



Sunnyvale

Proposed FY 2019/20 Utility Rates

Overview

- Sunnyvale operates water, wastewater, and solid waste utilities.
- Each utility is self-supporting, and funded solely through utility rates.
- Rates are based on the cost of service for each utility.

Utility Funds

Utility	Original Projection	Recommended FY 2019/20	Change in Percentage Points
Water	4.0%	0.0%	(4.0%)
Wastewater	7.0%	4.0%	(3.0%)
Solid Waste*	2.0%	1.0%	(1.0%)

*Individual solid waste rates will vary due to cost of service study.

Primary Drivers

- Water
 - ◆ Wholesaler rate increases lower than projected
 - ◆ Improvements to aging infrastructure
 - ◆ Demand increase from drought levels, but slower than projected
- Wastewater
 - ◆ Sunnyvale Cleanwater Program
 - ◆ Improvements to aging infrastructure

Primary Drivers

- Solid Waste
 - ◆ Inflationary increases to contracted collection, garbage transfer, and disposal services
 - ◆ Zero Waste initiatives
 - ◆ Landfill monitoring and maintenance
 - ◆ Cost of service study

Cost of Service Study

Variance from revenue requirement by customer type

Customer Type	Variance
Residential	-11.61%
Commercial	0.32%
Industrial	-0.91%

Rate Setting & Proposition 218

- Sunnyvale Fiscal Policy
 - ◆ Rates recover cost of service
 - ◆ Rates reviewed annually
 - ◆ Rates support the total costs of the utility
- Proposition 218
 - ◆ Property related fees may not exceed the proportional cost of the service attributable to the parcel
 - ◆ Public notification process

Proposition 218 Noticing

- Notices were mailed to all utility customers on May 10, 2019
- If written protests are received from a majority of customers, the proposed rates will not become effective
- Approximately 15,700 protests are needed for a protest majority
 - ◆ As of June 24, 2019, 14 protests were received

Questions?

