




**City Council Meeting**

**Item # 6. RTC 22-66: Public Hearing: Action on Resolutions Approving Water, Sewer, and Recycled Water for Fiscal Year 2022-2023**

**June 21, 2022**

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**City of Santa Clara**  
The Center of What's Possible

## Our Utilities

- **Water**
  - 26,000 connections, 335 miles of mains, 21 active groundwater wells, 7 storage tanks with a capacity of over 28MG
- **Sewer**
  - 26,000 connections, 288 miles of mains, co-owner of Regional Wastewater Facility (RWF) with San José
- **Recycled Water**
  - 282 connections, approx. 19% of total water sales in summer months

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## Water Utility CIP

- \$22.5 million budgeted over next 5 years
- Largest expenditures over the next 2 years include New and Replacement Wells and Water Main Replacement



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## Water Utility CIP (cont.)



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## Sewer Utility CIP

- \$92.2 million over the next 5 years, \$76.5 million of which is City's contribution to CIP at RWF.
- Other projects include: Condition Assessment, System Improvements and Capacity Improvements



## Sewer Utility CIP (cont.)





## Wholesale Water Rates

- SFPUC Adopted 15.9% rate increase for FY22-23 and 10% Increase in FY23-24
- Valley Water adopted 15% Increase in Groundwater Charges Each Year for the Next Three Fiscal Years.
- Water Purchases Represent Almost 65% of overall Expenditures

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## Proposed Water Rates

- 9.6% Increase in Consumption Charge per HCF (\$6.69 to \$7.33)
- \$7.68/Month Increase from \$80.28 to \$87.96 (average Residential Customer Using 12 HCF/month)
- Average Increase of 5.0% to Minimum Charges Depending on the Size of the Meter

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## Proposed Recycled Water Rates

- 10.2% Increase in Consumption Charge per HCF (\$3.74 to \$4.12)
- Recycled Water Purchases Represent Almost 85% of Overall Expenditures
- Cost Still Represents Savings of Almost 45% Over Potable Water

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## Proposed Sewer Rates

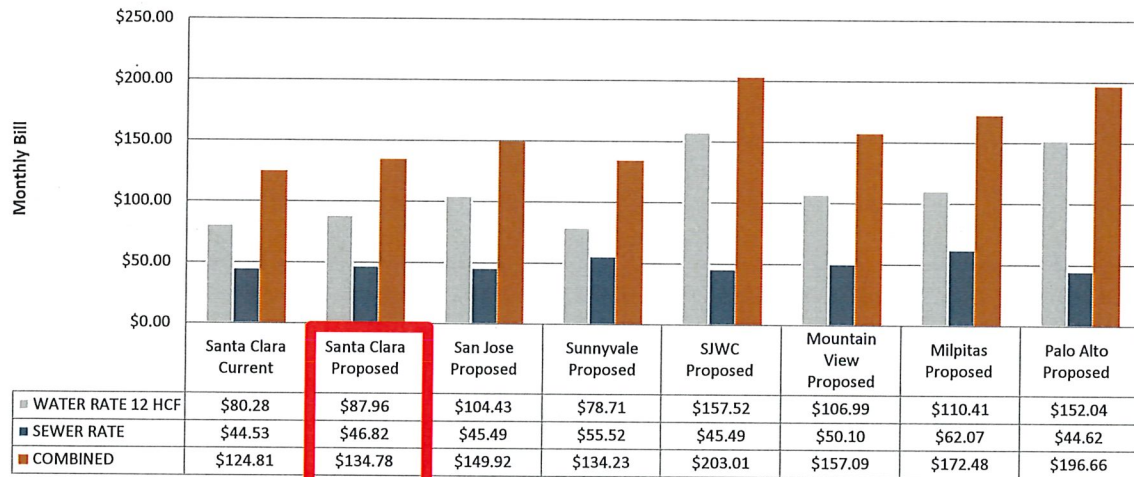
- 5.2% Increase in Single Family Residential Charge (0.4% Increase in Multi-Family Residential Charge)
- \$2.29/Month Increase from \$44.53 to \$46.82 for SFR ( \$.16/Month Increase for MFR - \$44.53 to \$44.69)
- Average increase of 4.0% for Commercial Customers Receiving an Increase (Actual Change Dependent on Customer Class)

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# Water and Sewer Rate Comparison



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## Utility Bill Assistance

- Water & Sewer Low Income Rate Assistance
- Help Your Neighbor Investment
- State Assistance for Past Due Water and Sewer Bills

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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 2022-01 and Recycled Water Rate Schedule 2022-02 for City Water Service Rates to be Effective July 1, 2022.
  - Adopt the Resolution Approving Sewer Rate Schedule S-22 for City Sewer Service Rates to be Effective July 1, 2022

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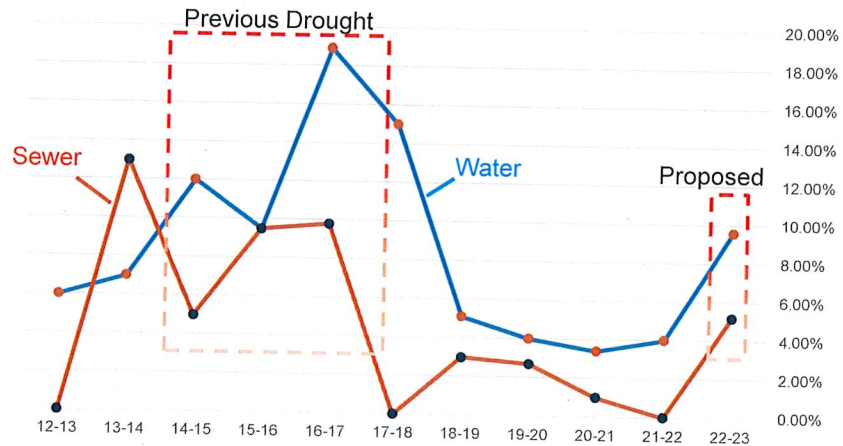
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# Ten Year Rate Trend

Fiscal Year	Water Increase %	Sewer Increase %
21-22	4%	0%
20-21	3.4%	1%
19-20	4%	2.7%
18-19	5.1%	3%
17-18	15%	0%
16-17	18.9%	9.8%
15-16	9.5%	9.5%
14-15	12%	5%
13-14	7%	13%
12-13	6%	0%
10 Year Avg.	8.5%	4.4%
22-23 Proposed	9.6%	5.2%



# Rate Mitigation Strategies

- Cost Controls and Realistic Budgets
- Use of Reserves
- Use of Fund Balances to Fund CIPs Instead of Operating Transfers





# Water Sources

