



Memorandum

TO: CITY COUNCIL

FROM: Councilmember Rocha

SUBJECT: SAN JOSE WATER COMPANY

DATE: September 11, 2017

Approved

Date

RECOMMENDATION

1. Item (a): Consistent with the staff recommendation, direct staff to return to City Council with an update on their efforts to answer the questions laid out in Item (a) in the clerk's transmittal memo, which is the same as Item 1 in Councilmember Rocha's memo dated August 17, 2017.
2. Item (b): Instead of deciding now to send item (b) to priority setting, direct staff to first identify options for how the City can take a greater role in advocating on this matter and conduct a workload assessment on those options. After that assessment is complete, staff should return to Council for direction as to whether this matter should go to priority setting.

ANALYSIS

Item (b), listed as Item 2 in my original memo, asks staff to identify options for the City to advocate on the issue of water rates. In their supplemental, staff proposes to send item (b) to priority setting. In my opinion, it is premature to decide whether (b) should go to priority setting because we don't even know what the City's advocacy options are or how much work would be involved.

At the Rules Committee meeting where this item was discussed, Councilmember Khamis recommended that staff be directed to conduct a workload assessment on item (b). I think that was a good suggestion. By identifying our options and conducting a workload assessment of those options, we'll have a much better idea of the level of effort this issue will require. With this memo, I recommend asking for a workload assessment before we make a decision on sending item (b) to priority setting.

I want to emphasize this issue merits further discussion. Increasing water rates has had great financial impact on both the City as an organization and on our residents. In terms of the effect on the City side, I was told the Parks and Recreation Department is now budgeting \$6 million for watering our parks compared to \$4 million to start last fiscal year, which is significant.

The impact on taxpayer dollars is coupled with the challenge our residents are facing with their own water bills. I have heard from residents in my district and others who have taken every step conserve and

reduce their water usage, but their bill continues to jump higher, sometimes to the point that it is difficult for some to catch up. Here is a quote from one of the many letters that were sent to my office on this issue:

We were concerned that our water bill rose last month (\$234.003) from previous bill of \$182.75. This is in spite of being away from home for a month. It is very hard for Seniors living on fixed income to see such steep increase.

It is important for the City to advocate on this issue as good stewards of our taxpayer dollars and because of the impact this issue continues to have on our residents. Once the Council has sufficient information, I believe the Council will be in a better position to determine the best path forward.