



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: May 26, 2023

Approved

Date

5/18/23

SUBJECT: SEWER SERVICE AND USE CHARGES AND STORM SEWER SERVICE CHARGES EFFECTIVE JULY 1, 2023

RECOMMENDATION

- (a) Adopt a resolution maintaining the Sewer Service and Use Charge rates at 2022 - 2023 levels effective July 1, 2023 as identified in Attachment A to the staff memorandum.
- (b) Adopt a resolution maintaining the Storm Sewer Service Charge rates at 2022 - 2023 levels, effective July 1, 2023 as identified in Attachment B to the staff memorandum.

SUMMARY AND OUTCOME

The approval of the recommendations contained in this memorandum would enable the City Council to:

- Make no change to the Sewer Service and Use Charges (SSUC) so they remain at the same rates as 2022-2023, effective July 1, 2023; and
- Make no change to the Storm Sewer Service Charges (SSSC) rates so they remain at the same rates as 2022-2023, effective July 1, 2023.

Approval of the proposed rates for SSUC and SSSC would enable the City to recover costs in the operations and maintenance, and capital budgets for these programs, including compliance with the wastewater discharge permit and stormwater permit requirements; implement critical projects including sanitary and storm sewer system improvements; and continue work on the storm sewer system master plan.

BACKGROUND

Each year, City staff reviews the rates for SSUC and SSSC to determine whether adjustments are necessary to align anticipated revenues with program costs. SSUC rates 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 (Regional Wastewater Facility) and San José's 2,200-mile sewage collection system, including operations and maintenance; capital and equipment improvements; and administration. San José Municipal Code section 15.12.450 restricts SSUC revenue to the "acquisition, construction, reconstruction, maintenance and operation of the sanitary sewer system of the City of San José, to repay principal and interest on any bonds which may hereafter be issued for the construction or reconstruction of sanitation or sewerage facilities, and to repay federal or state loans or advances which may hereafter be made to the city for the construction or reconstruction of sanitary or sewerage facilities."

SSSC revenue can only be used: "for the acquisition, construction, reconstruction, maintenance, and operation of the storm drainage system of the City of San José, to repay principal and interest on any bonds, loans and advances and for any other purposes set forth in Section 15.16.1430." (Municipal Code Section 15.16.1250)

The majority of property owners are billed for SSUC and SSSC as a single line-item amount on property tax assessments.

ANALYSIS

SEWER SERVICE AND USE CHARGE

SSUC rates are based on the volume of flow and the strength of the wastewater from residential, commercial, institutional, and industrial properties. Flow is measured as the annualized average winter water usage, and strength is measured in terms of biochemical oxygen demand, suspended solids, and ammonia. The rate structure was designed to apportion the cost of wastewater treatment services to properties in proportion to their relative contribution of flow and strength to the system. This structure is based on the State Revenue Guidelines and allows rates to reflect the costs of providing service to residential and non-residential properties. Rates are assigned by groupings, based on the type of use. Residential customers are assigned a flat rate. Non-residential customers are assigned a rate based on the volume of flow that is calculated by annualizing the average winter water usage in addition to their discharge strength. A small number of large industrial users or dischargers are billed on a monthly basis based on actual wastewater flow and discharge strength.

In 2022-2023 the City recommended, and City Council approved¹ a SSUC rate increase to generate an additional 9% in revenue. No rate increase is recommended for 2023-2024. The Single-Family monthly rate would remain unchanged at \$45.49, Multi-Family at \$30.48, and Mobile Homes at \$34.34. All proposed SSUC rates for 2023-2024 are included in this

¹ 1. San Jose City Council Meeting Minutes, Item 6.2 -

<https://sanjose.legistar.com/LegislationDetail.aspx?ID=5662061&GUID=45AE7051-F358-41EC-BD7E-D13636BD1766>

memorandum as Attachment B. The recommended rates for 2023-2024 will keep the City of San José SSUC among the lowest in the region (see Attachment C).

SSUC Program Expenditures

The Regional Wastewater Facility has served the community for over 60 years, working non-stop to protect our health, bay, and economy. A Regional Wastewater Facility master plan adopted by the San José City Council in November 2013 recommended over 120 capital improvement projects to be implemented over a 30-year planning period at an estimated investment level of approximately \$2.1 billion, with over \$1 billion to be invested in the first 10-15 years. Some of the objectives in the master plan include pursuing energy self-sufficiency through renewable energy generation and efficiency, resource recovery of recycled water, biogas production and biosolids reuse, and rigorous review of new technologies. This is balanced with maintaining cost-effective operations, enhancing and/or restoring natural habitat, while increasing the reliability of the wastewater treatment system. Aging pipes, pumps, concrete, and electrical systems need immediate and long-range attention in order to continue those successful operations well into the future.

The sanitary sewer system, like the Regional Wastewater Facility, also needs resources to operate and maintain the system in a manner that complies with new, stricter regulations. In addition, ensuring adequate capacity and maintaining system structural integrity continue to be key strategic priorities in reducing and preventing sanitary sewer overflows. In support of these key priorities, additional investments will be made to support the completion of sanitary sewer repair and rehabilitation projects throughout the City.

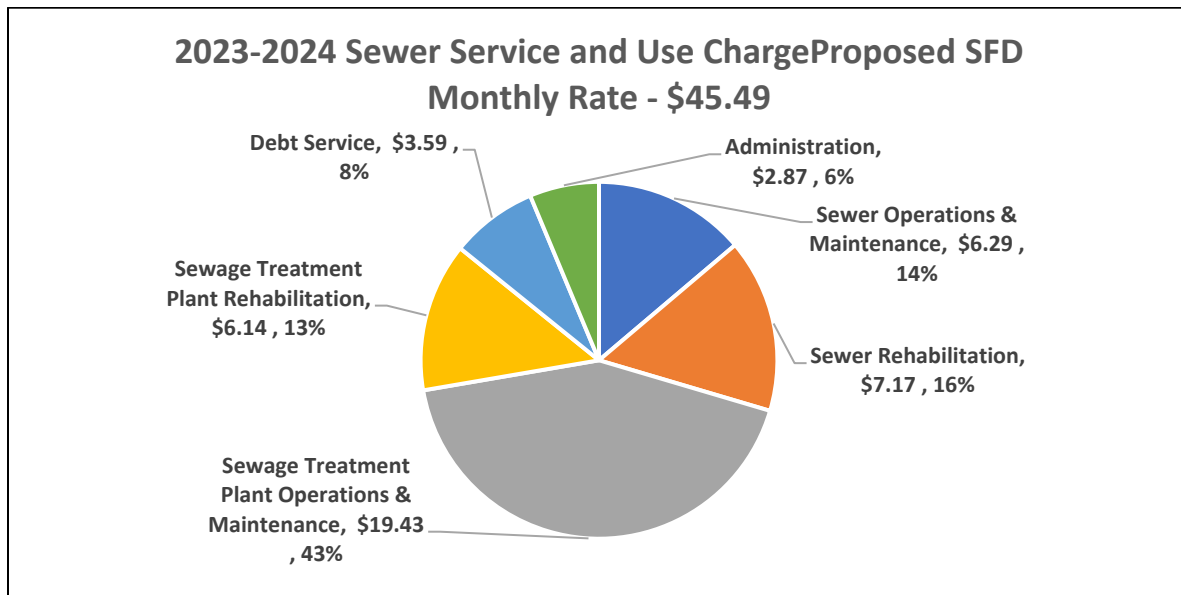
The SSUC Program costs and source of funding are detailed in the 2023-2024 Proposed Operating Budget, pp. 937 to 938, and in the 2023-2024 Proposed Capital Budget, pp. 153 to 157. The proposed 2023-2024 rates will continue current levels of funding to:

- Continue rehabilitation and replacement of critical infrastructure and equipment at the Regional Wastewater Facility and the sanitary sewer collection system;
- Add critical resources for Regional Wastewater Facility and collection system operations and maintenance to ensure continued effective collection and treatment of wastewater influent;
- Maintain regulatory compliance requirements; and
- Keep pace with the inflationary costs associated with the operations and maintenance of both systems.

Previous years' rate increases supported short and long-term financing options to implement major rehabilitation and replacement projects at the Regional Wastewater Facility and building up the required reserves for long-term bond financing. The City's Credit Agreement with Wells Fargo Bank, National Association dated October 1, 2017 provides for revolving loans in the aggregate principal amount not to exceed \$300 million to finance the acquisition, construction, and installation of capital improvements to the Regional Wastewater Facility. In 2022-2023 the City issued \$268,355,000 in long term "Green-Climate Bond" certified bonds for the Regional

Wastewater Facility to refund outstanding notes that were issued to provide short term interim financing for the capital improvement program. The Capital Program/Financing Reserve, originally created for the bond financing, was not needed for the transaction, thus the reserve, along with eliminating the Debt Service Reserve, were used to offset increased revenue requirements for the upcoming fiscal year. The Wells Fargo credit agreement term ends in October 2023, and staff is evaluating options including a new credit facility or an extension of the term to provide for short term financing of the capital improvement program.

It is important to note that costs of operation of the Regional Wastewater Facility are expected to significantly increase over the next several years as new processes such as mechanical dewatering come online. Future rate increases are anticipated as costs are expected to continue to rise. Any future rate increase would require notice to the property owner in compliance with state law. The chart below displays how the recommended \$45.49 monthly single-family residential fee would be spent.



STORM SEWER SERVICE CHARGE

SSSC rates are based on the relative quality and quantity of storm water runoff contributed by residential and non-residential properties. The rate structure was designed to apportion the cost of storm sewer service to properties in proportion to their relative contribution of flow and pollution to the system. This structure allows rates to reflect the costs of providing service to residential and non-residential properties.

Rates are assigned by groupings, based on the type of use. Residential customers are assigned a flat rate. Rates for all other uses are calculated individually. Rates for non-residential properties include a charge based on acreage plus a flat charge reflecting runoff characteristics.

Rates have remained constant since 2012-2013, and no increases are recommended for 2023-2024. The Single-Family monthly rate remains at \$7.87, unchanged since 2011-2012.

Several phases of the Storm Sewer Master Plan have been completed since 2017 and identified high priority capital projects totaling \$320 million. The ongoing master plan will be used to inform capital improvement plans and will assist in determining future SSSC revenue requirements.

With no rate increases over the past decade and the resulting flat assessments, the need to maintain operations and maintenance programs for the storm sewer system are expected to result in reduced capacity to perform important capital rehabilitation projects in the storm sewer system. To prevent underinvestment, identifying additional funding for this capital program, including potentially from the General Fund, must be a priority over the coming years. As such, in the 2023-2024 Proposed Operating Budget, additional resources are recommended to evaluate and identify funding strategies for the storm sewer system that may include long term financing or alternative revenue sources. Proposed SSSC rates for 2023-2024 are included in this memorandum as Attachment B.

SSSC Program Expenditures

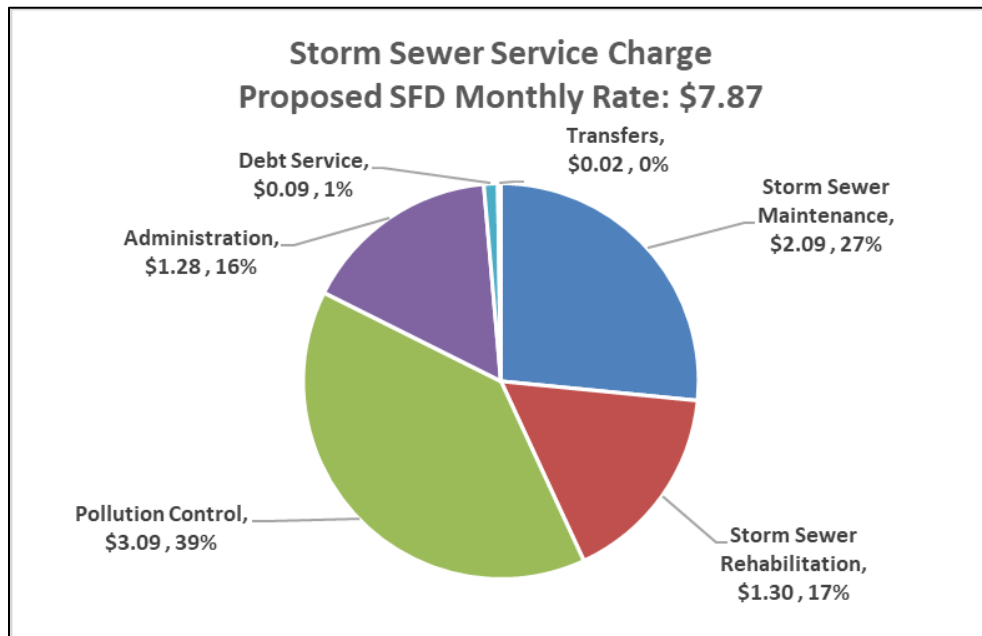
The SSSC program costs and funding sources are detailed in the 2023-2024 Proposed Operating Budget, pp. 942 to 943 and the 2023-2024 Proposed Capital Budget, pp. 202 to 207. Three major factors impact the costs of programs supported by this fund: 1) aggressive pollution control programs mandated by the City's National Pollution Discharge Elimination System Stormwater Permit; 2) the increasing age of the storm sewer system, which results in higher maintenance costs and a growing need for replacement and rehabilitation; and 3) future development and system maintenance required to reach storm management goals that will be established by the Storm Sewer System Master Plan.

The City is operating under a newly issued San Francisco Regional Water Quality Control Board National Pollution Discharge Elimination System Stormwater Permit, effective July 1, 2022, to regulate 76 municipalities in the San Francisco Bay Area. The newly issued National Pollution Discharge Elimination System permit requires more stringent regulations that the City is required to implement during the current five-year permit term, resulting in significant operational and financial impacts to the City. The Stormwater Permit requires the City to implement activities and controls to prevent pollutants from entering the storm sewer collection system, which subsequently transports those untreated pollutants to the City's waterways and ultimately the San Francisco Bay.

The Stormwater Permit requires new and expanded programs to protect local waterways from various sources of pollutants. To address requirements of the Stormwater Permit, expenditures in 2023-2024 will focus on:

- Implementing local efforts to address pollutants and participating in regional monitoring and pollution prevention efforts through the Santa Clara Valley Urban Runoff Pollution Prevention Program and the Bay Area Stormwater Management Agencies Association;
- Updating and continued implementation of the City’s Trash Load Reduction Plan;
- Administering the City’s Stormwater Inspection Program, which inspects construction sites, stormwater treatment measures, and industrial and commercial facilities that could potentially contribute to stormwater pollution; and
- Continuing rehabilitation and investment in the existing storm sewer collection system.

The following chart displays how the recommended \$7.87 monthly single-family residential fee would be spent in 2023-2024:



Over the past five years, a total of \$61.8 million (\$4 million in 2018-2019, \$12.8 million in 2019-2020, \$9 million in 2020-2021, \$11.5 million in 2021-2022, and \$1.5 million in 2023-2024) has been transferred to the Storm Sewer Capital Fund to continue to address aging storm sewer infrastructure and development of a storm sewer system master plan. In 2023-2024, a total of \$6 million is proposed to be transferred to the Storm Sewer Capital Fund.

Various projects in the Storm Sewer Capital Fund for 2023-2024 include:

- Storm sewer outfall structures repairs and rehabilitation throughout the City;
- Storm sewer infrastructure repair and drainage improvement;
- Continuation of the multi-phase storm sewer system master plan; and

- Large trash capture devices to treat stormwater in order to reduce pollutants from entering creeks and waterways from City streets.

EVALUATION AND FOLLOW-UP

Once approved, the SSUC and SSSC will be billed to property owners for 2023-2024 charges. Most property owners are billed as a single line-item on their property tax assessment. There is a 120-day statute of limitations to challenge any new, increased, or extended fee or charge. If City Council adopts the recommendation, SSUC and SSSC rates remain unchanged. Staff will return to City Council in June 2024 with recommendations for 2024-2025 rates.

COST SUMMARY/IMPLICATIONS

It is estimated that maintaining the SSUC rate at 2022-2023 levels will generate approximately \$188.0 million in total revenue in the SSUC Fund in 2023-2024, which is included in the SSUC Fund Statement of Source and Use of Funds in the 2023-2024 Proposed Operating Budget. Previously collected reserve funds will be used to: offset necessary expenditure increases to ensure that regulatory requirements will continue to be met; and ensure effective operation and maintenance, as well as capital improvements and infrastructure rehabilitation, of the sanitary sewer collection system and the Regional Wastewater Facility.

Maintaining SSSC rates at current levels is estimated to generate revenues in 2023-2024 totaling approximately \$34 million, which is included in the Storm Sewer Operating Fund Statement of Source and Use of Funds in the 2023-2024 Proposed Operating Budget. This revenue will be used to: ensure regulatory requirements continue to be met; and to ensure the effective operation and maintenance, as well as capital improvement and infrastructure rehabilitation, of the storm sewer collection system. It should be noted that resources available to the Storm Sewer Capital Program continue to decline as the SSSC fee rate has remained flat over the past decade while costs have continued to increase; therefore, identifying a more sustainable funding source must be a top priority for the Storm Sewer Capital Program in the next two years.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, Public Works Department, and Department of Transportation.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 06, 2023 City Council meeting.

HONORABLE MAYOR AND CITY COUNCIL

May 26, 2023

Subject: Sewer Service and Use Charges and Storm Sewer Service Charges Effective July 1, 2023

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Other Future Notifications

If the City intended to increase or change the rates, it would send notices to property owners/account holders providing them with the opportunity to protest any future increases to either the SSUC or SSSC rates. As stated above, the rates for SSUC and SSSC starting July 1, 2023 will not increase.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

CEQA

Statutorily Exempt, File No. PP17-005, CEQA Guidelines Section 15273, Rates, Tolls, Fares, and Charges.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

KERRIE ROMANOW

Director of Environmental Services

For questions, please contact Nick Ajluni, Administrative Officer, at (408) 406-8673.

Attachments:

Attachment A - Sewer Service and Use Charge Schedule of Proposed 2023-2024 Rates

Attachment B - Storm Sewer Service Charge Schedule of Proposed 2023-2024 Rates

Attachment C - Sewer Service and Use Charge Rate Comparison for Single Family Residential

ATTACHMENT A

**SEWER SERVICE AND USE CHARGES
SCHEDULE OF PROPOSED RATES
BEGINNING 2023-2024**

| <u>I. RESIDENTIAL RATES</u> | 2022-2023 CURRENT RATES | | PROPOSED RATES EFFECTIVE JULY 1, 2023 | | % CHANGE |
|--------------------------------------|------------------------------------|-----------------|--|-----------------|---------------------|
| | <u>Per Month</u> | <u>Per Year</u> | <u>Per Month</u> | <u>Per Year</u> | |
| | Single-Family Residence | \$45.49 | \$545.88 | \$45.49 | |
| Multiple-Family Residence (per unit) | \$30.48 | \$365.76 | \$30.48 | \$365.76 | 0.00% |
| Mobile Home (per unit) | \$34.34 | \$412.08 | \$34.34 | \$412.08 | 0.00% |

| <u>II. INSTITUTIONAL, COMMERCIAL, AND INDUSTRIAL RATES (less than 25,000 gallons per day)</u> | 2022-2023 CURRENT RATES | | PROPOSED RATES EFFECTIVE JULY 1, 2023 | | % CHANGE |
|--|--|--------|--|--------|---------------------|
| | <u>Charge Per Hundred Cubic Feet of Sewage Discharged</u> | | <u>Charge Per Hundred Cubic Feet of Sewage Discharged</u> | | |
| | Meat Packers | \$6.17 | | \$6.17 | |
| Wholesale Bakeries | \$7.52 | | \$7.52 | | 0.00% |
| Soft Drink Bottlers | \$7.58 | | \$7.58 | | 0.00% |
| Wineries | \$13.08 | | \$13.08 | | 0.00% |
| Paper Pulp Mills | \$9.31 | | \$9.31 | | 0.00% |
| Plating Works | \$4.34 | | \$4.34 | | 0.00% |
| Electrical Equipment | \$4.85 | | \$4.85 | | 0.00% |
| Machinery Manufacturers | \$6.33 | | \$6.33 | | 0.00% |
| Film Service Laboratories | \$4.77 | | \$4.77 | | 0.00% |
| Soft Water Services | \$4.39 | | \$4.39 | | 0.00% |
| Car Washes | \$4.67 | | \$4.67 | | 0.00% |
| Automotive Steam Cleaners | \$8.45 | | \$8.45 | | 0.00% |
| Printing Plants | \$6.09 | | \$6.09 | | 0.00% |
| Restaurants/Delis | \$8.29 | | \$8.29 | | 0.00% |
| Hotel-Motels | \$5.03 | | \$5.03 | | 0.00% |
| Hospitals and Convalescent Homes | \$4.85 | | \$4.85 | | 0.00% |
| Private Schools, Colleges & Universities | \$5.82 | | \$5.82 | | 0.00% |
| Public Schools, Colleges & Universities | \$5.82 | | \$5.82 | | 0.00% |
| Repair Shops & Service Stations | \$5.12 | | \$5.12 | | 0.00% |
| Domestic Laundries | \$4.55 | | \$4.55 | | 0.00% |
| Business Office/Condos | \$4.84 | | \$4.84 | | 0.00% |
| Government Agencies | \$4.84 | | \$4.84 | | 0.00% |
| Medical Center/Clinic | \$4.96 | | \$4.96 | | 0.00% |

ATTACHMENT A

**SEWER SERVICE AND USE CHARGES
SCHEDULE OF PROPOSED RATES
BEGINNING 2023-2024**

II. INSTITUTIONAL, COMMERCIAL, AND INDUSTRIAL RATES (less than 25,000 gallons per day) continued

| | 2022-2023 CURRENT RATES | PROPOSED RATES EFFECTIVE JULY 1, 2023 | % CHANGE |
|---|--|--|---------------------|
| | <u>Charge Per Hundred Cubic Feet of Sewage Discharged</u> | <u>Charge Per Hundred Cubic Feet of Sewage Discharged</u> | |
| Beauty Salon | \$5.08 | \$5.08 | 0.00% |
| Commercial & Department Stores | \$5.08 | \$5.08 | 0.00% |
| Storage/Warehouse | \$4.74 | \$4.74 | 0.00% |
| Health Care | \$4.88 | \$4.88 | 0.00% |
| Theatre | \$4.98 | \$4.98 | 0.00% |
| Association/ Communities Services | \$4.84 | \$4.84 | 0.00% |
| Business Parks | \$4.99 | \$4.99 | 0.00% |
| Building Construction/ Field Office | \$4.99 | \$4.99 | 0.00% |
| Parking Lot | \$4.52 | \$4.52 | 0.00% |
| Gas Service Station | \$4.96 | \$4.96 | 0.00% |
| Auto Showroom, Body Shop, Detail, and Trucking | \$5.35 | \$5.35 | 0.00% |
| Manufacturing Paint Products | \$4.99 | \$4.99 | 0.00% |
| Concrete Company | \$4.99 | \$4.99 | 0.00% |
| General Manufacturing Industries | \$4.99 | \$4.99 | 0.00% |
| Chemical Manufacturing | \$4.99 | \$4.99 | 0.00% |
| Pub | \$5.21 | \$5.21 | 0.00% |
| Athletic Club, Fitness | \$4.74 | \$4.74 | 0.00% |
| Cemetery | \$4.74 | \$4.74 | 0.00% |
| Country Clubs (Golf) | \$4.98 | \$4.98 | 0.00% |
| Lounges, Clubs, Billiards | \$4.99 | \$4.99 | 0.00% |
| Convenience Store | \$4.74 | \$4.74 | 0.00% |
| Boarding/Rooming | \$5.09 | \$5.09 | 0.00% |
| Cleaners (Commercial Laundry) | \$6.00 | \$6.00 | 0.00% |
| Plaza/Mall | \$5.35 | \$5.35 | 0.00% |
| Nursery (Grower) | \$5.69 | \$5.69 | 0.00% |
| Laboratories (Commercial & Industrial) | \$5.81 | \$5.81 | 0.00% |
| Café & Ice Creams | \$8.99 | \$8.99 | 0.00% |
| Donuts & Bakery | \$8.99 | \$8.99 | 0.00% |
| Supermarket Groceries | \$7.99 | \$7.99 | 0.00% |
| Mortuary (Embalming) | \$7.99 | \$7.99 | 0.00% |
| Catering | \$8.44 | \$8.44 | 0.00% |
| Miscellaneous Commercial, Institutional, and Industrial Premises | \$4.84 | \$4.84 | 0.00% |

ATTACHMENT A

**SEWER SERVICE AND USE CHARGES
SCHEDULE OF PROPOSED RATES
BEGINNING 2023-2024**

III. MONITORED INDUSTRIES (25,000 gallons per day and over)

| | 2022-2023 CURRENT RATES | PROPOSED RATES EFFECTIVE JULY 1, 2023 | % CHANGE |
|---|------------------------------------|--|---------------------|
| <u>A. Capital Cost Recovery:</u> | | | |
| Annual charge per million gallons per day of FLOW capacity required, plus | \$478,450.00 | \$478,450.00 | 0.00% |
| Annual charge per thousand pounds per day of BOD removal capacity required, plus | \$58,508.00 | \$58,508.00 | 0.00% |
| Annual charge per thousand pounds per day of SS removal capacity required, plus | \$35,665.00 | \$35,665.00 | 0.00% |
| Annual charge per thousand pounds per day of NH ₃ removal capacity required. | \$108,324.00 | \$108,324.00 | 0.00% |
| <u>B. Operations & Maintenance Cost Recovery:</u> | | | |
| Charge per Hundred Cubic Feet of sewage discharged to the sanitary sewer, plus | \$2.833 (\$3,787/MG) | \$2.833 (\$3,787/MG) | 0.00% |
| Charge per thousand pounds of BOD discharged to the sanitary sewer, plus | \$260.00 | \$260.00 | 0.00% |
| Charge per thousand pounds of SS discharged to the sanitary sewer, plus | \$286.00 | \$286.00 | 0.00% |
| Charge per thousand pounds of NH ₃ discharged to the sanitary sewer. | \$2,116.00 | \$2,116.00 | 0.00% |

FLOW - Sewage discharge FLOW
BOD - Biochemical Oxygen Demand
SS - Suspended Solids
NH₃ - Ammonia
MG - Million Gallons

ATTACHMENT B

**CITY OF SAN JOSE
Storm Sewer Service Charge
SCHEDULE OF PROPOSED RATES
Beginning 2023-2024**

| <u>RESIDENTIAL RATES*</u> | 2022-2023 CURRENT RATES | | PROPOSED RATES EFFECTIVE JULY 1, 2023 | | % CHANGE |
|--|---|-----------------|--|-----------------|---------------------|
| | <u>Per Month</u> | <u>Per Year</u> | <u>Per Month</u> | <u>Per Year</u> | |
| | A. Single-Family Residential and Duplex | \$7.87 | \$94.44 | \$7.87 | |
| B. Mobile Home (per unit) | \$3.94 | \$47.28 | \$3.94 | \$47.28 | 0.00% |
| C. Residential Condominium (per unit) | \$4.30 | \$51.60 | \$4.30 | \$51.60 | 0.00% |
| D. Large Multiple Family Residential (5 or more units) | \$4.30 | \$51.60 | \$4.30 | \$51.60 | 0.00% |
| E. Small Multiple Family Residential (3-4 Units) | \$14.95 | \$179.40 | \$14.95 | \$179.40 | 0.00% |

ATTACHMENT B
CITY OF SAN JOSE
Storm Sewer Service Charge
SCHEDULE OF PROPOSED RATES
Beginning 2023-2024

INSTITUTIONAL, COMMERCIAL, INDUSTRIAL RATES*

| | 2022-2023 CURRENT RATES | | PROPOSED RATES EFFECTIVE JULY 1, 2023 | | % CHANGE |
|---|-------------------------------------|--|---|--|-------------|
| | Per Month | Per Year | Per Month | Per Year | |
| F. Open Space | \$13.86 plus \$7.67 per acre | \$166.32 plus \$92.04 per acre | \$13.86 plus \$7.67 per acre | \$166.32 plus \$92.04 per acre | 0.00% |
| G. School | \$13.86 plus \$7.67 per acre | \$166.32 plus \$92.04 per acre | \$13.86 plus \$7.67 per acre | \$166.32 plus \$92.04 per acre | 0.00% |
| H. Church | \$27.73 plus \$7.67 per acre | \$332.76 plus \$92.04 per acre | \$27.73 plus \$7.67 per acre | \$332.76 plus \$92.04 per acre | 0.00% |
| I. College/University | \$27.73 plus \$7.67 per acre | \$332.76 plus \$92.04 per acre | \$27.73 plus \$7.67 per acre | \$332.76 plus \$92.04 per acre | 0.00% |
| J. Commercial, Light Industrial and Miscellaneous Premises | \$55.45 plus \$13.04 per acre | \$665.40 plus \$156.48 per acre | \$55.45 plus \$13.04 per acre | \$665.40 plus \$156.48 per acre | 0.00% |
| K. Small Commercial, Light Industrial and Miscellaneous Premises | \$27.73 plus \$7.67 per acre | \$332.76 plus \$92.04 per acre | \$27.73 plus \$7.67 per acre | \$332.76 plus \$92.04 per acre | 0.00% |
| L. Heavy Industrial Premises | \$69.32 plus \$13.04 per acre | \$831.84 plus \$156.48 | \$69.32 plus \$13.04 per acre | \$831.84 plus \$156.48 per acre | 0.00% |
| M. Parking Facility | \$55.45 plus \$13.81 per acre | \$665.40 plus \$165.72 per acre | \$55.45 plus \$13.81 per acre | \$665.40 plus \$165.72 per acre | 0.00% |

*if connected to the system prior to July 1, 2023

ATTACHMENT C

SEWER SERVICE AND USE CHARGES RATE COMPARISON FOR SINGLE FAMILY RESIDENTIAL

| <u>City/Sanitary Agency</u> | <u>Current Monthly Bill</u> | <u>Proposed Increase</u> | <u>Proposed Monthly Bill</u> |
|---------------------------------|---------------------------------|------------------------------|----------------------------------|
| Milpitas | \$62.07 | 4% | \$64.22 |
| Sunnyvale | \$57.19 | 9% | \$62.34 |
| Cupertino Sanitary District | \$58.29 | 5% | \$61.21 |
| West Valley Sanitation District | \$57.65 | TBD | \$57.65 |
| Mountain View | \$50.10 | TBD | \$50.10 |
| Palo Alto | \$44.62 | 9% | \$48.63 |
| Santa Clara | \$46.82 | 3% | \$48.32 |
| City of San José | \$45.49 | 0% | \$45.49 |