

5/21/19

ITEM# 12

City of Santa Clara

City Council Meeting

Public Hearing: Adoption of Resolutions Approving
Water, Recycled Water, and Sewer Rates to be
Effective July 1, 2019



Wholesale Water Rates

Water Wholesaler	Current FY18/19 \$/AF	Approved FY19/20 \$/AF	FY19/20 % Cost Increase
Groundwater (SCVWD)	\$1,289	\$1,374	6.6%
Treated Water (SCVWD)	\$1,389	\$1,474	6.1%
Hetch Hetchy (SFPUC)	\$1,956	\$1,956	0.0%
Recycled Water (SBWR)	\$1,184	\$1,269	7.2%

Proposed Water Rates

- Water Utility Costs Driven by Wholesale Water Purchases and Infrastructure Rehabilitation/Replacement
- 4% Increase in Consumption Charge per HCF (\$5.98 to \$6.22)
- \$2.88/month increase from \$71.76 to \$74.64 (average residential customer using 12 HCF/month)
- Average increase of 3.8% to minimum charges depending on the size of the meter
- Rates are calculated to fund Operations and Maintenance (O&M), Capital Improvement Program (CIP), and needed reserves

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Proposed Recycled Water Rates

- Increased wholesale water costs
- General Customer rate for recycled water to increase from \$3.58/HCF to \$3.74/HCF (4.5%)
- For typical general customer, increase would be estimated at \$45.00/month

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Proposed Sewer Rates

- Capital costs at RWF: \$146.1 million/5 years will continue to be the primary cause for rate increases in the foreseeable future
- Residential rate increasing 2.7%
- Residents' sewer bill to increase \$1.16, from \$42.91 per month to \$44.07 per month
- Non-residential rates based on cost of service analysis, flow and strength – average increase of 6.2%

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Summary of Proposed Rates

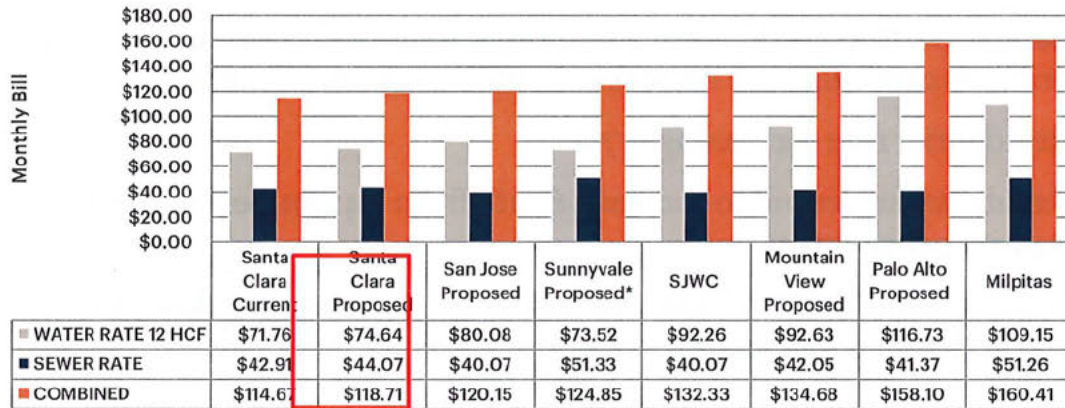
(effective July 1, 2019)

- Water
 - 4.0% - \$2.88/month for a typical residential customer using 12 HCF/month
- Recycled Water
 - 4.5% increase for general customers – an increase of roughly \$45.00/month for a typical customer
- Sewer
 - 2.7% increase residential customers - \$1.16/month on 7/1/19 for a typical customer
 - 6.2% average increase for non-residential customer

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Water and Sewer Rate Comparison



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Recommendation

- At the close of the Public Hearing, if the protests from property owners are not a majority:
 - Adopt the resolution approving Water Rate Schedule 2019-01 and Recycled Water Rate Schedule 2019-02 and City water service rates to be effective July 1, 2019.
 - Adopt the resolution approving Sewer Rate Schedule S-19 and City sewer rates to be effective July 1, 2019

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