



Proposed FY 2017/18 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 solely on the cost of service for each utility.

Proposed Utility Rate Increases

Utility	Budgeted Increase	Proposed Increase
Water	15%	12.5%
Wastewater	8%	10%
Solid Waste	3%	3%

Water Rate Increases

Primary Drivers

- Increased costs to purchase water
 - Wholesaler enforcement of contractual minimum purchase requirements
- Reduction in current year revenues due to lower than expected water use
- Aging water infrastructure
 - Pipe replacements
 - Refurbishment of Water Tanks

Wastewater Rate Increases

Primary Drivers

- \$658 million Water Pollution Control Plant Project
 - Full renovation and expansion of all facilities
 - Phase 1: Primary treatment facility
 - Phase 2: Secondary treatment, lab, and maintenance facilities
- Aging wastewater infrastructure
 - Sanitary sewer pipe improvements

Solid Waste Rate Increases

Primary Drivers

- Inflation increases in three primary contracts
 - Collection
 - Landfill
 - SMaRT Station
- Increases range from 3%-10% dependent on specific index

Monthly Utility Bill Comparisons

Single Family Residential

Fiscal Year 2017/18

City	Water*	Wastewater	Solid Waste	Total
Palo Alto (Proposed)	94.56	34.83	100.15	229.54
City of San Jose (San Jose Municipal Water)	62.52	38.09	72.33	172.94
Mountain View	72.73	34.30	58.60	165.63
Cupertino (San Jose Water Company/Cupertino Sanitary District)	71.66	40.00	49.43	161.09
Sunnyvale (Proposed Rates)	60.36	47.18	47.03	154.57
Santa Clara	63.80	41.65	43.33	148.78
Milpitas	61.02	45.14	41.60	147.76
Fremont	65.39	31.67	34.99	132.05
Cal Water Company	61.88			
Average of all Cities	68.21	39.11	55.93	164.05
Average excluding Sunnyvale	69.20	37.95	57.20	165.40
Average excluding Sunnyvale and two highest cities	66.08	38.55	45.59	151.06

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 April 28, 2017.
- 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 6/20/2017 at 3:00 PM, 358 protests were received.

Questions?