

**Council Meeting: June 3, 2008****SUBJECT: Adoption of Proposed Fiscal Year 2008/2009 Rates for Water and Wastewater Utilities****REPORT IN BRIEF**

As part of the yearly process of reviewing the financial condition of the utility enterprise funds, staff recommends that the City Council adopt annual changes in utility rates. This report presents an analysis of the current utility policy framework, revenues, expenditures, revenue requirements and utility rates for the City's water and wastewater utilities.

Changes for rates associated with the Solid Waste Management Fund are not being recommended at this time pending the implementation of a new solid waste collection system called ChoiceCollect. This collection system, which incorporates volume-based pricing, is scheduled to be implemented in October 2008. Staff will return to Council with details of the implementation and a recommendation for solid waste rates to be effective with the start of the new collection program.

Recommended increases are as follows:

- Water 10.0%
- Wastewater 8.5%

If the proposed water and wastewater rates recommended for FY 2008/2009 are approved by Council, monthly costs associated with those services for an average residential customer would increase by 9% overall. This represents monthly increases to the average residential customer of \$2.70 for water and \$2.04 for wastewater, yielding an average monthly utility bill of approximately \$55.78 at the new rates. The current average monthly bill is \$51.04. The City's commercial rates will increase by the same overall percentage as residential rates.

The rate recommendations are based on the recommended FY 2008/2009 Budget that is currently being reviewed by the City Council. The primary cause of the proposed increase in water rates is the significant rise in costs for water purchased from the City's wholesale suppliers. The increase in wastewater rates is necessary to cover needed infrastructure and capital costs for our aging wastewater treatment and collection system.

The recommended FY 2008/2009 Budget is scheduled to be reviewed by the City Council at the Budget Workshop on May 23, 2008 with final adoption scheduled for June 10, 2008. It is not anticipated that subsequent changes to the FY 2008/2009 Budget will materially impact the rate recommendations.

It is important to note that even with these rate changes, Sunnyvale residents enjoy combined water and wastewater rates that are just below the average of surrounding communities. Rate comparisons for residential and commercial customers are attached as Attachment A (Residential) and Attachment B (Commercial).

Utility rates for FY 2008/2009, as approved by City Council, will be effective upon adoption of the attached Rate Resolution. Due to the City's cycle billing process, the new rates will appear on monthly utility bills on or after July 21, 2008, and on bi-monthly utility bills on or after August 4, 2008.

BACKGROUND

Sunnyvale utility rates are based entirely on the City's costs for operating and maintaining its water and wastewater facilities and services. Each of the utilities is operated as an independent enterprise, and all expenses and revenues for each service are accounted for separately from other funds. No tax revenues are used to cover the costs of utility services, nor are any revenues from water or wastewater fees used to support other City programs or services not related to utilities. It is important to note that the practice of long term planning and the use of a Rate Stabilization Reserve enables the City to maintain utility rates at the lowest possible level by spreading the effects of anticipated operational, capital, and infrastructure costs over twenty years. The Rate Stabilization Reserve enables each of the utility funds to maintain a fairly consistent pattern of rate adjustments over the entire twenty years, minimizing volatile swings in rates which would otherwise occur due to unanticipated increases or decreases in costs in a particular year.

Each year as part of the budget process, staff analyzes the current condition of, and long term outlook for all of the City's utility funds. These analyses are reflected in the Long Term Financial Plans for each fund. They include a review of available fund balances, state and federal environmental requirements, revenues, anticipated capital, infrastructure and operational requirements, and a detailed inspection of significant expenditure areas (e.g. the anticipated cost of purchased water, environmental regulations related to wastewater discharge, etc.) The results of these analyses lead to proposed adjustments to rates that will generate the revenues necessary to meet planned expenditures. Throughout this review, staff attempts to keep utility rates as stable as possible while maintaining high quality, reliable, and efficient services through long term planning.

Public Noticing Requirements

Sunnyvale continues to comply with the noticing provision for utility rates as required by Proposition 218 and AB 1260. The practical effect of these two laws on the City of Sunnyvale is that the City needs to mail a detailed notice to all utility billing customers at least 45 days prior to the hearing on any utility service fee increase to comply with the majority protest requirements of Proposition 218.

The notice for the wastewater and water rates which are being proposed for FY 2008/2009 went out in April 2008. Of note is that the City noticed individual mobile home owners. Each mobile home owner was mailed a notice, as was the owner of each park, and each protest will be counted individually.

As indicated above, solid waste rate changes will be proposed in connection with the implementation of the ChoiceCollect program and notices will be given separately, with the public hearing to be held in late July or early August of 2008.

The law requires that should the Council receive written protests from a majority of customers, the proposed rates will not become effective and the current rates will remain in place.

Staff will tabulate protests received prior to the meeting, adding any valid written protests received at the meeting, and summarize the total number for Council. A majority protest exists if approximately 14,650 valid written protests are received from the properties subject to the proposed fee. One vote will be counted for any property owner or utility customer who submits a protest prior to the end of the noticed public hearing (one protest per parcel). No protests received after that time, even if postmarked prior to that time, will be accepted. Each protest must be in writing, and identify the affected property (by assessor's parcel number, street address, or utility account number). Oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest. Protests received by residents who are not either property owners or have a utility account with the city shall not be counted.

EXISTING POLICY

Sunnyvale Municipal Code sections 12.16.020 (Wastewater), and 12.24.010 (Water) authorize the City Council to establish by resolution fees and charges based on cost influencing factors. Policy 7.11.1a.5 of the General Plan's Fiscal Sub-Element states "The users fees established for each utility will be reviewed annually and set at a level that will support the total costs of the utility, including direct and indirect costs and contributions to reserves set by Council policy.

DISCUSSION

Water Supply and Distribution Fund

FY 2008/2009 Actual Rate Increase and Future Rate Increase Projections Compared to FY 2007/2008 Recommendations.

Water rates increased by 9.5% in FY 2007/08. The Adopted FY 2007/2008 Water Supply and Distribution Fund Long Term Financial Plan included a planned increase of 9.5% for FY 2008/2009. This year's recommended rate increase for FY 2008/2009 is 10%, half a percent higher than projected.

The Long Term Financial Plan for the Water Supply and Distribution Fund also projects that another increase of 9% will be required in FY 2009/2010 to cover the future cost of purchased water and keep the Water Fund in Balance. However, even with these large increases, Sunnyvale's water rates continue to compare favorably with our neighboring communities, as shown in Attachment A.

The remainder of the rate projections included in the FY 2007/2008 plan, and the current rate projections included in the FY 2008/2009 plan are shown in the proposed FY 2008/2009 Water Fund Long Term Financial Plan (Attachment C). Details of operating, capital, and infrastructure expenditures, and financial plans are also included in the Recommended FY 2008/2009 Twenty Year Budget.

Sources of Water

Sunnyvale currently receives water from four different sources. For FY 2008/2009, approximately 43% is projected to come from the Hetch-Hetchy system operated by the San Francisco Public Utilities Commission (SFPUC), 40% from the Santa Clara Valley Water District (SCVWD), 10% from well water, and the remaining 7% from recycled water.

A significant portion of the Water Fund's direct expenditure budget is the cost of purchased water (currently 73% and projected to peak at 85% within ten years). Currently for FY 2007/2008 the City is paying the SFPUC \$566 per acre foot plus meter charges of \$267,000. Current charges for SCVWD purchased water are \$475 per acre foot plus a \$100 per acre foot groundwater charge, for a total of \$575 per acre foot. The forecast anticipates costs for FY 2008/2009 of \$614 per acre foot plus meter charges for SFPUC water. This represents an 8.3% increase over last year's cost. The forecast for SCVWD is \$520 per acre foot plus groundwater charge of \$100, for a total of \$620 per acre foot. This represents an increase of 7.8%.

The City also receives charges from the SCVWD for pumping ground water from City wells. The unit cost for well water is also influenced by the power

costs associated with running the pumps. The projected well water total unit cost (tax plus power) for FY 2008/2009 is \$598 per acre foot, an increase of 7.8% over last year's unit cost of \$555.

Considering all sources of potable water, the City's total purchased water costs for FY 2008/2009 are projected to be 8.2% higher than FY 2007/2008.

In addition to the sources of potable water mentioned above, the City's Water Pollution Control Plant provides recycled water, which is wastewater that has been treated to very high standards. Recycled water is currently sold at 90% of water rates to encourage its use. The City also currently receives a \$115 per acre foot rebate from the SCVWD to encourage use of recycled water. Although this rebate is not guaranteed long term, staff is maintaining a dialogue with SCVWD regarding this issue and the Financial Plan for the Water Fund includes the presumption that we will continue to receive the rebate or some other form of recycled water incentive throughout the full twenty years.

Projecting Water Usage

The first step in setting the revenue requirement for the Water Supply and Distribution Fund is the completion of the Twenty Year Water Production Forecast. This planning tool is used to develop projections for water purchases for the next twenty years. The Forecast prepared for FY 2008/2009 and beyond is included in this report as Attachment D.

Staff begins the actual preparation of the Twenty Year Water Production Forecast by looking at the total projected amount of water that will be required for the next twenty years, factoring in demand trends, water conservation, growth and projections of population trends and corresponding water usage.

Over the past three years, the combination of both abnormally wet years and an abnormally dry year has lowered the city's overall average water use. This was further impacted by a request in FY 2006/2007 by the City's wholesalers for a voluntary 10% reduction in water use due to the dry weather. The total water use trend city-wide over the last five years has been downward and that has been reflected in a new base for the 20- year forecast. The most recent hydrological condition reports indicate that the region continues to experience overall dry conditions and the wholesalers continue to encourage voluntary conservation.

In addition to weather, which has the largest impact on water sales, actual population growth in the City has been moderate. Where residential development has been occurring, other uses such as industrial buildings with large landscaped areas have been displaced, and these were often uses that may have had more overall demand for water. Second, water conservation measures have been promoted by the City and the SCVWD, and remodeling work has been to newer plumbing codes using more water efficient fixtures.

Third, the success of the Sunnyvale recycled water system has replaced the use of potable water with recycled water for non-potable uses at many facilities in the northern part of the City, especially in a number of high usage facilities. Recycled water usage grew from a low of 119 acre feet in FY 1999/2000 to about 1,800 acre feet in FY 2003/2004 and has stayed fairly constant since then. It is projected to grow at a pace of 25 acre feet per year throughout the Twenty Year Water Production Forecast. The City is clearly not at build out, and is becoming more dense. It is therefore reasonable to assume that some growth in usage will occur, even if mitigated by the factors previously discussed and therefore a very moderate growth rate or .3% per year for water use is assumed throughout the plan.

To complete the purchase analysis, staff looks in detail at each source of water supply. This includes evaluating the associated purchase requirements under the contracts for each wholesale supplier, the unit costs for each source, and the projected need for and availability of recycled water to supply those customers. The forecast is developed using the cheapest source of water available as much as possible considering contract limitations, sometimes shifting the emphasis on individual supplies dependent on the factors discussed below. It should be noted that although we do have the ability to move water around the City, we cannot always move water as much as we would like due to system demands and limitations.

Projecting Water Costs

As part of preparing the Twenty Year Water Production Forecast, staff obtains projections from each of the City's water wholesalers for the next year and from zero to nine additional years, depending upon the wholesaler. These projections are generally received late in our process and are subject to change. Projections for the next and future years have a history of changing significantly, particularly in the case of the SFPUC. Normally, we receive ten years of projections from SCVWD and five years from SFPUC. However, this year we received only a single year from the SFPUC. Again, the projections from SCVWD have been fairly reliable while the SFPUC rates have been swinging significantly from prior year projections.

Details of the rate projections received from each water wholesaler are discussed below.

SFPUC Wholesale Rate Adjustment

The City of Sunnyvale is a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) along with the 27 other suburban users that purchase water on a wholesale basis from the SFPUC (the "Suburban Users"). BAWSCA was created in 2003 to address the infrastructure issues with the Hetch Hetchy system, and the SFPUC's historic lack of action with regards to the repair and maintenance of the system. BAWSCA is tasked with representing the interests of the Suburban Users with the SFPUC and

providing a funding mechanism for the share of the capital improvement program for the system attributable to the Suburban Users.

Under the contract, the SFPUC is required to hold meetings with the suburban users to update us on various topics, including rates. In February, members of BAWSCA met with the SFPUC to receive updates on water quality monitoring, rates, and the Water System Improvement Plan (WSIP), which is the SFPUC's infrastructure rehabilitation program. At that meeting the SFPUC gave us a range of possible rates that spanned from 6% to 10% increases but indicated their actual rate increase would fall in the middle. The purpose of this vague rate approach was to give the Suburban Users a range that would be weather dependent. That is, if the winter ended up being wet, their sales would be down and therefore a 10% increase was likely, and if it was dry, sales would be up and a 6% increase was likely.

For purposes of the FY 2008/2009 proposed water rates, for water purchased from the SFPUC staff has assumed an increase of 8.3% to the overall per acre foot rate when factored with the projected purchase quantity and the fixed meter charges. The SFPUC has not provided concrete multiyear projections for several years now. As Council is aware, the SFPUC is undertaking a massive infrastructure renovation project on their regional water system. The total project costs are more than \$4 billion. The SFPUC must issue debt to fund a project of this size, and therefore must maintain a revenue base sufficient to cover their considerable debt service. SFPUC staff does provide projections to BAWSCA on how much revenue they will require from the suburban users to maintain the needed coverage for their debt service over the next four years. Staff has estimated their corresponding projected rate increases based on the debt service coverage requirements as follows:

Projected Rate Increases	
Fiscal Year	Projected SFPUC Increase in Revenue Requirement (Rate Increase)
2009/2010	5.4%
2010/2011	29.9%
2011/2012	23.9%
2012/2013	27.9%

Staff's recommended rate increases for the next four years use these projected changes in SFPUC revenue requirements, applied to the new FY 2008/2009 base rates. Staff also has adjusted the annual meter charges upwards by 20% every five years to reflect the SFPUC's historical practices.

The projected rates for SFPUC water subsequent to FY 2012/2013 are based on assumptions given by SFPUC in prior years. Beginning in the eighth year, staff is recommending a very modest growth in SFPUC's cost ranging from 1.4% to 1.7% per year. This slowing of the rates is based on the assumption that at that point all revenue bonds for repair of the system infrastructure will

have been issued and SFPUC's expenses will then include the total debt service on these bonds, leaving only changes in operating expenses. Historically, growth in SFPUC operating expenses have averaged about 1.5% per year before capital costs or debt service.

Santa Clara Valley Water District Wholesale Rate Adjustment

The cost of wholesale water purchased from SCVWD is projected to rise 7.8% for FY 2008/2009. This amounts to a total acre foot cost of \$620 for FY 2008/2009, slightly lower than the increase projected last year.

Last year, the SCVWD gave City staff three separate scenarios for rates that run through FY 2015/2016. The higher end of the range represents a substantial increase in rates in order to fully fund what District staff believe are needed operations and capital costs. City staff works closely with the District staff and other retailers that the District serves through the Water Retailers Subcommittee. City staff shares the District's concern with regards to some of their large unfunded infrastructure and operational liabilities, especially related to their dams and reservoirs. Therefore, for purposes of setting the FY 2008/2009 water rates, staff has used the increase in SCVWD wholesale water recommended by District staff for the current year, and reflected an increase from the current district rate to their fully-funded rate scenario in FY 2009/2010.

Water Fund Operating, Capital, and Infrastructure Expenses

The remaining 26% of direct operating costs of the Water Fund are related to City activities involved in operating and maintaining a water supply and distribution system. The recommended FY 2008/2009 Budget includes a very modest 0.35% increase from FY 2006/2007 actual expenditures for operations.

The Water Fund contains annual debt service of approximately \$1.2 million through FY 2018/2019 for Water and Wastewater Revenue Bonds. Debt service also includes the Water Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Government Center property. This debt service, in the amount of about \$86,000, continues through the Twenty-Year Financial Plan.

Over the past few years, Sunnyvale staff has been working to identify and scope projects to improve the City's water supply and distribution system. \$30 million in capital, special and infrastructure projects are included in the first ten years of the FY 2008/2009 Long Term Financial Plan, and \$20.6 million in fully-identified water infrastructure and capital projects are included in the second ten years of the plan.

Recommended FY 2008/2009 Water Rate Increase

The proposed Water Supply and Distribution Fund Long Term Financial Plan (Attachment C) reflects the recommendation that water charges increase by

10% for FY 2008/2009. Projections for the remainder of the Water Supply and Distribution Long Term Financial Plan are included at the bottom of the plan.

The Water Rate Survey is presented as Attachment E. As shown in Attachment A, Monthly Utility Bill Comparisons – Single Family Residential, the City’s residential water rate remains below average when compared with neighboring cities. In general, the Attachment compares the City’s proposed rate with the existing rates of the other cities because they have not yet completed their rate analyses for next year. It is expected that changes in wholesale rates will cause our neighboring cities that purchase water from the same wholesalers to adjust their rates in the same way during the current year. Information on the percentage of our comparator cities that use SFPUC water is also included in the Water Rate Survey.

Wastewater Management Fund

FY 2008/2009 Actual Rate Increase and Future Rate Increase Projections Compared to FY 2007/2008 Recommendations

Wastewater rates increased by 8.5% in FY 2007/2008. The FY 2007/2008 Wastewater Management Fund Long Term Financial Plan included a planned increase of 8.5% for FY 2008/2009. This year’s recommended rate increase for FY 2008/2009 is 8.5% as planned.

The remaining rate projections for future years are shown in the FY 2008/2009 Wastewater Management Fund Long Term Financial Plan (Attachment F).

Factors Influencing Projected Wastewater Management Fund Expenditures

The City of Sunnyvale owns and operates an extensive system for management of wastewater within city limits and in a small area in Northern Cupertino (known as the Rancho Rinconada Service Area). The system includes approximately 327 miles of sewer pipes and a 29.5 million gallon-per-day Grade V Water Pollution Control Plant. Operations include the conveyance of sewage to the treatment plant, wastewater treatment, recycled water production, industrial discharge inspection and enforcement, and many other services related to wastewater.

Infrastructure maintenance and replacement has been and remains the largest issue for the Wastewater Management Fund. In the FY 2007/2008 Long Term Financial Plan, the need for a new Water Pollution Control Plant (WPCP) was identified. Due to the age of the WPCP, replacement or renovation is currently needed. During the current year staff began work on the WPCP Strategic Infrastructure Plan. The intent of this work is to develop an infrastructure plan that will set the future direction of the WPCP for the next thirty years. The original components of the plant were constructed in 1956, with subsequent additions continuing through the early to mid-1980s. Many of the components of the plant have met or exceeded their useful life. Given the cost

and long term impact of renovations, staff has identified the need to consider the costs and benefits of two options: (1) Replace the existing facility with a new wastewater treatment facility, or (2) Renovate and optimize the existing plant. Results of this comprehensive review will be included in the Long Range Infrastructure Plan when completed.

Pending this review, staff has included estimated costs for a new WPCP. While approximate, these costs are known to be large enough that funding through revenue bonds would be required in order to spread the financial impact over the life of the asset. The FY 2008/2009 Long Term Financial Plan for the Wastewater Management Fund therefore reflects debt service for the construction of the new Water Pollution Control Plant. Bonded debt is estimated to gradually increase as the plant is built, reaching full debt service in FY 2021/2022.

In the meantime, staff is recommending that certain critical projects continue to be funded (for example the replacement of the digester lids at the WPCP) in order to keep the WPCP operational.

Wastewater Management Operations Expenses

Projected FY 2008/2009 Operations costs for the Wastewater Management Fund are approximately 11% higher than FY 2007/2008 budget. This increase is due to increases in the cost of chemicals used in treatment, higher costs for the purchase of natural gas used in the Power Generation Facility (PGF), increased costs due to changes in regulatory requirements, and personnel costs.

The Wastewater Management Fund is also providing funding for two recommended budget supplements for FY 2008/2009, briefly summarized as follows:

- *Greenhouse Gas Emissions Reduction Projects:* This supplement proposes various actions to reduce greenhouse gas emissions which result from City operations. Project costs of \$24,680 in FY 2008/2009 would replace lighting fixtures with energy efficient alternatives, which should produce estimated savings of \$285,459 over the long term financial plan and expected revenue (rebate) of approximately \$10,652.
- *Comprehensive Bridge and Levee Report:* This supplement would include inspection, evaluation and reporting on approximately 100 bridges, several miles of levees, and appurtenant works in the City in order to identify any key risks and needed repairs to stop deterioration and avoid hazardous conditions. Total project cost is estimated to be \$200,000, with \$50,000 coming from the Wastewater Fund and the remaining \$150,000 funded from the Gas Tax Fund.

Interfund Loans and Debt Service

The Wastewater Management Fund has two interfund loans that were advanced from the General Fund. The first loan was to finance the remodel of the primary facilities of the wastewater treatment plant, expanding the capacity from 22.5 million gallons per day to 29.5 million gallons per day. The loan was made by the General Fund in FY 1980/1981 for a total of \$10.7 million at 7% interest. The original term was for 20 years. Payment of the loan began in FY 2004/2005.

The second loan from the General Fund was made to assist the Wastewater Management Fund with cash flow issues by providing needed cash to stabilize rates. The loan was advanced in FY 1995/1996 for a total of \$2.4 million at 7% interest. The term was for 20 years with ongoing payments on the loan deferred until FY 2004/2005.

The recommended FY 2008/2009 Wastewater Management Fund Long Term Financial Plan continues a loan payoff schedule started last year. Under this schedule, loan repayment was accelerated, with both repaid by FY 2012/2013. These changes were made to shorten the liability to the General Fund and free up Wastewater Fund rate revenue for anticipated large infrastructure needs associated with construction of a new Water Pollution Control Plant.

The Wastewater Management Fund pays debt service in the amount of \$1.5 million annually for its share of the Water and Wastewater Revenue Bonds issued in 1992. These Bonds were refunded in 2001 to reduce debt service costs; at that time, additional funds of \$12.5 million were borrowed to pay for needed capital and infrastructure projects. The original portion of the Bonds is repaid in FY 2018/2019 and only the new money portion continues throughout the 20-year plan with the final payment on the debt coming in October of FY 2027/2028.

Recommended FY 2008/2009 Wastewater Rate Increase

The proposed Wastewater Management Fund Long Term Financial Plan (Attachment F) reflects the recommendation that wastewater charges increase by 8.5% for FY 2008/2009. Projections for the remainder of the Wastewater Management Fund Long Term Financial Plan are included at the bottom of the plan.

The Wastewater Rate Survey is presented as Attachment G. As shown in Attachment A, Monthly Utility Bill Comparisons – Single Family Residential, the City's residential wastewater rate is slightly above average when compared with neighboring cities. In general, the Attachment compares the City's proposed rate with the existing rates of the other cities because they have not yet completed their rate analyses for next year.

FISCAL IMPACT

The proposed utility rate changes are necessary to maintain the Utility Enterprise funds in a sound financial condition. Again, even with the proposed rate changes, Sunnyvale's utility rates remain competitive when compared to current rates charged in other cities. Attachment A compares Sunnyvale's residential rates with rates in the other cities. Where noted, these comparisons have been updated to include proposed rates from other cities. The same wholesalers provide water in varying percentages to all of the jurisdictions surveyed. Therefore it is likely that trends seen in the water rate for Sunnyvale will also be seen in other jurisdictions.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

A Proposition 218-compliant notice announcing the date of the Utility Rate Hearing, including details of the proposed increases was sent directly to utility customers and property owners, including mobile home park residents. In April a news release was issued regarding the hearing, information was posted on the City's Web site homepage, and a link (*www.utilityrates.insunnyvale.com*) to an electronic version of the notice was established. City Staff notified various business associations within the City of the availability of this report and the hearing date. Neighborhood Associations registered with the Office of the City Manager were also notified of the hearing. Finally, an ad announcing the hearing was taken out in the Sunnyvale Sun for the week of May 28, 2008.

ALTERNATIVES

1. Adopt the attached resolution increasing water rates by 10% and wastewater rates by 8.5% for FY 2008/2009.
2. Adopt rates less than those proposed.
3. Continue the hearing to a future date to consider rates higher than those proposed, which would require additional Proposition 218 compliant noticing.

RECOMMENDATION

Staff recommends Alternative 1, to adopt the attached resolution increasing water rates by 10% and wastewater rates by 8.5%, for FY 2008/2009.

Reviewed by:

Mary J. Bradley, Director, Department of Finance
Prepared by: Timothy J. Kirby, Revenue Systems Supervisor

Approved by:

Amy Chan
City Manager

Attachments

- A. Combined Monthly Water and Wastewater Utility Bill Comparisons – Single Family Residential
- B. Monthly Water and Wastewater Utility Rate Comparisons - Commercial
- C. Proposed FY 2008/2009 Water Supply and Distribution Fund Long Term Financial Plan
- D. Twenty Year Water Production Forecast
- E. Water Rate Survey
- F. Proposed FY 2008/2009 Wastewater Management Long Term Financial Plan
- G. Wastewater Rate Survey
- H. Proposed Resolution

Combined Monthly Water and Wastewater Utility Bill Comparisons
Single Family Residential
 April 30, 2008

City	Water*	Wastewater	Total
Palo Alto (Proposed Water Rate)	58.46	23.48	81.94
Los Altos	37.61	23.75	61.36
Fremont	33.70	20.28	53.98
Cupertino	41.83	21.00	62.83
City of San Jose (Proposed Water Rate)	33.48	23.57	57.05
Mountain View (Proposed)	37.33	23.04	60.36
Milpitas	30.59	29.85	60.44
Sunnyvale (Curent/Proposed)	27.06 / 29.76	23.98 / 26.02	51.04 / 55.78
Santa Clara (Proposed)	34.64	12.76	47.40
Average of all Cities	37.49	22.64	60.13
Average excluding Sunnyvale	38.45	22.22	60.67
* = Based on 12 ccf consumption plus 5/8" meter/service charge			

Monthly Water and Wastewater Utility Rate Comparisons
Commercial
 April 30, 2008

City	Water* (ccf)	Wastewater** (ccf)
Palo Alto (Proposed)	4.70	4.83
Los Altos	2.24	43.70/month
Fremont	2.39	2.75
Cupertino	2.22	1.89
City of San Jose (Proposed)	2.06	31.71/month
Mountain View (Proposed)	3.33	2.76
Milpitas	3.40	2.39
Sunnyvale (Current/Proposed)	2.50 / 2.75	2.34 / 2.54
Santa Clara (Proposed)	2.31	1.39
Average of all Cities	2.82	2.65
Average excluding Sunnyvale	2.83	2.67
* = Comparison based on second lowest tier rate per hundred cubic feet (ccf).		
** = Standard commercial sewer charges per ccf of metered water use.		

**CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2007 TO JUNE 30, 2018**

	ACTUAL 2006/2007	CURRENT 2007/2008	PROPOSED 2008/2009	PROPOSED 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	FY 2007/2008 TO FY 2017/2018 TOTAL
RESERVE/FUND BALANCE, JULY 1	9,351,524	10,136,932	8,744,414	9,265,806	7,740,883	8,395,755	9,584,098	10,885,497	10,720,764	10,609,347	11,323,231	12,231,502	10,136,932
CURRENT RESOURCES:													
Service Fees	21,421,925	23,362,149	25,993,526	28,383,081	30,992,447	33,841,855	36,953,402	39,981,685	42,058,878	44,244,197	46,100,837	46,883,093	398,795,150
Recycled Water	730,880	800,314	880,345	959,576	1,045,938	1,140,073	1,242,679	1,342,094	1,409,198	1,479,658	1,538,845	1,561,927	13,400,648
Miscellaneous Revenues	852,498	906,996	829,470	642,744	865,997	1,866,114	790,574	822,016	839,166	832,936	809,900	796,083	10,001,996
SCVWD Recycled Water Rebate	238,960	207,000	209,875	212,750	215,625	218,500	221,375	224,250	227,125	230,000	232,875	235,750	2,435,125
Interest Income	418,182	339,401	362,189	371,042	408,124	493,528	520,934	513,930	507,888	541,936	593,357	612,628	5,264,957
TOTAL CURRENT RESOURCES	23,662,444	25,615,860	28,275,405	30,569,194	33,528,131	37,560,070	39,728,965	42,883,975	45,042,255	47,328,726	49,275,813	50,089,482	429,897,876
TOTAL AVAILABLE RESOURCES	33,013,968	35,752,792	37,019,819	39,835,000	41,269,013	45,955,825	49,313,062	53,769,472	55,763,019	57,938,074	60,599,044	62,320,984	440,034,807
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	0	351,700	351,700	351,700	351,700	351,700	351,700	351,700	351,700	0	0	351,700	3,165,300
Debt Service	1,179,948	1,189,305	1,189,665	1,189,188	1,188,841	1,182,583	1,187,763	1,186,609	1,185,445	1,186,217	1,185,644	1,183,947	13,055,208
Operations	4,916,019	4,835,433	4,933,489	5,087,781	5,284,537	5,421,843	5,563,051	5,708,277	5,857,638	6,011,258	6,169,264	6,331,785	61,204,355
Purchased Water	12,059,416	13,101,416	14,136,614	16,188,679	19,064,476	22,033,502	26,046,946	30,751,567	33,319,854	34,755,876	36,108,551	36,961,948	282,469,430
Project Operating Costs	0	0	30,000	30,600	31,212	(145,075)	(147,977)	(150,936)	(153,955)	(157,034)	(160,175)	(163,378)	(986,717)
In-Lieu Charges	2,520,045	2,331,417	2,512,191	2,711,539	2,697,837	2,778,558	2,861,696	2,947,323	3,035,514	3,126,345	3,219,898	3,316,250	31,538,568
Capital Projects	241,502	130,000	100,000	102,000	318,492	1,538,752	108,243	110,408	112,616	114,869	223,670	723,031	3,582,081
Special Projects	0	30,000	202,234	0	31,212	21,224	0	33,122	0	0	234,332	0	552,125
Infrastructure Projects	1,593,599	4,737,728	3,913,051	5,758,902	3,463,346	2,821,625	2,266,455	1,925,146	1,319,014	1,291,860	1,141,390	936,953	29,575,469
Project Administration	346,055	250,329	260,069	443,713	423,308	360,425	178,069	170,185	119,704	274,062	239,208	169,197	2,888,269
Transfer To General Services Fund	4,643	0	125,000	225,000	13,182	1,372	0	0	0	5,743	0	0	370,297
Transfer To Infrastructure Fund	15,810	51,050	0	5,015	5,115	5,217	11,619	15,307	6,141	5,647	5,760	5,876	116,747
TOTAL CURRENT REQUIREMENTS	22,877,036	27,008,378	27,754,012	32,094,118	32,873,258	36,371,727	38,427,565	43,048,708	45,153,672	46,614,843	48,367,542	49,817,309	427,531,133
RESERVES:													
Debt Service	1,127,425	1,127,425	1,149,398	1,149,214	1,148,658	1,148,048	1,147,755	1,147,393	1,146,960	1,146,457	1,145,884	1,145,240	1,145,240
Contingencies	4,243,859	4,484,212	4,767,526	5,319,115	6,087,253	6,863,836	7,902,499	9,114,961	9,794,373	10,191,784	10,569,454	10,823,433	10,823,433
Rate Stabilization Reserve	4,765,648	3,132,776	3,348,882	1,272,553	1,159,844	1,572,213	1,835,242	458,410	(331,986)	(15,010)	516,164	535,001	535,001
TOTAL RESERVES	10,136,932	8,744,414	9,265,806	7,740,883	8,395,755	9,584,098	10,885,497	10,720,764	10,609,347	11,323,231	12,231,502	12,503,675	12,503,675
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Recommended Water Rate Increase	11.5%	9.5%	10.0%	9.0%	9.0%	9.0%	9.0%	8.0%	5.0%	5.0%	4.0%	1.5%	
Purchased Water Percent of Operations	71.0%	73.0%	74.1%	76.1%	78.3%	80.3%	82.4%	84.3%	85.0%	85.3%	85.4%	85.4%	
PRIOR YEAR STATISTICS:													
Prior Year Water Rate Increase	11.5%	9.5%	9.0%	8.5%	8.0%	7.5%	7.5%	7.5%	7.5%	7.5%	2.0%	2.0%	

**CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2018 TO JUNE 30, 2028**

	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	FY 2018/2019 TO FY 2027/2028 TOTAL	FY 2007/2008 TO FY 2027/2028 TOTAL
RESERVE/FUND BALANCE, JULY 1	12,503,675	13,826,435	14,919,256	14,908,755	15,765,288	16,138,089	15,954,700	16,306,598	16,095,463	15,065,063	12,503,675	10,136,932
CURRENT RESOURCES:												
Service Fees	47,771,361	48,343,596	48,922,923	49,509,431	50,103,212	50,704,358	51,312,963	51,929,121	52,552,929	53,184,485	504,334,378	903,129,528
Recycled Water	1,585,356	1,601,210	1,617,222	1,633,394	1,649,728	1,666,225	1,682,887	1,699,716	1,716,714	1,733,881	16,586,333	29,986,981
Miscellaneous Revenues	873,257	962,473	1,046,846	1,077,260	1,072,010	1,134,075	1,195,024	1,218,670	1,304,040	1,377,578	11,261,232	21,263,228
SCVWD Recycled Water Rebate	238,625	241,500	244,375	247,250	250,125	253,000	255,875	258,750	261,625	264,500	2,515,625	4,950,750
Interest Income	786,112	849,151	847,588	896,943	918,574	907,135	927,175	916,634	864,655	784,541	8,698,508	13,963,465
TOTAL CURRENT RESOURCES	51,254,711	51,997,930	52,678,953	53,364,278	53,993,648	54,664,793	55,373,924	56,022,892	56,699,963	57,344,984	543,396,076	973,293,952
TOTAL AVAILABLE RESOURCES	63,758,385	65,824,365	67,598,209	68,273,033	69,758,937	70,802,882	71,328,624	72,329,490	72,795,426	72,410,047	555,899,751	983,430,884
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	3,165,300
Debt Service	1,184,218	80,940	80,417	79,805	79,106	78,319	77,814	77,203	76,487	75,665	1,889,974	14,945,182
Operations	6,544,953	6,766,011	6,995,262	7,233,018	7,479,606	7,735,364	8,000,646	8,275,815	8,561,253	8,857,354	76,449,281	137,653,636
Purchased Water	37,559,544	38,133,408	38,793,424	39,420,156	40,022,119	40,633,697	41,291,010	42,014,861	42,656,416	43,345,824	403,870,459	686,339,889
Project Operating Costs	(168,279)	(173,328)	(178,528)	(183,883)	(189,400)	(195,082)	(200,934)	(206,962)	(213,171)	(219,566)	(1,929,134)	(2,915,851)
In-Lieu Charges	3,448,503	3,586,199	3,729,395	3,878,310	4,036,080	4,194,221	4,361,702	4,535,872	4,716,999	4,905,360	41,392,641	72,931,209
Capital Projects	123,095	126,787	130,591	134,509	138,544	142,700	146,981	151,391	155,932	160,610	1,411,141	4,993,222
Special Projects	0	38,036	0	26,902	41,563	0	0	45,417	265,085	0	417,003	969,128
Infrastructure Projects	1,051,228	2,033,671	2,916,751	1,647,060	1,723,488	1,949,287	1,152,335	1,159,654	1,250,580	1,231,072	16,115,126	45,690,595
Project Administration	182,637	307,151	209,192	181,067	278,615	264,145	184,459	165,764	253,116	265,918	2,292,064	5,180,333
Transfer To General Services Fund	0	0	6,530	47,078	0	0	0	7,569	0	0	61,177	431,474
Transfer To Infrastructure Fund	6,052	6,233	6,420	43,724	11,127	45,530	8,014	7,443	7,666	7,896	150,105	266,852
TOTAL CURRENT REQUIREMENTS	49,931,950	50,905,109	52,689,454	52,507,745	53,620,848	54,848,182	55,022,026	56,234,027	57,730,363	58,630,132	542,119,836	969,650,969
RESERVES:												
Debt Service	1,144,780	80,940	80,417	79,805	79,106	78,319	77,814	77,203	76,487	75,665	75,665	75,665
Contingencies	11,026,124	11,224,855	11,447,171	11,663,294	11,875,431	12,092,265	12,322,914	12,572,669	12,804,417	13,050,794	13,050,794	13,050,794
Rate Stabilization Reserve	1,655,530	3,613,461	3,381,167	4,022,190	4,183,552	3,784,116	3,905,871	3,445,591	2,184,159	653,455	653,455	653,455
TOTAL RESERVES	13,826,435	14,919,256	14,908,755	15,765,288	16,138,089	15,954,700	16,306,598	16,095,463	15,065,063	13,779,915	13,779,915	13,779,915
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Recommended Water Rate Increase	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		
Purchased Water Percent of Operations	85.2%	84.9%	84.7%	84.5%	84.3%	84.0%	83.8%	83.5%	83.3%	83.0%		
PRIOR YEAR STATISTICS:												
Prior Year Water Rate Increase	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%	1.5%	0.0%		

PROGRAM 312
20 Year Water Production Forecast

Attachment D

	ACTUAL 2006/07	CURRENT 2007/08	PLAN 2008/09	PLAN 2009/10	PLAN 2010/11	PLAN 2011/12	PLAN 2012/13	PLAN 2013/14	PLAN 2014/15	PLAN 2015/16	PLAN 2016/17	PLAN 2017/18	TOTAL FY 2007/08 FY 2017/18
SAN FRANCISCO WATER (SFWD):													
UNITS	10,342	11,000	10,537	10,537	10,537	10,537	10,537	10,537	10,537	10,537	10,537	10,537	116,370
% Change	-5.5%	6.4%	-4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
UNIT COST	531	566	614	647	841	1,042	1,332	1,691	1,827	1,853	1,879	1,905	1,905
% CHANGE IN UNIT COST	19.7%	6.0%	8.3%	5.2%	29.5%	23.1%	27.1%	26.3%	8.0%	1.7%	1.4%	1.4%	1.4%
ANNUAL METER CHARGES	267,336	267,336	267,336	267,336	320,803	320,803	320,803	320,803	320,803	384,964	384,964	384,964	3,560,916
TOTAL SFWD COST	5,763,385	6,496,416	6,737,054	7,086,419	9,178,792	11,295,851	14,357,889	18,133,865	19,576,724	19,910,467	20,183,824	20,461,008	153,418,309
SCVWD Treated Water:													
UNITS	10,678	10,000	9,838	9,887	9,936	9,986	10,036	10,086	10,136	10,186	10,237	10,288	110,616
% Change	3.7%	-6.3%	-1.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
UNIT COST (Basic)	435	475	520	655	715	780	850	920	1,005	1,085	1,165	1,205	1,205
TREATED WATER SURCHARGE	100	100	100	100	100	100	103	103	103	106	106	106	106
TOTAL UNIT COST	535	575	620	755	815	880	953	1,023	1,108	1,191	1,271	1,311	1,311
% CHANGE IN UNIT COST	4.9%	7.5%	7.8%	21.8%	7.9%	8.0%	8.3%	7.3%	8.3%	7.5%	6.7%	3.1%	3.1%
TOTAL SCVWD COST	5,712,730	5,750,000	6,099,560	7,464,761	8,098,184	8,787,651	9,564,057	10,317,701	11,230,630	12,132,909	13,012,227	13,488,440	105,946,121
WELL WATER (SCVWD):													
UNITS	1,893	1,800	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	26,800
% Change	49.3%	-4.9%	38.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
UNIT COST	435	475	520	655	715	780	850	920	1,005	1,085	1,165	1,205	1,205
% Change	3.6%	9.2%	9.5%	26.0%	9.2%	9.1%	9.0%	8.2%	9.2%	8.0%	7.4%	3.4%	3.4%
TOTAL WELL WATER (SCVWD)	823,455	855,000	1,300,000	1,637,500	1,787,500	1,950,000	2,125,000	2,300,000	2,512,500	2,712,500	2,912,500	3,012,500	23,105,000
POWER:													
UNITS	1,893	1,800	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	26,800
% Change	49.3%	-4.9%	38.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
UNIT COST	85	80	78	78	80	81	83	84	86	88	90	91	91
% Change	30.8%	-5.9%	-2.0%	-0.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
TOTAL POWER	160,905	144,000	196,000	195,000	198,900	202,878	206,936	211,074	215,296	219,602	223,994	228,474	2,242,153
TOTAL UNIT COST WELL WATER	520.00	555.00	598.40	733.00	794.56	861.15	932.77	1,004.43	1,091.12	1,172.84	1,254.60	1,296.39	
TOTAL PURCHASED WATER COSTS	12,460,475	13,245,416	14,332,614	16,383,679	19,263,376	22,236,380	26,253,882	30,962,641	33,535,150	34,975,478	36,332,545	37,190,422	284,711,583
% Change	13.5%	6.3%	8.2%	14.3%	17.6%	15.4%	18.1%	17.9%	8.3%	4.3%	3.9%	2.4%	2.4%
TOTAL RECLAIMED WATER	2,078	1,800	1,825	1,850	1,875	1,900	1,925	1,950	1,975	2,000	2,025	2,050	21,175
% Change	4.2%	-13.4%	1.4%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.2%	1.2%
TOTAL PROD. UNITS LESS RECLAIMED	22,913	22,800	22,875	22,924	22,973	23,023	23,073	23,123	23,173	23,223	23,274	23,325	253,786
TOTAL PRODUCTION UNITS	24,991	24,600	24,700	24,774	24,848	24,923	24,998	25,073	25,148	25,223	25,299	25,375	274,961

PROGRAM 312
20 Year Water Production Forecast

Attachment D

	PLAN 2018/19	PLAN 2019/20	PLAN 2020/21	PLAN 2021/22	PLAN 2022/23	PLAN 2023/24	PLAN 2024/25	PLAN 2025/26	PLAN 2026/27	PLAN 2027/28	FY 2018/19 FY 2027/28	TOTAL FY 2007/08 FY 2027/28
SAN FRANCISCO WATER (SFWD):												
UNITS	10,537	10,537	10,537	10,537	10,537	10,537	10,537	10,537	10,537	10,537	105,370	221,740
% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
UNIT COST	1,932	1,959	1,986	2,014	2,042	2,071	2,100	2,129	2,159	2,189		
% CHANGE IN UNIT COST	2.8%	1.4%	1.7%	1.4%	1.4%	1.4%	1.4%	1.8%	1.4%	1.4%		
ANNUAL METER CHARGES	384,964	384,964	461,957	461,957	461,957	461,957	461,957	554,348	554,348	554,348	4,742,755	8,303,670
TOTAL SFWD COST	20,742,073	21,027,072	21,393,055	21,686,090	21,983,228	22,284,526	22,590,042	22,992,226	23,306,356	23,624,885	221,629,552	375,047,861
SCVWD Treated Water:												
UNITS	10,339	10,390	10,442	10,494	10,546	10,598	10,651	10,703	10,756	10,810	105,729	216,346
% Change	1.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%		
UNIT COST (Basic)	1,222	1,239	1,256	1,274	1,292	1,310	1,328	1,347	1,366	1,385		
TREATED WATER SURCHARGE	109	109	109	113	113	113	116	116	116	119		
TOTAL UNIT COST	1,331	1,348	1,366	1,386	1,404	1,422	1,444	1,463	1,482	1,504		
% CHANGE IN UNIT COST	4.7%	1.3%	1.3%	1.5%	1.3%	1.3%	1.5%	1.3%	1.3%	1.5%		
TOTAL SCVWD COST	13,762,796	14,008,895	14,259,565	14,549,291	14,809,529	15,074,598	15,380,550	15,655,731	15,936,019	16,259,103	149,696,076	255,642,198
WELL WATER (SCVWD):												
UNITS	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	25,000	51,800
% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
UNIT COST	1,222	1,239	1,256	1,274	1,292	1,310	1,328	1,347	1,366	1,385		
% Change	4.9%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%		
TOTAL WELL WATER (SCVWD)	3,054,675	3,097,440	3,140,805	3,184,776	3,229,363	3,274,574	3,320,418	3,366,904	3,414,040	3,461,837	32,544,831	55,649,831
POWER:												
UNITS	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	25,000	51,800
% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
UNIT COST	94	97	100	103	106	109	112	116	119	123		
% Change	5.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%		
TOTAL POWER	235,328	242,388	249,659	257,149	264,863	272,809	280,994	289,423	298,106	307,049	2,697,769	4,939,922
TOTAL UNIT COST WELL WATER	1,316.00	1,335.93	1,356.19	1,376.77	1,397.69	1,418.95	1,440.56	1,462.53	1,484.86	1,507.55		
TOTAL PURCHASED WATER COSTS	37,794,872	38,375,796	39,043,083	39,677,305	40,286,983	40,906,506	41,572,003	42,304,285	42,954,522	43,652,873	406,568,229	691,279,811
% Change	4.0%	1.5%	1.7%	1.6%	1.5%	1.5%	1.6%	1.8%	1.5%	1.6%		
TOTAL RECLAIMED WATER	2,075	2,100	2,125	2,150	2,175	2,200	2,225	2,250	2,275	2,300	21,875	43,050
% Change	2.5%	1.2%	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%		
TOTAL PROD. UNITS LESS RECLAIMED	23,376	23,427	23,479	23,531	23,583	23,635	23,688	23,740	23,793	23,847	236,099	489,886
TOTAL PRODUCTION UNITS	25,451	25,527	25,604	25,681	25,758	25,835	25,913	25,990	26,068	26,147	257,974	532,936

Water Rate Survey

CITY	EFFECTIVE DATE	MONTHLY RATE BLOCKS		BI-MONTHLY RATE BLOCKS		UNIT	RATE	CONSERVATION PENALTY SYSTEM	MONTHLY METER RENTAL		OTHER CHARGES	SOURCE OF SUPPLY		SPECIAL RATES	RECYCLED WATER	NOTES/ FUTURE CHANGES
		FROM	TO	FROM	TO				SIZE	CHARGE		SUPPLIER	%			
CAL WATER CO (Los Altos and portions of Cupertino, Mt. View, and Sunnyvale)																
Residential	04/01/08	1 +				ccf	2.2447		5/8	10.67	See notes	SCVWD	65%	Yes	No	<\$.501/ccf> credit for agricultural users \$.25 per month surcharge for the 36 months starting with July 26, 2005
									3/4	16.01		Wells	35%			
									1	22.48						
									1 1/2	35.97						
									2	56.20						
									3	97.80						
									4	134.89						
									6	219.20						
									8	350.72						
									10	499.64						
Commercial		1 +				ccf	2.2447		12	645.12						
									14	880.06						
MILPITAS																
Residential	07/24/06			1 - 20		ccf	1.4900		5/8	9.43	No	Hetch Hetchy	60%	Yes	Yes	
				21 +		ccf	3.1300		3/4	10.03		SCVWD	40%		\$1.70/ccf	Industrial
									1	14.24					\$1.70/ccf	Inside (dual plumbing)
									1 1/2	17.96					\$.32/ccf	Agriculture
									2	23.44					\$.61/ccf	City
Commercial				1 +		ccf	3.4000		3	62.75					\$.68/ccf	Former wells
									5/8	9.95					\$3.11/ccf	Recycled-All others
Irrigation				1 +		ccf	3.8900		3/4	10.58				\$1.12		City of Milpitas
									1	15.06				\$1.02		County of Santa Clara (ed Levin park)
									1 1/2	18.98						
									2	24.75						
									3	66.26						
MTN VIEW																
Residential	Proposed	0 - 3				ccf	1.5015	None	5/8	5.04		Hetch Hetchy	87%	No	No	
		4 - 25				ccf	3.0870		3/4	5.04		Wells	5%			
		26 +				ccf	6.1425		1	10.13		SCVWD	8%			
									1 1/2	16.43						
									2	30.66						
Commercial		0 - 20*				ccf	3.0870		3	53.18						
		21 - 200*				ccf	3.3285		4	83.63						
		201 + *				ccf	6.1425		6	167.48						
									8	266.70						
									10	389.18						

Water Rate Survey

CITY	EFFECTIVE DATE	MONTHLY RATE BLOCKS		BI-MONTHLY RATE BLOCKS		UNIT	RATE	CONSERVATION PENALTY SYSTEM	MONTHLY METER RENTAL		OTHER CHARGES	SOURCE OF SUPPLY		SPECIAL RATES	RECYCLED WATER	NOTES/ FUTURE CHANGES	
		FROM	TO	FROM	TO				SIZE	CHARGE		SUPPLIER	%				
PALO ALTO																	
Residential	Proposed	1 - 7				ccf	3.9490	None	5/8	5.00	No	Hetch Hetchy	100%	Yes	Yes*	*\$1.00/1000 lbs sold to water haulers for approved uses with city permits	
		8 +				ccf	5.1640		3/4	5.00							
									1	6.50							
									1 1/2	12.27							
Commercial		1 +				ccf	4.6970		2	19.37				4.341		Dedicated Irrigation Meters Meter rental also applies	
									3	77.65							
									4	130.60							
									6	260.43							
									8	383.67							
									10	383.67							
FREMONT(Alameda County Water District)																	
Residential	02/01/08	1 +				ccf	2.3880	None	5/8	5.04	No	Hetch Hetchy E Bay Aqueduct Ground Water Wells		Yes	No	Groundwater rates: Agricultural \$8.00/acre foot Industrial \$197.00/acre foot Higher rates for water delivered outside city limits, or provided 100% by SFWD	
									1	7.22							
									1 1/2	12.76							
									2	18.30							
									3	69.38							
									4	100.485							
Commercial		1 +				ccf	2.3880		6	242.55							
									8	355.165							
									10	634.725							
SAN JOSE Municipal Water																	
Residential	Proposed							None	5/8	7.88	Service Chrg. Utility tax .05%	Hetch Hetchy SCVWD Wells	22% 73% 5%	No	Yes	1.346 Irrigation 0.906 Industrial 0.906 Agricultural 0.706 Irrigation/Former Well 0.616 Indust/Ag Well users	
									3/4	8.05							
									1	14.01							
		Zone # 1				0 - 14	ccf		1.8000	1 1/2							28.02
						15 - 28	ccf		2.6000	2							43.19
						29 - 42	ccf		2.2800	3							81.72
						42 +	ccf		2.5200	4							124.91
		Zone # 2				0 - 14	ccf		1.8900	6							163.44
						15 - 28	ccf		2.1400	8							233.48
						29 - 42	ccf		2.3800	10							291.86
						42 +	ccf		2.6100								
		Zone # 3 & 4				0 - 14	ccf		1.9700								
						15 - 28	ccf		2.2300								
						29 - 42	ccf		2.4600								
						42 +	ccf		2.7000								
		Zone # 5 & 6				0 - 14	ccf		2.0700								
				15 - 28	ccf	2.3300											
				29 - 42	ccf	2.5600											
				42 +	ccf	2.7700											
Commercial																	
Zone # 1					ccf	2.0600											
updated 5/20/2008																	

Water Rate Survey

CITY	EFFECTIVE DATE	MONTHLY RATE BLOCKS		BI-MONTHLY RATE BLOCKS		UNIT	RATE	CONSERVATION PENALTY SYSTEM	MONTHLY METER RENTAL		OTHER CHARGES	SOURCE OF SUPPLY		SPECIAL RATES	RECYCLED WATER	NOTES/ FUTURE CHANGES
		FROM	TO	FROM	TO				SIZE	CHARGE		SUPPLIER	%			
Zone # 2						ccf	2.1400									
Zone # 3 & 4						ccf	2.2300									
Zone # 5 & 6						ccf	2.3300									

Water Rate Survey

CITY	EFFECTIVE DATE	MONTHLY RATE BLOCKS		BI-MONTHLY RATE BLOCKS		UNIT	RATE	CONSERVATION PENALTY SYSTEM	MONTHLY METER RENTAL		OTHER CHARGES	SOURCE OF SUPPLY		SPECIAL RATES	RECYCLED WATER	NOTES/ FUTURE CHANGES
		FROM	TO	FROM	TO				SIZE	CHARGE		SUPPLIER	%			
San Jose Water Co. (Also handles parts of: Cupertino, Los Gatos, Saratoga and Monte Sereno)																
Residential	01/01/08	1 +				ccf	2.2219	None	5/8	14.02	Water Quality	Wells	39%	Yes	Yes	<\$.9493/ccf> credit for agricultural users
		Surcharge				ccf	0.0957		3/4	14.02	Memorandum	SCVWD	51%			
Commercial		1 +				ccf	2.2219		1	23.37	Surcharge	S Cruz Mtns	10%			Surcharges
		Surcharge				ccf	0.0957		1 1/2	46.75						\$.10/mo WRAP
									2	74.79						\$.04+ Loan fund repayment
									3	140.23	Catastrophic					\$.0064/ccf balancing acct
									4	233.72	Events					\$.0454/ccf for purchased water cost increase
									6	467.45	Memorandum					
									8	747.93	Surcharge					\$.0439/ccf for pump tax increase
									10	1,075.15		0.0034				
SANTA CLARA																
Residential	Proposed	1 +				ccf	2.3054	None	5/8	6.98	Outside City:	Normal:		Yes	Yes	
									3/4	6.98	1.5 x reg. Rate	Ground water	65%	<.453>HCF		Well Water Credit
Commercial		1 +				ccf	2.3054		1	11.23		Hetch Hetchy	18%	<.26>HCF		Agricultural credit
									1 1/2	19.62		SCVWD	17%			
									2	28.34						
									3	79.57						
									4	112.27						
									6	219.09						
									8	336.81						
									10	415.29						
									12	534.10						
SUNNYVALE																
	Proposed							None	Monthly		No	Hetch Hetchy	42%	No	Yes	Pending approval
Residential		0 - 6		0 - 12		ccf	1.4200		5/8	4.74		SCVWD	44%		Institutional	
		7 - 33		13 - 66		ccf	2.7502		3/4	5.41		Wells	8%		& Agricultural	\$1.2780/ccf
		34 - 50		67 - 100		ccf	2.9293		1	9.00		Recycled	6%		all others:	\$2.6919/ccf
		51 +		101 +		ccf	3.0175		1 1/2	14.23						
									2	23.57						
Apartments		0 - 4		0 - 8		ccf	1.4200		3	42.38						
		5 - 23		9 - 46		ccf	2.7502		4	54.23						
		24 - 35		47 - 70		ccf	2.9293		6	91.52						
		36 +		71 +		ccf	3.0175		8	179.64						
									10	233.88						
Landscape		1 +		1 +		ccf	2.9889		12	303.37						
Agriculture & Institutional		1 +		1 +		ccf	1.4200									
All Others		0 - 6		0 - 12		ccf	1.4200									
		7 - 20		13 - 40		ccf	2.7502									
		21 - 50		41 - 100		ccf	2.9293									
		51 - 500		101 - 1000		ccf	3.0175									
		201 - 1250		1001 - 2500		ccf	3.0958									
		1251 - 2500		2501 - 5000		ccf	3.1799									
		2501 +		5000 +		ccf	3.2547									

**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2007 TO JUNE 30, 2018**

	ACTUAL 2006/2007	CURRENT 2007/2008	PROPOSED 2008/2009	PROPOSED 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	FY 2007/2008 TO FY 2017/2018 TOTAL
RESERVE/FUND BALANCE, JULY 1	22,533,296	20,609,273	15,097,750	14,469,516	10,883,234	8,673,004	5,740,045	6,406,104	10,424,667	10,282,116	14,404,629	13,322,593	20,609,273
CURRENT RESOURCES:													
Service Fees	18,371,305	19,937,615	21,633,289	23,363,953	24,999,429	26,749,389	28,621,846	30,339,157	31,856,115	33,448,921	35,137,757	36,911,862	312,999,334
Connection Fees	1,906,702	2,383,110	2,503,065	493,319	575,867	704,794	805,000	851,359	854,024	785,397	606,720	708,244	11,270,899
Miscellaneous Revenues	316,167	327,018	304,594	282,105	302,648	331,052	353,749	366,143	370,563	364,188	342,144	363,725	3,707,929
Interest Income	910,610	904,225	549,202	637,714	514,869	402,946	398,508	615,925	599,329	710,668	661,832	619,797	6,615,015
Transfer In General Services Fund	0	60,000	2,737,120	0	0	0	0	0	0	0	0	0	2,797,120
FY 2007/2008 One Time Revenue Loss	0	(300,000)	0	0	0	0	0	0	0	0	0	0	(300,000)
Bond Proceeds	0	0	0	0	7,650,000	7,803,000	7,959,060	8,118,241	55,204,040	56,308,121	57,434,284	58,582,969	259,059,715
TOTAL CURRENT RESOURCES	21,504,783	23,311,969	27,727,270	24,777,090	34,042,813	35,991,181	38,138,164	40,290,825	88,884,071	91,617,296	94,182,736	97,186,597	596,150,012
TOTAL AVAILABLE RESOURCES	44,038,079	43,921,242	42,825,020	39,246,607	44,926,047	44,664,185	43,878,209	46,696,930	99,308,738	101,899,412	108,587,365	110,509,190	616,759,286
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	1,161,345	3,458,637	3,458,637	3,458,637	3,458,637	3,458,637	3,458,637	0	0	0	0	0	20,751,824
Debt Service	1,564,596	1,558,566	1,569,970	1,569,445	1,569,349	1,561,197	1,568,488	1,567,156	1,565,859	1,567,258	1,565,422	1,564,678	17,227,388
Debt Service for New WPCP	0	0	0	0	159,375	478,125	796,875	1,115,625	7,053,687	7,321,437	13,100,600	13,655,312	43,681,036
Operations	12,480,658	12,176,149	13,504,496	13,917,722	14,330,860	14,713,400	15,106,520	15,510,521	15,925,714	16,352,417	16,790,958	17,241,677	165,570,434
Wastewater Equipment Replacement	663,050	663,050	1,063,307	617,063	656,485	1,360,596	618,570	627,236	483,795	617,582	754,597	896,845	8,359,126
In-Lieu Charges	2,588,620	2,060,743	2,212,361	2,280,077	2,367,748	2,438,286	2,510,930	2,585,742	2,662,787	2,742,131	2,823,845	2,907,998	27,592,648
Capital Projects Funding	68,349	1,162,760	48,000	48,960	702,033	1,914,063	301,957	852,996	54,056	55,137	56,240	57,364	5,253,566
Special Projects	251,180	371,666	48,867	149,844	100,780	51,858	52,895	53,953	55,032	111,270	57,255	58,401	1,111,822
Infrastructure Projects	3,049,564	5,767,527	4,996,835	4,818,711	3,475,675	3,477,707	3,570,256	4,112,557	4,498,487	872,395	1,038,264	1,863,367	38,491,780
Project Operating	0	0	0	0	0	0	0	0	0	0	0	0	0
Water Pollution Control Plant Replacement	0	0	0	0	7,650,000	7,803,000	7,959,060	8,118,241	55,204,040	56,308,121	57,434,284	58,582,969	259,059,715
Project Administration	543,477	478,966	171,239	385,984	575,682	478,607	304,134	417,293	217,945	193,333	238,974	207,739	3,669,896
Water Pollution Control Plant Rent	302,683	302,683	311,763	321,116	330,750	340,672	350,893	361,419	372,262	383,430	394,933	406,781	3,876,702
Transfer To General Fund (Pwr Gen. Facility)	737,924	760,062	782,864	806,350	830,541	855,456	881,120	907,554	943,856	981,610	1,020,875	1,051,501	9,821,790
Transfer To General Fund	0	0	0	0	36,414	0	0	0	0	0	0	0	36,414
Transfer To General Services Fund	11,276	12,902	125,000	0	19,380	3,332	0	0	0	0	0	0	160,614
Transfer To Infrastructure Fund	6,084	49,781	0	2,149	2,192	2,236	4,980	55,360	2,675	2,420	2,469	2,518	126,780
Budget Supplements	0	0	62,164	(12,686)	(12,859)	(13,034)	(13,211)	(13,390)	(13,573)	(13,757)	(13,944)	(14,134)	(58,424)
TOTAL CURRENT REQUIREMENTS	23,428,806	28,823,492	28,355,503	28,363,373	36,253,043	38,924,140	37,472,104	36,272,263	89,026,622	87,494,783	95,264,772	98,483,015	604,733,111
RESERVES:													
Debt Service	1,564,596	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061	1,561,061
Contingencies	3,120,165	3,044,037	3,376,124	3,479,430	3,582,715	3,678,350	3,776,630	3,877,630	3,981,428	4,088,104	4,197,740	4,310,419	4,310,419
Rate Stabilization Reserve	15,924,513	10,492,651	9,532,331	5,842,743	3,529,228	500,634	1,068,413	4,985,975	4,739,626	8,755,463	7,563,792	6,154,694	6,154,694
TOTAL RESERVES	20,609,273	15,097,750	14,469,516	10,883,234	8,673,004	5,740,045	6,406,104	10,424,667	10,282,116	14,404,629	13,322,593	12,026,175	12,026,175
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Sewer Rate Increase	6.0%	8.5%	8.5%	8.0%	7.0%	7.0%	7.0%	6.0%	5.0%	5.0%	5.0%	5.0%	
PRIOR YEAR STATISTICS:													
Prior Year Sewer Rate Increase	7.5%	5.5%	8.5%	8.5%	8.0%	8.0%	8.0%	7.5%	7.5%	7.5%	7.5%	4.0%	

**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2018 TO JUNE 30, 2028**

	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	FY 2018/2019 TO FY 2027/2028 TOTAL	FY 2007/2008 TO FY 2027/2028 TOTAL
RESERVE/FUND BALANCE, JULY 1	12,026,175	8,291,738	6,425,113	6,435,837	6,392,143	7,071,083	7,919,673	8,960,702	9,186,698	8,420,464	12,026,175	20,609,273
CURRENT RESOURCES:												
Service Fees	38,757,455	40,695,328	42,730,095	44,866,599	46,661,263	47,594,488	48,546,378	49,517,306	50,507,652	51,517,805	461,394,370	774,393,704
Connection Fees	875,223	1,009,366	937,268	731,069	861,687	1,064,842	1,228,048	1,311,380	1,328,257	1,233,381	10,580,522	21,851,420
Miscellaneous Revenues	395,660	420,815	417,766	399,018	423,057	452,033	475,049	488,370	494,502	489,712	4,455,982	8,163,912
Interest Income	528,402	425,964	431,749	431,102	475,301	527,420	590,666	618,653	567,279	551,534	5,148,070	11,763,085
Transfer In General Services Fund	0	0	0	0	0	0	0	0	0	0	8,391,360	11,188,480
FY 2007/2008 One Time Revenue Loss	0	0	0	0	0	0	0	0	0	0	0	(300,000)
Bond Proceeds	59,754,628	61,547,268	0	0	0	0	0	0	0	0	121,301,896	380,361,611
TOTAL CURRENT RESOURCES	100,311,368	104,098,741	44,516,878	46,427,789	48,421,309	49,638,784	50,840,141	51,935,708	52,897,690	53,792,432	611,272,200	1,207,422,212
TOTAL AVAILABLE RESOURCES	112,337,543	112,390,478	50,941,992	52,863,626	54,813,452	56,709,867	58,759,814	60,896,410	62,084,388	62,212,896	623,298,374	1,228,031,485
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	20,751,824
Debt Service	1,565,665	994,689	992,830	989,410	989,305	992,265	988,543	987,874	990,007	989,818	10,480,406	27,707,794
Debt Service for New WPCP	16,643,499	17,364,249	17,505,807	17,906,537	17,912,691	18,042,134	18,046,211	18,042,595	18,047,576	18,042,384	177,553,683	221,234,719
Operations	17,864,249	18,509,712	19,178,919	19,872,760	20,592,155	21,338,060	22,111,468	22,913,409	23,744,951	24,607,206	210,732,889	376,303,323
Wastewater Equipment Replacement	1,258,716	1,460,428	436,704	978,510	1,022,182	850,210	754,874	1,081,836	2,193,929	1,444,466	11,481,855	19,840,981
In-Lieu Charges	3,023,401	3,143,775	3,268,944	3,399,100	3,534,227	3,675,178	3,821,519	3,973,693	4,131,930	4,296,472	36,268,239	63,860,887
Capital Projects Funding	59,085	60,858	62,684	64,564	66,501	68,496	70,551	72,668	74,848	77,093	677,348	5,930,913
Special Projects	60,153	61,957	126,500	65,730	67,702	69,733	71,825	146,668	76,200	78,486	824,954	1,936,776
Infrastructure Projects	1,967,494	2,077,681	2,194,288	2,317,700	2,517,594	2,657,931	2,806,427	3,266,345	3,051,891	3,138,337	25,995,688	64,487,468
Project Operating	0	(1,009,000)	(1,049,360)	(1,091,334)	(1,134,988)	(1,180,387)	(1,227,603)	(1,276,707)	(1,327,775)	(1,380,886)	(10,678,040)	(10,678,040)
Water Pollution Control Plant Replacement	59,754,628	61,547,268	0	0	0	0	0	0	0	0	121,301,896	380,361,611
Project Administration	344,034	319,011	160,436	257,682	411,129	364,123	448,343	465,142	617,452	676,889	4,064,241	7,734,137
Water Pollution Control Plant Rent	423,052	439,974	457,573	475,876	494,911	514,707	535,296	556,707	578,976	602,135	5,079,206	8,955,908
Transfer To General Fund (Pwr Gen. Facility)	1,093,561	1,137,304	1,182,796	1,230,108	1,279,312	1,330,485	1,383,704	1,439,052	1,496,614	1,556,479	13,129,414	22,951,204
Transfer To General Fund	0	0	0	0	0	0	0	52,987	0	0	52,987	89,401
Transfer To General Services Fund	0	0	0	0	0	0	0	0	0	0	0	160,614
Transfer To Infrastructure Fund	2,594	2,671	2,752	19,759	4,769	82,586	3,491	3,190	3,286	3,384	128,482	255,262
Budget Supplements	(14,326)	(145,211)	(14,718)	(14,919)	(15,122)	(15,327)	(15,536)	(15,747)	(15,961)	(16,178)	(283,045)	(341,469)
TOTAL CURRENT REQUIREMENTS	104,045,805	105,965,365	44,506,154	46,471,483	47,742,368	48,790,194	49,799,113	51,709,712	53,663,924	54,116,084	606,810,202	1,211,543,313
RESERVES:												
Debt Service	1,561,061	989,250	989,250	989,250	989,250	989,250	989,250	989,250	989,250	989,250	989,250	989,250
Contingencies	4,466,062	4,627,428	4,794,730	4,968,190	5,148,039	5,334,515	5,527,867	5,728,352	5,936,238	6,151,802	6,151,802	6,151,802
Rate Stabilization Reserve	2,264,614	808,436	651,857	434,703	933,795	1,595,908	2,443,585	2,469,096	1,494,976	955,761	9,347,121	9,347,121
TOTAL RESERVES	8,291,738	6,425,113	6,435,837	6,392,143	7,071,083	7,919,673	8,960,702	9,186,698	8,420,464	8,096,813	16,488,173	16,488,173
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Sewer Rate Increase	5.0%	5.0%	5.0%	5.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%		
PRIOR YEAR STATISTICS:												
Prior Year Sewer Rate Increase	3.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%		

Wastewater Rate Survey

City	Effective Date	Treatment Plant	Monthly Rates For				Comments
			Residential	Apartments	Mobile Homes	Standard Commercial (\$ per ccf)	
Cupertino	07/01/05	San Jose/Santa Clara	21.00	21.00/unit	21.00/unit	1.8890	*Min \$15.75/mo
Los Altos	07/01/06	Palo Alto	23.75	23.75/unit	N/A	43.70/month	Plus 21.85 for each toilet/urnial over one
Fremont	07/15/07	Union Sanitary	20.28	17.91/unit	17.91/unit	2.7500	*General rate: \$5.10/ccf strong, \$2.40/ccf low Restaurants: fast food, \$4.88/1000 gal ; full service \$6.23/1000 gal
Milpitas	07/24/06	San Jose/Santa Clara	29.85	21.57/unit	13.44/unit	2.3900	*Plus bi-monthly flat rate of \$10.08
Mountain View	Proposed	Palo Alto	23.04	23.04/unit	23.04/unit	2.7560	*Minimum sewer charge \$19.29
Palo Alto	07/01/06	Palo Alto	23.48	23.48/unit	23.48/unit	4.8300	*Minimum charge \$23.48
San Jose	07/01/07	San Jose/Santa Clara	23.57	13.47/unit	13.48/unit	31.71/month	Plus 7.50/acre/mo
Santa Clara	Proposed	San Jose/Santa Clara	12.76	12.76/mo	12.76/unit	1.3860	Based on 90% of metered water use; minimum charge \$12.60/mo
Sunnyvale	Proposed	Sunnyvale WPCP	26.02	16.25/unit	16.25/unit	2.5398	

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE ESTABLISHING RATES AND CHARGES FOR WATER AND WASTEWATER FOR FISCAL YEAR 2008/2009 AND REPEALING ALL RESOLUTIONS OR PORTIONS THEREOF INCONSISTENT HEREWITH

WHEREAS, the City Council is empowered to impose reasonable rates and charges for municipal services;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE that:

SECTION 1. WATER AND WASTEWATER SERVICES WITHIN CITY LIMITS (Sunnyvale Municipal Code Chapters 12.16 and 12.24.) Water and wastewater services sold to consumers within the corporate limits of the City of Sunnyvale shall be sold at the rates specified in the spreadsheet attached hereto as EXHIBIT A.

SECTION 2. WATER OUTSIDE CITY LIMITS. The charges for all water, except reclaimed water, delivered through water meters to consumers outside the corporate limits of the City shall be the same as the charges set forth in Section 1.

SECTION 3. EFFECTIVE DATES. This resolution shall be effective upon adoption and all rates will become effective upon adoption by the City Council. Rates for monthly customers will begin appearing on bills after July 21, 2008. Rates for bi-monthly customers will begin appearing on bills after August 4, 2008.

SECTION 4. ENVIRONMENTAL FINDINGS. The City Council finds that adoption of this resolution is exempt from the requirements of the California Environmental Quality Act pursuant to Public Resources Code Section 21080(b)(8) and further advises that the modifications of the rates contained herein are for the purposes of (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment or materials; (3) meeting financial reserve needs and requirements; (4) obtaining funds for capital projects necessary to maintain current service levels; and (5) obtaining funds necessary to maintain intra-city transfers.

Adopted by the City Council at a regular meeting held on _____, 2008, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM AND LEGALITY:

David E. Kahn, City Attorney

**SCHEDULE OF PROPOSED WATER AND SEWER UTILITY SERVICE RATES
FISCAL YEAR 2008/2009**

WATER RATES – Within City Limits

All potable water users billed monthly and bi-monthly, except landscape, agricultural and institutional users, shall pay a water charge for each on hundred (100) cubic feet, or part thereof, of water as follows:

Apartment Users ¹ (Per Hundred Cubic Feet)	Billed	Billed	Current Rate	Proposed Rate	% Increase
	Monthly	Bi-Monthly			
	0 – 4 CCF	0 – 8 CCF	\$ 1.2909	\$ 1.4200	10.0%
	5 – 23 CCF	9 – 46 CCF	\$ 2.5002	\$ 2.7502	10.0%
	24 – 35 CCF	47 – 70 CCF	\$ 2.6630	\$ 2.9293	10.0%
	36+ CCF	71+ CCF	\$ 2.7432	\$ 3.0175	10.0%
Residential Users (other than Apartments)					
	Billed	Billed			
	Monthly	Bi-Monthly			
	0 – 6 CCF	0 – 12 CCF	\$ 1.2909	\$ 1.4200	10.0%
	7 – 33 CCF	13 – 66 CCF	\$ 2.5002	\$ 2.7502	10.0%
	34 – 50 CCF	67 – 100 CCF	\$ 2.6630	\$ 2.9293	10.0%
	51 + CCF	101 + CCF	\$ 2.7432	\$ 3.0175	10.0%

¹In residential developments where two (2) or more dwelling units are served by a common meter, the upper limit (in cubic feet) of each rate block shall be multiplied by the dwelling units served by the common meter in calculating the rates to be applied to water usage monitored by the common meter. In such case, the lower limit of each rate block shall be one (1) cubic foot over the upper limit of the next lower rate block.

Commercial, Industrial, Fire Line, and New Construction Users (Per Hundred Cubic Feet)	Billed	Billed	Current Rate	Proposed Rate	% Increase
	Monthly	Bi-Monthly			
	0 – 6 CCF	0 – 12 CCF	\$ 1.2909	\$ 1.4200	10.0%
	7 – 20 CCF	13 – 40 CCF	\$ 2.5002	\$ 2.7502	10.0%
	21 – 50 CCF	41 – 100 CCF	\$ 2.6630	\$ 2.9293	10.0%
	51 – 500 CCF	101 – 1000 CCF	\$ 2.7432	\$ 3.0175	10.0%
	501 – 1250 CCF	1001 – 2500 CCF	\$ 2.8144	\$ 3.0958	10.0%
	1251 – 2500 CCF	2501 – 5000 CCF	\$ 2.8908	\$ 3.1799	10.0%
	2501+ CCF	5001+ CCF	\$ 2.9588	\$ 3.2547	10.0%

Other Users (Per Hundred Cubic Feet)					
Landscape Users			\$ 2.7172	\$ 2.9889	10.0%
Agricultural and Institutional Users			\$ 1.2909	\$ 1.4200	10.0%
Reclaimed Water – Landscape Users			\$ 2.4472	\$ 2.6919	10.0%
Reclaimed Water – Agricultural and Institutional Users			\$ 1.1618	\$ 1.2780	10.0%

Fire Line Standby Charges					
Meter Size	Current Rate	Proposed Rate	Current Rate Bi-	Proposed Rate	% Increase
	Monthly	Monthly	Monthly	Bi-Monthly	
Under 4"	\$ 4.86	\$ 5.35	\$ 9.72	\$ 10.69	10.0%
4" and Over	\$ 11.34	\$ 12.47	\$ 22.68	\$ 24.95	10.0%

WATER SERVICE FEES (by meter size)

In addition to water use as noted above, all users who are billed monthly and bi-monthly shall pay service charges based on meter size as follows:

Meter Size	Current Rate	Proposed Rate	Current Rate	Proposed Rate	% Increase
	Monthly	Monthly	Bi-Monthly	Bi-Monthly	
5/8" x 3/4"	\$ 4.31	\$ 4.74	\$ 8.62	\$ 9.48	10.0%
3/4"	\$ 4.92	\$ 5.41	\$ 9.84	\$ 10.82	10.0%
1"	\$ 8.18	\$ 9.00	\$ 16.36	\$ 18.00	10.0%
1-1/2"	\$ 12.94	\$ 14.23	\$ 25.88	\$ 28.46	10.0%
2"	\$ 21.43	\$ 23.57	\$ 42.86	\$ 47.14	10.0%
3"	\$ 38.53	\$ 42.38	\$ 77.06	\$ 84.76	10.0%
4"	\$ 49.30	\$ 54.23	\$ 98.60	\$ 108.46	10.0%
6"	\$ 83.20	\$ 91.52	\$ 166.40	\$ 183.04	10.0%
8"	\$ 163.31	\$ 179.64	\$ 326.62	\$ 359.28	10.0%
10"	\$ 212.62	\$ 233.88	\$ 425.24	\$ 467.76	10.0%
12"	\$ 275.79	\$ 303.37	\$ 551.58	\$ 606.74	10.0%

**SCHEDULE OF PROPOSED WATER AND SEWER UTILITY SERVICE RATES
FISCAL YEAR 2008/2009**

SEWER RATES

Residential Users	Current Rate Monthly	Proposed Rate Monthly	Current Rate Bi-Monthly	Proposed Rate Bi-Monthly	% Increase
Single Family Dwellings, per unit	\$ 23.98	\$ 26.02	\$ 47.96	\$ 52.04	8.5%
All other Residential Dwellings, per unit	\$ 14.98	\$ 16.25	\$ 29.96	\$ 32.50	8.5%

Commercial Users (per 100 cubic ft.)	Current Rate	Proposed Rate	% Increase
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The monthly rate for sewer service for each commercial user shall be the following charge for each one hundred (100) cubic feet or fraction thereof of sanitary sewage and waste discharge for the premises:

Low Strength	\$ 2.0799	\$ 2.2567	8.5%
Standard Strength	\$ 2.3408	\$ 2.5398	8.5%
High Strength	\$ 4.4839	\$ 4.4839	0.0%

Significant Industrial Users ** (per 100 cubic feet)			
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The monthly rate for sewer service for all significant industrial users for each one hundred (100) cubic feet or fraction thereof, of sanitary sewage and waste discharge from the premises shall be the annual flow total in one hundred cubic feet divided into the sum of the following:

Per 1,000,000 gallons of sewage discharged plus	\$ 2,224.71	\$ 2,413.81	8.5%
Per 1,000 pounds of "suspended solids" discharged plus	\$ 1,545.71	\$ 1,677.10	8.5%
Per 1,000 pounds of "total organic carbon" discharged plus	\$ 918.76	\$ 996.85	8.5%
Per 1,000 pounds of "ammonia nitrogen"	\$ 2,859.45	\$ 3,102.50	8.5%

** The Monthly rate shall not be less than the Standard Strength rate for commercial premises