	$2.05
Industrial	$1.53	$1.69
Irrigation - Former Well User	$1.18	$1.34
Industrial - Former Well User	$0.72	$.88

Solid Waste (Residential, Commercial, Institutional Customers Only)

The current and proposed rates are detailed below in Table 5. The proposed rates generate revenues to fully cover the expenditures in the FY 2013-14 Solid Waste Fund Operating and Capital Improvement Project (CIP) budgets. The operating budget programs include garbage collection and disposal, greenwaste collection and composting, recycling collection and processing, the Clean-Up Campaign, household hazardous waste services, street sweeping, and other solid waste program overhead and functions. The proposed rates will also fund landfill post-closure maintenance and monitoring, the purchase of new mobile radios for the Solid Waste Division, and financial system software upgrade CIP projects.

The single-family residential garbage rates include the 1-can/small cart garbage collection/disposal charge of $11.79 ($0.56 increase) plus $11.42 ($0.54 increase) for each subsequent size increment thereafter, Clean Green greenwaste collection program charge of $9.99 (no increase), and residential recycling charge of $2.53 (no increase). Staff is proposing an increase of up to 5.0% for front-load bin and drop body debris box rates. The charge for the annual Clean-Up Campaign will remain the same at $3.80 per month. The Household Hazardous Waste charge will remain the same at $0.30 per month. **These proposed solid waste rate increases are not applicable to customers in areas zoned for industrial use.**

Table 5 **Service Type or Level**	**Current Rate per Month**	**Proposed Increase per Month**	**Proposed Monthly Rates, July 2013**
Single-Family Residential Garbage*			
1 can or small cart (32-gal.)	$23.75	+ $0.56	$24.31
2 cans or medium cart (64-gal.)	$34.63	+ $1.10	$35.73
3 cans or large cart (96-gal.)	$45.51	+ $1.64	$47.15
Super Saver cart (20-gal.)	$17.35	+ $0.87	$18.22
Additional Cans/Carts (32-gal.)	$10.88/can	+ $0.54	$11.42
Clean-Up Campaign charge per residence (unless exempted)	$3.80	-	$3.80
Household Hazardous Waste	$0.30	-	$0.30
Variable Residential, Commercial, and Institutional front-load bin service (monthly rate)	-	up to + 5.0%	-
Drop Body Bulk Roll Off Bin Service and Compacted Container Service (per collection)	-	up to + 5.0%	-

*Rate includes $9.99/month for Clean Green greenwaste collection (no increase) and $2.53/month for residential recycling (no increase). The garbage component of the rate is $11.79 ($0.56 increase) for the first can/small cart, plus $11.42 ($0.54 increase) for each additional can/cart size increment, if applicable.

You can participate in this process

A public hearing on these proposed increases will be held on Tuesday May 14, 2013 at 7:00 p.m. in the City Council Chambers at City Hall at 1500 Warburton Ave, Santa Clara. Proposed rate increases for the Solid Waste Program (Garbage, Clean Green, Recycling) and the Water and Sewer Utilities will be considered for adoption at the public hearing.

If you wish to comment on the proposed increases and cannot attend the public hearing, you may mail written comments to:

City Clerk's Office – Utility Rate Comments
City of Santa Clara
1500 Warburton Ave
Santa Clara, CA 95050

If you wish to formally protest the proposed increase, you must do so in writing. Protests cannot be accepted via email or telephone; to be counted they must either be mailed or hand-delivered to the address above. When submitting a written protest to the address above, please include your name, your signature, the address of the property for which you are the owner or utility customer and the rate(s) you are protesting. Written protests can be submitted at any time before the close of the public hearing. If protests are received from a majority of the parcels affected by the proposed rate increase by the close of public hearing, the City Council will not impose the increase. If you have questions, please call one of the numbers below.

- Water, Sewer, or Recycled Water rates (408) 615-2000
- Garbage, Clean Green and Recycling program services (408) 615-3080.

Water and Sewer Utilities
City of Santa Clara
1500 Warburton Ave
Santa Clara CA 95050

Important Utility Rate Information

From the City of Santa Clara