



City of Sunnyvale  
Department of Finance  
650 W. Olive Ave  
Sunnyvale, CA 94086-7637

Office of Utility Billing Phone: (408) 730-7400 TDD: (408) 730-7501 FAX: (408) 737-4950

## NOTICE OF PUBLIC HEARING

### PROPOSED RATE INCREASES FOR WATER, WASTEWATER AND SOLID WASTE SERVICES FISCAL YEAR 2011/2012

The Sunnyvale City Council will hold a public hearing regarding proposed increases to utility rates for City-provided water, sewer and solid waste services on **Tuesday, June 14, 2011, at 7 p.m. in the City Council Chambers located at 456 W. Olive Avenue in Sunnyvale.**

#### PROPOSED RATE INCREASES

With the proposed rates, the average monthly residential water, wastewater, and garbage utility bill (based on 12 units of water use and 65-gallon garbage service) will increase by 11.6 percent (equal to \$11.44 per month or \$137 per year). Individual utility rates may vary, however as a whole the proposed rate increases are:

Water – 18 percent  
Wastewater – 5.5 percent  
Solid Waste – 6 percent

The most common rates for each customer class are included with this notice. A complete rate schedule and comparisons between Sunnyvale's rates and those of surrounding communities are available at [UtilityRates.inSunnyvale.com](http://UtilityRates.inSunnyvale.com) or by calling (408) 730-7400, TDD (408) 730-7501.

#### GENERAL INFORMATION REGARDING RATE INCREASES

Sunnyvale rates for utility services are based entirely on the City's costs for operating and maintaining its utility facilities and services. As part of the process of reviewing the financial condition of the City's utilities, the City Council considers annual adjustments in utility rates. These changes include revised projections for rate increases over the next 20 years. This year, the overall change in water rates is nine percentage points higher than planned, the change in sewer rates is two percentage points less than planned, and solid waste and recycling rates are one percentage point less than planned.

#### *Water Rate Increases*

Water rates pay for the safe and reliable delivery of water to all Sunnyvale residents and businesses. Increases in water rates are being driven by two factors:

- First, the total cost of purchasing water from the City's wholesale suppliers is increasing **more than 25 percent**, with water purchased from the San Francisco Public Utilities Commission rising **more than 40 percent** in cost.
- Second, the proposed rates include modifications to the City's pricing structure to adjust rates to *more closely reflect the cost of providing service*. These modifications include adjustments to the tiered pricing structure that is currently in place, which will affect various types of customers differently.

Please see the reverse side of this notice for examples of how rates will affect residential customers. For examples of commercial and apartment rate changes, please visit [UtilityRates.inSunnyvale.com](http://UtilityRates.inSunnyvale.com).

**EFFECT OF PROPOSED CHANGES TO WATER RATES ON RESIDENTIAL WATER BILLS**

Water Use per Month in Hundred Cubic Feet (CCF) One CCF = 748 gallons	Current Monthly Bill (including meter charge)	Proposed Monthly Bill (including meter charge)	Percent Change
4 CCF (minimal indoor use)	\$12.19	\$14.44	18%
15 CCF (average summer use)	\$43.73	\$52.39	20%
25 CCF (twice the average monthly use)	\$75.13	\$101.89	35.5%

The above table illustrates how conserving water can directly affect your utility bill. For ideas on how to conserve water, visit [WaterConservation.inSunnyvale.com](http://WaterConservation.inSunnyvale.com).

**Wastewater Rate Increases**

Wastewater rates pay for the safe and reliable removal of wastewater (sewage) from all residences and businesses in Sunnyvale. The recommended increases in wastewater rates are two percentage points less than projected. Wastewater rates continue to be driven by needed improvements to the City’s wastewater collection and treatment infrastructure, which are projected to total \$445 million over the next twenty years. Over the past several years, the *Sunnyvale Works!* program has resulted in significant savings in wastewater-related projects. This, combined with other savings, has enabled the reduction in the planned rate increase.

**Solid Waste and Recycling Rates**

Solid waste and recycling rates pay for weekly curbside removal of garbage from all Sunnyvale residences and businesses. These rates also include weekly curbside recycling services, weekly curbside yard waste recycling, and processing, transfer and disposal of solid waste. The recommended increases in solid waste and recycling rates are one percentage point less than anticipated last year. The City has been experiencing declining solid waste revenues from the economic downturn, primarily as a result of reduced business activity in the City. Through the implementation of Choice Collect, the City was able to reduce costs in the solid waste utility, most recently reducing solid waste collection costs by an anticipated \$12 million over the next 10 years, resulting in the reduction in the planned rate increase.

Additional details regarding factors influencing rate changes will be available in the 2011–2012 Utility Rate Report to Council. This report will be available in the City Clerk’s Office and on the City’s website ([www.sunnyvale.ca.gov](http://www.sunnyvale.ca.gov)) at least two weeks prior to the hearing.

**PROTEST PROCESS**

If you wish to protest the proposed service rate increases, the City must receive your *written* protest prior to the close of the public hearing on June 14, 2011. As required by California Proposition 218, should the City Council receive written protests from a majority of customers, the proposed rates will not become effective and the current rates will remain in place. Mail or deliver written protests to:

Attention: Utility Rate Protest  
 City of Sunnyvale, Department of Finance  
 650 W. Olive Avenue, Sunnyvale, CA 94086-7637

*For your protest to be counted, please include one of the following: the address(es) or Assessor’s Parcel number(s) of the property(ies) you own, or the utility account number(s) or address(es) for open utility account(s) that are subject to the proposed rate adjustment. Protests are limited to one per parcel. If you have any questions about the protest process, please call (408) 730-7400, TDD (408) 730-7501.*

This letter may be made available upon request in alternative formats by calling the City of Sunnyvale Utility Billing Office at (408) 730-7400, TDD (408) 730-7501.