

**Council Meeting: June 15, 2010****SUBJECT: Adoption of Proposed FY 2010/2011 Rates for Water, Wastewater and Solid Waste 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, wastewater, and solid waste utilities.

Individual rates and monthly bills may vary however, as a whole the recommended increases are as follows: 7.5% increase in water rates, a 4.5% increase in wastewater rates, and a 7.5% increase in solid waste rates. These increases will result in the average single family residential monthly bill going up by:

- Water \$2.07
- Wastewater \$1.26
- Solid Waste \$2.45
- Total \$5.78

The new total average monthly bill will be \$98.59, an increase of 6.2% over the current year. The City's commercial rates will increase by the same overall percentage as residential rates. Detailed single family rate comparisons are included as Attachment A and commercial rate comparisons are provided as Attachment B.

The rate increases are based on the recommended FY 2010/2011 Budget that is currently being reviewed by the City Council. Each year, staff provides Council with not only the proposed rates, but planned increases over twenty years. Water rates, which are proposed to be as planned, are increasing primarily as a result of rising wholesale water costs and reduced sales due to water conservation and the economic downturn. Additionally, the price differences between water tiers have been adjusted to encourage conservation of water. The proposed increase in wastewater rates is three percentage points less than planned and is necessary to cover needed infrastructure and capital costs for our aging wastewater treatment plant and collection system. Increases in solid waste rates are two percentage points more than planned and are

resulting from a combination of increases in the City's costs for providing solid waste collection and disposal, reduced revenues, and the economic downturn.

BACKGROUND

Sunnyvale utility rates are based entirely on the City's costs for operating and maintaining its water, wastewater, and solid waste 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. 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 stable levels 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 increases or decreases in costs and revenues 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, the cost of the City's solid waste collection contract with Bay Counties Waste Services, 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 notice of proposed utility rates was mailed on April 29th.

Proposition 218 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 of protests 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 protest 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 from residents who are not either property owners or utility account holders with the city shall not be counted.

As of the preparation of this report, staff has received 260 protests. These fall primarily into four categories. The majority (151) are protests that record the protestor's opposition to the rate increases. Fifty eight protests state that raising rates under the current economic conditions is unreasonable. The third category of protests, of which staff has received thirty five, base their objection on the protestor's low or fixed income. The fourth category has received 16 protests against rate increases on the basis of poor or reduced service. It should be noted that any service concerns raised through this process are forwarded to the appropriate operating manager for review.

EXISTING POLICY

Sunnyvale Municipal Code sections 12.16.020 (Wastewater), 12.24.010 (Water), and 8.16.120 (Solid Waste) 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 user 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 Rates

Water rates pay for the safe and reliable delivery of water to all Sunnyvale residents and businesses. The Water Supply and Distribution Fund (Attachment C) accounts for all revenues and expenses related to the City-operated water utility. Expenses include costs for wholesale water, capital and infrastructure project-related costs, debt service, and other operating costs. Revenues consist of service fees for water and recycled water, water-related public works and construction fees, and interest income. After expenditure levels are developed water rates are set to collect enough revenue to maintain the fund in a sustainable financial position.

Sunnyvale currently receives water from four different sources. For FY 2010/2011, approximately 45% is projected to come from the Hetch-Hetchy

system operated by the San Francisco Public Utilities Commission (SFPUC), 45% from the Santa Clara Valley Water District (SCVWD), 3% from well water, and the remaining 7% from recycled water.

Overall, city wide water demand is down about 6% since FY 2008/2009 and is projected to be down an additional 1.5% for FY 2010/2011, with moderate growth projected for FY 2011/2012. Over the past several years, efforts to conserve water and the economic downturn have been the primary drivers of reduced water usage. However in the current year, water sales are dropping as a result of a wet year, with rain extending well into the spring. This is reaching the point where the City is approaching the contractual minimums required by both of our wholesale contracts.

With regards to the purchase of water, a significant portion of the Water Fund's direct expenditure budget is the cost of purchased water, which currently makes up 72% of the budget and is projected to reach 80% in the first ten years of the Long-Term Financial Plan. Currently for FY 2009/2010 the City is paying the SFPUC approximately \$743 per acre foot, including meter charges. Current charges for SCVWD purchased water are \$520 per acre foot plus a \$100 per acre foot treated water charge, for a total of \$620 per acre foot. The forecast anticipates costs for FY 2010/2011 of \$864 per acre foot including meter charges for SFPUC water. This represents a 16.2% increase over last year's cost. The forecast for SCVWD is that rates will remain the same at \$620 per acre foot.

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 2010/2011 is \$604 per acre foot, an increase of 0.3% over last year's unit cost of \$602. Due to the projected difference in cost from our suppliers, staff attempts to purchase water at the lowest possible cost. The city's system allows us to move water from one portion of the City to another to some extent and staff monitors and adjusts our purchases based on our needs and our ability to utilize the most cost effective source, balanced with our minimum contractual requirements for purchase.

Considering all sources of potable water, and an expected reduction in total sales, the City's total purchased water costs for FY 2010/2011 are projected to be 6.2% higher than FY 2009/2010.

Lastly, 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. In prior years, the City received a \$115 per acre foot rebate from the SCVWD to encourage use of recycled water, but this rebate stopped at the end of August 2009. Staff has

had ongoing discussions with the District to reinstitute the rebate in some form and it has indicated an interest in participating in recycled water capital improvement projects versus operating costs. Staff will continue to pursue this option to allow for the maintenance and expansion of the recycled water distribution system.

Forecasting Water Purchase Expenses

The first step in setting rates for the Water Fund is completion of a 20-Year Water Production Forecast. This analysis looks at the total amount of water that will be needed for the next 20 years, taking into account demand trends, water conservation, growth and projections of population. Staff then obtains projections from each of the City’s water wholesalers for next year and future rates. Available future rates generally range from zero to nine additional years, depending upon the wholesaler.

This year, both SFPUC and the Santa Clara Valley Water District have provided staff with wholesale rate projections for the next ten years. These projections are reflected in the following table.

Projected Increases in Wholesale Rates		
Fiscal Year	SFPUC	SCVWD
2010/2011	15.2%	0.0%
2011/2012	10.2%	8.7%
2012/2013	29.2%	8.8%
2013/2014	5.3%	8.9%
2014/2015	12.6%	9.7%
2015/2016	20.4%	9.5%
2016/2017	-2.5%	9.3%
2017/2018	0.1%	8.5%
2018/2019	0.7%	6.3%
2019/2020	-1.3%	5.4%

SFPUC charges consist of two separate components - a meter charge and a charge for purchased water. In addition to these charges, the recently adopted water supply contract with the SFPUC includes a new provision that allows the Bay Area Water Supply and Conservation Agency (BAWSCA) to collect a Water Management Charge of up to \$0.02 per unit of water (a unit is 100 cubic feet or 748 gallons). The City is a member of BAWSCA which is a formal group of the 27 suburban water purchasers that are served by the SFPUC. The charge will fund conservation and supply development programs administered by BAWSCA. This year, the SFPUC has projected a 15.2% increase in the cost for purchased water. In addition, staff has included the new Water Management

Charge from BAWSCA in our forecast. The Water Management Charge will be considered by the BAWSCA board in June for adoption in July. The combination of these increases in cost, plus an overall reduction in the projected purchase of SFPUC water results in a 16.2% increase in the unit cost of water from the SFPUC for rate setting purposes.

A major factor in the rates charged by the SFPUC is the massive \$4 billion infrastructure renovation project needed on its regional water system. The SFPUC must issue debt to fund a project of this size, and therefore must maintain a revenue base sufficient to cover the considerable debt service. One of the provisions of the City's contract with the SFPUC is that capital improvement projects can not be charged to retailers until these projects are completed and in operation. Completion of this series of projects is linked to the timing and size of the rate changes that are projected over the next ten years by the SFPUC.

For the Long-Term Financial Plan, staff has adjusted the annual meter charges upwards by 20% every five years to reflect the SFPUC's historical practices. Finally, staff has taken SFPUC's two years of projected decreases in rates in FY 2016/2017 and FY 2019/2020 and substituted a "zero" growth rate scenario for that year in order to be as realistic as possible in our long-term projections. This is consistent with past projections for reductions in rates that ultimately did not materialize or were offset by larger increases in subsequent years.

Beginning in FY 2020/2021, staff is recommending a very modest growth in SFPUC's base costs of about 0.8% per year, again with meter charges increased every five years. 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. Therefore, the 0.8% represents the amount that this component of fixed operating costs is expected to rise over the long term.

The cost of wholesale water purchased from SCVWD is projected to remain the same for FY 2010/2011. Due to the economic climate, the SCVWD has been under significant pressure from its retail customers to hold rates as low as possible. For purposes of setting the FY 2010/2011 water rates, staff has used the zero increase scenario for SCVWD wholesale water recommended by District staff for the current year and used their most recent projections going forward.

Water Rate Pricing Review

Since the early 1980s, the City's water rates have been designed to send pricing signals to customers to encourage prudent use of this very valuable

resource. This is done through a rate structure called an “inclining block tier” structure. Under this structure, the more water a customer uses, the more they pay per unit of usage. The cost of service basis for this type of structure is based on the theory that larger water users require the utility to install larger systems, acquire more supply, and use more energy. Therefore, those costs are allocated to those users through higher per unit costs at higher usage rates.

The issue with this structure is that if it is successful, and remains unchanged, the City’s water revenue declines in two ways. First, the City simply sells less water as the pricing structure drives customers to conserve. Secondly, water is sold primarily at the lower tiers which in some cases do not cover the full cost of service.

This issue has had a significant impact on the water utility’s financial health over the past several years as it has seen a decrease in demand due to economic conditions and drought. Last year, staff implemented changes to the Service Fees charged to each customer. Service Fees are the fixed charges that represent a portion of the customer’s fixed cost of the system. In follow up to this, staff has been reviewing the water infrastructure in an effort to understand how to best allocate costs among the various customer classes to sharpen the degree of equity that can be achieved in the rates charged to customers for the use of water. As a result of this work, staff is recommending a two-phased approach.

First, the FY 2010/2011 rates recommend changes to the price difference between water rate tiers across all classes of residential customers. One of the primary purposes of an inclining block tier rate is to send price signals to customers to encourage the prudent use of water. The difference in the unit cost for water under the current rates is very small, amounting to only \$0.19 per unit between tiers two and three and only \$0.10 per unit between tiers three and four. Additionally, this is inconsistent with the much larger difference of \$1.44 per unit between tiers one and two. To correct this issue, staff has proposed rates that adjust the difference in rates for each tier to \$1.50 per unit of water between all three tiers.

In a typical year, when no change in pricing structure is made, all customers would see the same percentage increase year over year for the same amount of consumption. However, the change proposed in this year’s rates creates a difference in how large the change in the monthly bill will be at different levels of water use.

In summary, some changes are slightly less than the overall 7.5% increase and some are much larger. The smaller changes are due to the fact that evening out the price difference between tiers actually results in a rate increase for tier two of less than 7.5%. The larger changes are for the opposite reason, as the

price differential for tiers three and four is being increased by much more than 7.5%. The following table details the percentage changes at various levels of consumption. This comparison includes the fixed monthly service charge for a 5/8" meter. Tier one consumption is 0-6 ccf. Tier two consumption is 7-33 ccf. Tier three consumption is 34-50 ccf and tier four consumption is 51 ccf and over.

RESIDENTIAL MONTHLY WATER BILL EXAMPLES				
Monthly Consumption (CCF)	Current Monthly Bill	Proposed Monthly Bill	\$-Change	%-Change
4	\$ 11.36	\$ 12.21	\$ 0.85	7.5%
8	\$ 20.36	\$ 21.78	\$ 1.42	7.0%
12	\$ 32.24	\$ 34.31	\$ 2.07	6.4%
24	\$ 67.88	\$ 72.02	\$ 4.14	6.1%
35	\$ 100.93	\$ 109.56	\$ 8.63	8.6%
45	\$ 132.53	\$ 155.96	\$ 23.43	17.7%
55	\$ 164.63	\$ 209.86	\$ 45.23	27.5%

The second phase of staff's work on the pricing structure will come in FY 2010/2011 for implementation with the FY 2011/2012 rates. This work will involve identifying both where the actual tiers should break with regards to the use of water and how large each tier should be. For example, currently the bottom tier in the single family rates is 0-6, and the second tier is 7-33 units per month. Only 3% of all single family consumption falls above the bottom two tiers, rendering the third and fourth tiers essentially unused. This reflects the success of the existing structure and the shift in demands to the bottom two tiers discussed above and also suggests that the size of the tiers needs to be reduced to send meaningful conservation signals. Staff will continue to review usage trends and make a recommendation on the second round of changes to pricing as part of the FY 2011/2012 rates to be considered by Council.

Operations and Capital Expenses

The remaining 28% 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 2010/2011 Budget includes a 15.2% increase from FY 2009/2010 in budgeted expenditures for operations, largely reflecting increased personnel costs. The Water Resources operating budget includes a number of changes due to new state requirements for maintaining, monitoring, sampling, and reporting water quality. Staffing changes are also being recommended to meet optimal maintenance and operation guidelines set forth by the American Water Works Association.

Meeting these standards will increase fire hydrant flushing and maintenance, water valve exercising, and water blow-off flushing. Three new full-time positions are proposed to staff this change in service level.

The Water Fund contains annual debt service of approximately \$2.4 million in FY 2010/2011. This consists of three components. First, \$1.2 million is appropriated through FY 2020/2021 for the Water Fund's portion of the City's Water and Wastewater Revenue Bonds which will be refunded in the current year. Debt Service for a new 2010 Water Bond issue which will raise \$18 million for various water infrastructure projects is also included beginning in FY 2010/2011. Finally, Debt Service also includes the Water Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Avenue Government Center property. This latter debt service, in the amount of about \$86,000, continues throughout the 20-Year Financial Plan.

Over the past few years, staff has been working to identify and scope projects to improve the City's water supply and distribution system. \$27 million in capital, special and infrastructure projects are included in the first ten years of the FY 2010/2011 Long-Term Financial Plan, and an additional \$17.7 million in fully-identified water infrastructure, special and capital projects are included in the second ten years of the plan. These projects include repair and replacement of water mains and facilities in the distribution system that are approaching the ends of their useful lives.

As mentioned above, staff is recommending the issuance of \$18 million in Water Revenue Bonds in order to supplement the funding of these projects. Due to the age of the system and the corresponding need for maintenance and replacement, the funding needs are front loaded in the Long-Term Financial Plan. The Revenue Bonds will moderate the impact of these projects on rates and spread their costs over the useful life of the infrastructure. The Revenue Bonds, which will be issued in June 2010, will help keep rate increases predictable and moderate.

Recommended FY 2010/2011 Water Rate Increase

The proposed Water Supply and Distribution Fund Long-Term Financial Plan (Attachment C) reflects the recommendation that water charges increase by 7.5%. The projected rate increases anticipated over the remainder of the 20 years are shown at the bottom of the Water Supply and Distribution Fund Long Term Financial Plan

The Water Rate Survey is presented as Attachment D. 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. It should be noted that staff anticipates that Sunnyvale's rate position

in relation to the other cities may change as a result of the second round of pricing structure changes planned for the FY 2011/2012 rates.

In general, Attachment D compares the City's proposed rate with the existing rates of the other cities. It is expected that changes in wholesale rates will cause neighboring cities that purchase water from the same wholesalers to adjust their rates in the same way during the current year.

Wastewater Rates

Wastewater rates pay for the safe and reliable removal of wastewater (sewage) from all residences and businesses in Sunnyvale. Wastewater rates also pay for half of the City's street sweeping services, plus storm water management, non-point source pollution prevention and other critical public services. The Wastewater Management Fund (Attachment E) accounts for the revenues and expenses related to the City-operated wastewater collection and Water Pollution Control Plant services.

The City owns and operates an extensive system for management of wastewater within City limits and in a small area in northern Cupertino. The system includes approximately 290 miles of sewer pipes, a storm drainage system, and a 29.5 million gallon per day (MGD design capacity) Grade V Water Pollution Control Plant (WPCP). Operations include the transport of sewage to the treatment plant, wastewater treatment, recycled water production, industrial discharge inspection and enforcement, and many other services related to wastewater.

Operations and Capital Expenses

The proposed FY 2010/2011 operations expense in the Wastewater Management Fund increased by approximately 5.9%. In addition to normal inflationary increases there are several changes to the three programs supported by the Wastewater Fund. First, as a result of the Public Works Optimal Staffing Study, a vacant Superintendent position was reclassified down to a Public Works Supervisor and moved from landscape and medians to manage the Storm Water Collection System and Sanitary Sewer Collection System programs. Second, a reorganization of the Wastewater Management program is included to meet a number of new regulatory requirements contained in the new storm water permit effective December 1, 2009; this reorganization consists primarily of position reclassifications to more accurately reflect new duties required under the permit. Appropriations for the Water Pollution Control Plant for chemicals have been reduced by approximately \$1 million to reflect a new contract for polymer used in water treatment. Finally, operating costs in the Wastewater Fund are up due to a proposed increase in the street sweeping schedule, which changes street sweeping to once every two weeks from the current once per month schedule.

It should be noted that the City's street sweeping program is funded equally by the Wastewater and Solid Waste Fund to reflect the benefits that street sweeping provides in clearing litter and debris off the streets and preventing that debris from entering the storm drainage system.

Infrastructure maintenance and replacement has been and remains the largest issue for the Wastewater Management Fund. Capital projects included in the recommended FY 2010/2011 Budget include a new Water Pollution Control Plant and additional projects needed to manage the gap between the old and new plants.

The FY 2007/2008 Long-Term Financial Plan identified the need for a new Water Pollution Control Plant. An Asset Condition Assessment of the Water Pollution Control Plant (WPCP) completed in August 2006 identified the aging and deteriorating condition of the plant and recommended that a master plan for the long-term needs of the plant be completed. A project for a comprehensive Strategic Infrastructure Plan (SIP) study was funded in the FY 2007/2008 Project Budget. The purpose of this study, which is almost complete, is to determine the most effective alternative, including re-build or a mix of rehabilitation and replacement, in order to maintain current service levels and meet future needs at the plant in the most cost effective way.

To provide funding for the types of recommendations anticipated from the SIP, a project was submitted in FY 2007/2008 as a "placeholder" to provide up to full replacement of the plant. Based on preliminary findings of the SIP, staff has revised the estimated costs and timing for a new WPCP. The budget for the plant has been revised downward to \$335 million; this reflects an option that combines the rehabilitation of existing facilities with construction of new facilities that will take advantage of newer sewage treatment technologies, meet projected treatment requirements over the planning horizon of 2035, and allow for expansion to accept additional waste from adjacent cities if a market becomes available.

While approximate, the estimated costs of the WPCP are large enough that funding through revenue bonds will be necessary in order to spread the financial impact of the new plant on the rates over the life of the asset. The recommended FY 2010/2011 Long-Term Financial Plan for the Wastewater Management Fund therefore reflects debt service beginning in FY 2012/2013 and gradually increasing as the plant is built/rebuilt until it reaches its full level in FY 2021/2022.

In the meantime, staff has included certain critical projects which have been previously identified as being required in the short-term to address the most advanced areas of deterioration of the plant that are in increasing danger of

failure. These projects fall primarily into two categories 1) projects in which technology has not changed significantly since they were originally built (for example Digesters and Primary Sedimentation Basins) and will therefore become part of the new plant and 2) projects that address infrastructure that may be replaced with different technology or processes, but that will not last the interim period and therefore must be repaired or replaced. These areas of infrastructure include Air Flootation Tank Rehabilitation and Tertiary Plant Drainage systems. Certain of these projects which are scheduled in the first three years of the Long-Term Financial Plan will be financed through the new Wastewater Revenue Bond which will be issued in June 2010 along with the refunding of the existing Water and Wastewater Bonds.

In the current market, the City can issue wastewater revenue bonds at very attractive long-term rates. The issuance of revenue bonds will allow the City to accelerate construction of projects and achieve construction cost savings by taking advantage of a favorable bidding environment. In addition, the issuance of bonds will allow the City to minimize the impact on utility rates by spreading project costs on an equitable, long-term basis to users who will benefit from the improvements. The current favorable market conditions will also allow the City to refinance the utility's existing bonds at lower rates and achieve financial savings.

The financing of \$23 million of new wastewater capital projects will add approximately \$1.48 million of debt service per year for each year of the financing. The estimated fiscal impact of this issue has been incorporated into the Wastewater Management Fund Long-Term Financial Plan and the wastewater utility rates.

Recommended FY 2010/2011 Wastewater Rate Increase

The rate increase proposed for Wastewater services for FY 2010/2011 is 4.5%, which is three percent less than last year's projection. The recommended increase in wastewater rates is less than planned for two reasons. First, the FY 2009/2010 plan assumed pay-as-you-go funding of short term projects instead of bonding. The issuance of revenue bonds allows the City to mitigate the impact of these projects on rates and spread the costs over the life of the projects. Additionally, due to the complex nature of wastewater systems, some of the projects originally planned for FY 2009/2010 won't be underway until FY 2010/2011, effectively spreading the rate impact of these projects over multiple years.

Annual rate increases for the remainder of the planning period are shown at the bottom of the Wastewater Management Fund Long-Term Financial Plan (Attachment E).

The City's Wastewater Rate Survey is presented as Attachment F. As shown in Attachment A, Monthly Utility Bill Comparisons – Single Family Residential, the City's residential wastewater rate is higher than 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 the next year. It is expected that increases in neighboring cities will manifest over time as they begin to put forth the capital required to renovate their respective collection and treatment infrastructure. The trend is already evident in those cities receiving service from the San Jose Wastewater Treatment Plant, which has begun studying what is estimated to be a one billion dollar rehabilitation of that plant.

Solid Waste Rates

Solid waste rates pay for the safe and reliable weekly curbside removal of garbage from all Sunnyvale residences and businesses. These rates also include weekly curbside recycling services, weekly curbside yardwaste recycling service, processing (including the removal of recyclables at the SMaRT Station®), transfer, and disposal of solid waste. The Solid Waste Management Fund accounts for the revenues and expenses related to collection, recycling, and disposal of solid waste and household hazardous waste generated within Sunnyvale. A private company, Bay Counties Waste Services, doing business in Sunnyvale as Specialty Solid Waste & Recycling (Specialty), has been issued an exclusive franchise for collection of solid waste and recyclable materials through 2018, and these contract costs are reflected here. Operations of the Sunnyvale Materials Recovery and Transfer (SMaRT®) Station and disposal of refuse at the Kirby Canyon Landfill are included in a separate fund, but the City's share of these activities is reflected in the Solid Waste Management Fund.

The City's contract with Specialty for the collection of solid waste and recyclables throughout the City is the largest single expense within the Solid Waste Fund. Specialty is paid on a monthly basis, but their payment is determined for a year based largely on formulas that take necessary and actual expenses in the last completed fiscal year and adjust them for inflation. Therefore, the contractor payment for the following fiscal year is driven primarily by actual expenditures from the last full fiscal year, adjusted by various indexes as identified in the contract.

The projected FY 2010/2011 contractor payment is \$16.7 million, an increase of about \$860,000 or 5.4% over the current FY 2009/2010 contractor payment. The change is due to higher diesel fuel costs and overall expenses as the indexes used to calculate the costs have risen. It is important to note that the 2010/2011 payment will be slightly less what was paid to Specialty in FY 2008/2009. The 2009/2010 payment went down approximately one million

dollars from 2008/2009 due to changes in the same indexes that are now driving the payment back up. Anticipating a continued flattening of inflation, staff last year projected that the payment would stay at this lower level for three years. Unfortunately, the indexes bounced back from those low levels, driving the contractor payment back close to the 2008/2009 amount.

In 1992 the City of Sunnyvale entered into a Memorandum of Understanding (MOU) with the cities of Palo Alto and Mountain View for the operation of the SMaRT Station. Sunnyvale and Mountain View are required to deliver all of their garbage and residential recyclables, including yard trimmings, to SMaRT. Palo Alto continues to operate its own landfill, and facilities for yard trimmings and compost and recycling, and therefore is required to deliver only specific amounts of garbage that vary from year to year.

The costs of building and operating the SMaRT Station are shared by the cities of Sunnyvale, Mountain View and Palo Alto as specified by the MOU. Major operating cost components include the contract with the SMaRT Station operator and disposal fees and taxes collected by the Kirby Canyon Landfill. At current garbage delivery rates, Sunnyvale is responsible for about half of the SMaRT Station operating expenditures and receives about half of the revenues earned by the cities from recyclables removed from the garbage.

The SMaRT Station is operated by a private company under contract with the City. To date, the City has issued seven-year agreements. On February 13, 2007, the City Council awarded a seven-year contract for operation of the SMaRT Station to Bay Counties Waste Services, who began operations on January 1, 2008. Therefore the first full year of operations under the new contract was FY 2008/2009.

The substantial net financial impact of the new contract was incorporated into the FY 2007/2008 financial plan. The two primary components of operating expenses mentioned above reflect an increase of 4.4% over FY 2009/2010. It should be noted that Sunnyvale's expenses related to the SMaRT Station are increasing by 5.2%. This reflects a combination of inflationary increases in the cost of SMaRT Station/landfill operations and the annual adjustment of the proportions of waste delivered to the SMaRT Station by the three cities (the "Operations Share"). Tonnages from all three cities have declined due to weak economic conditions.

The three cities that participate in the SMaRT Station have individual agreements with Kirby Canyon for landfill services that require the payment for disposal of a minimum quantity of solid waste each year. This provision is commonly referred to as a "put or pay" requirement. In October 2011, the cities will be able to modify the level of put or pay required, and it is Sunnyvale's intention to lower its solid waste minimum quantity by the maximum allowable

10%. This modification is reflected in the tonnage projections beginning in FY 2012/2013.

In addition to the increase in the collection contract cost and SMaRT Station costs, revenues are forecast to end the year approximately \$500,000 less than projected due to the economic downturn and the corresponding slowdown of business activity. The recommended FY 2010/2011 Budget assumes that solid waste activity will remain flat in FY 2010/2011 and begin a moderate recovery starting in FY 2011/2012.

Finally, operating costs in the Solid Waste Fund are also up due to a proposed increase in the street sweeping schedule, which changes street sweeping to once every two weeks from the current once per month schedule. The City's street sweeping program is funded equally by the Wastewater and Solid Waste Fund to reflect the benefits that street sweeping provides in clearing litter and debris off the streets and preventing that debris from entering the storm drainage system.

Recommended FY 2010/2011 Solid Waste Rate Increase

The continuing business slowdown combined with an increase in expenses will require a 7.5% increase in the total revenue required to operate the Solid Waste Management Fund for FY 2010/2011. This is two percentage points higher than the increase that was planned for FY 2010/2011 last year. The projected increases for the remainder of the planning period are reflected at the bottom of the Solid Waste Management Long-Term Financial Plan (Attachment G).

The Solid Waste Rate Survey is presented as Attachment H. As shown in Attachment A, Monthly Utility Bill Comparisons – Single Family Residential, the City's residential solid waste rate is lower than average when compared with neighboring cities. The Monthly Utility Bill Comparison compares Sunnyvale's 65 gallon rate with similar rates charged by nearby jurisdictions. The majority of Sunnyvale's single family residential garbage customers are currently subscribed to 65 gallon service.

FISCAL IMPACT

The proposed utility rate changes are necessary to maintain the utility enterprise funds in a sound financial condition. Even with the proposed changes, Sunnyvale's utility rates remain competitive when compared to current rates charged in other cities.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making

the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

As detailed in the background section of this report, Sunnyvale continues to comply with the noticing provision for utility rates as required by Proposition 218 and AB 1260. The notice of proposed utility rates was mailed on April 29th.

ALTERNATIVES

1. Adopt the attached resolution increasing water rates by 7.5%, wastewater rates by 4.5%, and solid waste rates by 7.5% for FY 2010/2011.
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 noticing.

RECOMMENDATION

Staff recommends Alternative 1, adopt the attached resolution increasing water rates by 7.5%, wastewater rates by 4.5%, and solid waste rates by 7.5 for FY 2010/2011.

Reviewed by:

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

Reviewed by:

Marvin A. Rose, Director, Department of Public Works

Approved by:

Gary M. Luebbers
City Manager

Attachments

- A. Combined Monthly Utility Bill Comparisons – Single Family Residential
- B. Monthly Utility Rate Comparisons – Commercial
- C. Recommended FY 2010/2011 Water Supply and Distribution Fund Long Term Financial Plan
- D. Water Rate Survey
- E. Recommended FY 2010-2011 Wastewater Management Fund Long Term Financial Plan
- F. Wastewater Rate Survey
- G. Recommended FY 2009/2010 Solid Waste Management Fund Long Term Financial Plan
- H. Solid Waste Rate Survey
- I. Proposed Resolution
 - Exhibit A – Schedule of Proposed Service Rates

Monthly Utility Bill Comparisons
Single Family Residential
 April 30, 2010

City	Water*	Wastewater	Solid Waste***	Total
Palo Alto	60.76	24.65	67.00	152.41
City of San Jose	32.43	31.00	59.00	122.43
Cupertino	45.68	25.00	40.46	111.14
Mountain View	38.98	24.20	35.10	98.28
Milpitas	36.35	35.47	30.28	102.10
Fremont	38.86	23.01	28.16	90.03
Sunnyvale (Proposed)	34.31	29.23	35.05	98.59
Santa Clara	30.15	16.30	30.74	77.19
Average of all Cities	39.69	26.11	40.72	106.52
Average excluding Sunnyvale	40.46	25.66	41.53	107.65
Average excluding Sunnyvale and two highest cities	35.35	22.63	32.95	95.75

* = Based on 12 ccf consumption plus 5/8" meter/service charge

*** = 2 cans, 64 or 65 gallon cart rates

Monthly Utility Rate Comparisons
Commercial
 April 30, 2010

City/Eff date	Water* (ccf)	Wastewater** (ccf)	Solid Waste***
Palo Alto	4.95	5.07	446.00
Milpitas	4.04	2.74	175.82
Mountain View	3.50	2.90	237.75
Fremont	2.75	3.12	169.03
Cupertino	2.22	2.62	188.80
City of San Jose	2.35	2.92	175.82
Sunnyvale (Proposed)	3.19	2.85	288.59
Santa Clara	2.50	1.84	161.56
Average of all Cities	3.19	3.01	230.42
Average excluding Sunnyvale	3.19	3.03	222.11
Average excluding Sunnyvale & two highest cities	2.67	2.60	174.21

* = Comparison based on second lowest tier rate per hundred cubic feet (ccf).

** = Standard commercial sewer charges per ccf of metered water use.

*** = Comparison based on 3 cubic yard bin picked up one time per week.

**CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL 2008/2009	CURRENT 2009/2010	PROPOSED 2010/2011	PROPOSED 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVE/FUND BALANCE, JULY 1	10,479,204	11,074,577	7,235,013	8,338,429	9,707,408	11,199,001	11,803,773	12,827,482	12,011,205	13,041,143	14,087,041	13,994,238	11,074,577
CURRENT RESOURCES:													
Service Fees	23,587,322	23,638,563	25,127,609	27,609,549	30,599,859	32,741,631	34,903,418	37,069,592	39,038,060	40,175,857	40,184,267	41,440,284	372,528,690
Recycled Water	797,832	861,659	926,283	1,010,102	1,111,113	1,188,890	1,266,168	1,342,138	1,409,245	1,444,476	1,473,366	1,502,833	13,536,274
Miscellaneous Revenues	447,445	561,021	572,241	583,686	558,410	569,578	580,969	592,589	604,441	616,529	616,529	628,860	6,484,854
SCVWD Recycled Water Rebate	188,944	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	240,199	269,997	617,525	1,044,293	1,560,766	1,718,477	1,832,717	1,977,616	2,027,059	2,115,698	2,159,024	2,207,226	17,530,398
Transfer From Other Funds	0	56,000	0	0	0	0	0	0	0	0	0	0	56,000
Bond Proceeds	0	0	11,187,558	5,009,559	3,001,853	0	0	0	0	0	0	0	19,198,969
TOTAL CURRENT RESOURCES	25,261,742	25,387,240	38,431,217	35,257,189	36,832,000	36,218,577	38,583,273	40,981,935	43,078,805	44,352,561	44,433,186	45,779,203	429,335,186
TOTAL AVAILABLE RESOURCES	35,740,946	36,461,816	45,666,230	43,595,618	46,539,408	47,417,578	50,387,046	53,809,418	55,090,010	57,393,704	58,520,227	59,773,442	440,409,763
CURRENT REQUIREMENTS:													
OPERATING REQUIREMENTS:													
Operations	5,110,244	5,031,186	5,794,754	6,021,011	6,229,024	6,440,987	6,655,918	6,863,112	7,049,524	7,237,699	7,287,297	7,463,484	72,073,996
Purchased Water	13,897,146	14,272,926	15,155,324	16,581,176	19,914,018	21,170,580	23,472,163	27,216,737	28,117,395	29,056,300	29,936,148	30,739,864	255,632,631
Project Operating Costs	0	0	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	328,492
In-Lieu Charges	2,763,078	2,710,755	3,085,264	3,218,067	3,123,426	3,208,820	3,192,577	3,510,088	3,471,415	3,580,279	3,662,400	3,814,400	36,577,492
TOTAL OPERATING REQUIREMENTS	21,770,468	22,014,868	24,065,342	25,850,854	29,297,680	30,852,223	33,353,131	37,623,060	38,672,118	39,908,738	40,920,995	42,053,600	364,612,610
NON-OPERATING REQUIREMENTS:													
Interfund Loan Repayment	351,700	351,700	351,700	351,700	351,700	351,700	351,700	0	0	0	0	0	2,110,200
Debt Service	1,189,233	1,185,140	1,180,841	1,175,247	1,180,714	1,180,224	1,179,350	1,180,421	1,180,897	1,179,858	1,179,797	1,179,660	12,982,150
2010 Debt Service	0	0	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	12,000,000
Transfer To General Services Fund	10,519	0	250,600	0	213,553	0	0	5,521	0	0	0	0	469,674
Transfer To Infrastructure Fund	26,691	1,750	1,760	5,050	11,676	5,254	5,359	5,466	5,576	5,687	5,801	5,917	59,296
TOTAL NON-OPERATING REQUIREMENTS	1,578,143	1,538,590	2,984,901	2,731,997	2,957,643	2,737,178	2,736,409	2,391,408	2,386,473	2,385,545	2,385,598	2,385,577	27,621,320
CAPITAL & INFRASTRUCTURE REQ:													
Projects - Debt Funded	0	0	9,987,558	5,009,559	3,001,853	0	0	0	0	0	0	0	17,998,969
Projects - Revenue Funded	1,317,758	5,673,345	290,000	295,800	83,232	2,024,403	1,470,023	1,783,745	990,276	1,012,380	1,219,395	1,237,667	16,080,266
TOTAL CAPITAL & INFRASTRUCTURE REQ.	1,317,758	5,673,345	10,277,558	5,305,359	3,085,085	2,024,403	1,470,023	1,783,745	990,276	1,012,380	1,219,395	1,237,667	34,079,236
TOTAL CURRENT REQUIREMENTS	24,666,369	29,226,803	37,327,801	33,888,210	35,340,407	35,613,804	37,559,564	41,798,212	42,048,867	43,306,663	44,525,989	45,676,845	426,313,166
RESERVES:													
Debt Service	1,147,041	1,145,166	2,329,633	2,330,035	2,330,391	2,331,071	2,331,324	2,331,531	2,332,432	2,332,894	2,333,298	2,333,646	2,333,646
Contingencies	4,751,848	4,826,028	5,237,520	5,650,547	6,535,760	6,902,892	7,532,020	8,519,962	8,791,730	9,073,500	9,305,861	9,550,837	9,550,837
Reserved for Capital and Infrastructure Projects	0	290,000	295,800	83,232	2,024,403	1,470,023	1,783,745	990,276	1,012,380	1,219,395	1,237,667	1,652,529	1,652,529
Utility Rate Stabilization Reserve	5,175,688	973,819	475,476	1,643,594	308,447	1,099,787	1,180,394	169,436	904,602	1,461,252	1,117,411	559,585	559,585
TOTAL RESERVES	11,074,577	7,235,013	8,338,429	9,707,408	11,199,001	11,803,773	12,827,482	12,011,205	13,041,143	14,087,041	13,994,238	14,096,597	14,096,597
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Recommended Water Rate Increase	10.0%	8.0%	7.5%	9.0%	10.0%	7.0%	6.5%	6.0%	5.0%	2.5%	2.0%	2.0%	
Prior Year Water Rate Increase	9.0%	8.0%	7.5%	7.5%	7.5%	7.0%	5.0%	4.0%	2.0%	1.0%	1.0%	1.0%	

Water Rate Survey

4/30/2010

CITY	EFFECTIVE DATE	MONTHLY RATE BLOCKS		BI-MONTHLY RATE BLOCKS		UNIT	RATE	CONSERVATION	MONTHLY		OTHER CHARGES	SOURCE OF SUPPLY		SPECIAL RATES	RECYCLED WATER	NOTES/ FUTURE CHANGES			
		PENALTY SYSTEM/ TIER DIFFERENTIAL	METER RENTAL SIZE	CHARGE	SUPPLIER			%											
CAL WATER CO (Los Altos and portions of Cupertino, Mt. View, and Sunnyvale)																			
Residential	02/11/10	1	10			ccf	2.7644		5/8	12.87	see notes	SCVWD	65%	Yes	No	ICBA Surcharge eff 1/15/10 for 12 mos. \$.0870/ccf <u>Surcharges per month</u> 9-Jun <.4417> Capital Cost Jan-10 .0453 Intervenor Comp Jan-10 .2441 one time Feb-10 .3500 12-mo GO Synergy			
		11	28			ccf	2.9408	0.1764	3/4	19.31		Wells	35%						
		29 +				ccf	3.5290	0.5882	1	29.49									
										1 1/2	47.19								
										2	73.72								
										3	128.29								
										4	176.94								
										6	287.53								
										8	460.06								
										10	655.39								
										12	846.22								
										14	1,154.40								
		Commercial		1 + up to 6" Meter size				ccf	3.0372	Commercial rates differ from residential effective with this update	5/8	10.06							<\$.501/ccf> credit for agricultural users
				1 + Meter sizes 8" and above				ccf	3.0547		3/4	15.09							
								1	23.04										
								1 1/2	36.86										
								2	57.59										
								3	100.22										
								4	138.24										
								6	224.64										
								8	359.41										
								10	512.03										
								12	661.12										
								14	901.88										
MILPITAS																			
Residential	04/19/10				1 - 20		ccf	1.7700			5/8	11.21	No	Hetch Hetchy	60%	Yes	Yes	Recycled Industrial Process Inside (dual plumbing) Agriculture (recycled) For City Accounts (recycled)_ Former wells Recycled-All others City of Milpitas County of Santa Clara (Ed Levin park)	
				21 +		ccf	3.7200	1.9500	3/4	11.91		SCVWD	40%		\$2.02/ccf				
									1	16.92					\$2.02/ccf				
									1 1/2	21.34					\$3.7/ccf				
									2	27.85					\$1.03/ccf				
Commercial				1 +		ccf	4.0400		5/8	11.82					\$3.70/ccf				
									3/4	12.57			\$1.60						
									1	17.89			\$1.94						
Irrigation				1 +		ccf	4.6200		1	17.89									
									1 1/2	22.55									
									2	29.41									
									3	78.73									
MTN VIEW																			
Residential	07/01/09	0 - 3				ccf	1.5750	None	5/8	5.05		Hetch Hetchy	87%	No	No	*spoke w/utility dept on March 30: it is up to CityCouncil to decide if therewill be a rate increase none is scheduled as yet.			
		4 - 25				ccf	3.2450	1.6700	3/4	5.05		Wells	5%						
		26 +				ccf	6.4470	3.2020					SCVWD	8%					
Commercial		0 - 20*		1-1/2" meter		ccf	3.2450		1	10.65									
		21 - 200*				ccf	3.4970	0.2520	1 1/2	17.30									
		201 + *				ccf	6.4470	2.9500	2	32.25									

Water Rate Survey

4/30/2010

CITY	EFFECTIVE DATE	MONTHLY RATE BLOCKS		BI-MONTHLY RATE BLOCKS		UNIT	RATE	CONSERVATION	MONTHLY		OTHER CHARGES	SOURCE OF SUPPLY		SPECIAL RATES	RECYCLED WATER	NOTES/FUTURE CHANGES
		PENALTY SYSTEM/TIER DIFFERENTIAL	METER RENTAL SIZE	CHARGE	SUPPLIER			%								
		0 - 500		2" - 4" meter		ccf	3.2450		3	55.90						
		501 - 2000				ccf	3.4970	0.2520	4	87.85						
		2001 +				ccf	6.4470	2.9500	6	175.90						
									8	280.05						
									10	408.70						
		0 - 4000		6" meter or larger		ccf	3.2450									
		4001 - 10000				ccf	3.4970	0.2520								
		10001 +				ccf	6.4470	2.9500								
PALO ALTO																
Residential	07/01/09	1 - 7*				ccf	3.9490		5/8	5.00	No	Hetch Hetchy	100%	Yes	Yes	\$4.946/ccf non-residential irrigation users
(Single Family)		8 +				ccf	5.6240	1.6750	3/4	5.00						
									1	6.50						
									1 1/2	12.27						
Commercial		1 +				ccf	4.9460		2	19.37						
(and Multi-Family Residential)									3	77.65						
									4	130.60						
									6	260.43						
									8	383.67						
									10	383.67						
FREMONT(Alameda County Water District)																
Residential	02/01/10	1 +				ccf	2.7540	None	5/8	5.81	No	Hetch Hetchy		Yes	No	Groundwater rates: Agricultural \$8.00/acre foot Industrial \$217.00/acre foot Higher rates for water delivered outside city limits, or provided 100% by SFWD, or for single family dwellings with oversize meters due to fire sprinkler systems.
									1	8.33		E Bay Aqueduct				
									1 1/2	14.72		Ground Water				
									2	21.10		Wells				
									3	80.02						
									4	115.89						
									6	279.73						
									8	376.475						
Commercial		1 +				ccf	2.7540		10	732.015						
SAN JOSE Municipal Water																
Residential	07/01/09								5/8	8.67	Service Chrg.	Hetch Hetchy	22%	No	Yes	
									3/4	8.86	Utility tax .05%	SCVWD	73%		1.541	Irrigation
Elevation:									1	15.41		Wells	5%		1.055	Industrial
Zone # 1		0 - 14				ccf	1.9800		1 1/2	30.82					1.055	Agricultural
		15 - 28				ccf	2.2700	0.2900	2	47.51					0.901	Irrigation/Former Well
		29 - 42				ccf	2.5100	0.2400	3	89.89					0.765	Indust/Ag Well users
		42 +				ccf	2.7700	0.2600	4	137.40						
									6	179.78						
Zone # 2		0 - 14				ccf	2.0800		8	256.83						
		15 - 28				ccf	2.3500	0.2700	10	321.05						
		29 - 42				ccf	2.6200	0.2700	Flat	30.00	All former well users pay a flat \$30/mo regardless of meter size					
		42 +				ccf	2.8700	0.2500								
Zone # 3 & 4		0 - 14				ccf	2.1700									
		15 - 28				ccf	2.4500	0.2800								

Water Rate Survey

4/30/2010

CITY	EFFECTIVE DATE	MONTHLY RATE BLOCKS		BI-MONTHLY RATE BLOCKS		UNIT	RATE	CONSERVATION	MONTHLY		OTHER CHARGES	SOURCE OF SUPPLY		SPECIAL RATES	RECYCLED WATER	NOTES/FUTURE CHANGES	
		PENALTY SYSTEM/TIER DIFFERENTIAL	METER RENTAL SIZE	CHARGE	SUPPLIER			%									
				29 - 42		ccf	2.7100	0.2600									
				42 +		ccf	2.9700	0.2600									
Zone # 5 & 6				0 - 14		ccf	2.2800										
				15 - 28		ccf	2.5600	0.2800									
				29 - 42		ccf	2.8200	0.2600									
				42 +		ccf	3.0500	0.2300									
Commercial																	
Zone # 1						ccf	2.2700										
Zone # 2						ccf	2.3500	0.0800									
Zone # 3 & 4						ccf	2.4500	0.1000									
Zone # 5 & 6						ccf	2.5600	0.1100									
San Jose Water Co. (Also handles parts of: Cupertino, Los Gatos, Saratoga and Monte Sereno)												2003/2005 Safe Drinking Water Fund Surcharge: (per meter, per month, years 1-10)					
Residential	01/01/10							None	5/8	16.31	0.06	Wells	39%	Yes	Yes	<\$1.159/ccf> credit for agricultural users	
		Residents w/ 5/8" to 1" Meters	1 - 13			ccf	2.4400		3/4	16.31	0.06	SCVWD	51%				
			13 +			ccf	2.6840	0.2440	1	27.18	0.11	S Cruz Mtns	10%			:	
		Residents w/ 1-1/2" to 2" Meteres	1 - 26			ccf	2.4400		1 1/2	54.37	0.23					\$.10/mo WRAP	
			26 +			ccf	2.6840	0.2440	2	86.99	0.36					Quantity Surcharges	
		*Surcharge				ccf	0.0028		3	163.11	0.65			.0454/ccf		SCVWD 2007 increase	
									4	271.84	1.07			.0439/ccf		2007 pump tax	
Commercial			1 +			ccf	2.2219		6	543.69	2.11			.0510/ccf		SCVWD 2008 increase	
		*Surcharge				ccf	0.0028		8	869.90	3.38			.0494/ccf		2008 pump tax	
									10	1,250.48	4.86						
SANTA CLARA																	
Residential	06/23/09		4 +			ccf	2.5000	** Minimum meter chg includes first three units -->	5/8	7.65	3 units	Normal:		Yes	Yes	** Outside City: 1.5x rate	
									3/4	7.65	3 units	Ground water	65%				
Commercial			1 +			ccf	2.5000		1	12.20	5 units	Hetch Hetchy	18%	<0.26>hcf		Agricultural credit	
									1 1/2	22.00	9 units	SCVWD	17%				
									2	31.00	12 units						
									3	86.00	34 units						
									4	122.00	49 units						
									6	239.00	96 units						
									8	367.00	147 units						
									10	453.00	181 units						
									12	582.00	233 units						
SUNNYVALE																	
Residential	07/01/10		0 - 6	0 - 12		ccf	1.6400	None	Monthly	5/8	5.63	Hetch Hetchy	42%	No	Yes	Pending approval	
			7 - 33	13 - 40		ccf	3.1400	1.5000	3/4	7.14		SCVWD	44%		Institutional		
			34 - 50	41 - 100		ccf	4.6400	1.5000	1	10.13		Wells	8%		& Agricultural	\$1.64/ccf	
			51 +	101 +		ccf	6.1400	1.5000	1 1/2	17.62		Recycled	6%		Recycled - Agricultural	\$1.48/ccf	
									2	26.61					Recycled -Landscape	\$3.13/ccf	
									3	65.94					Landscape	\$3.47/ccf	
Apartments			0 - 4	0 - 8		ccf	1.6400		5/8	6.60							
			5 - 23	9 - 46		ccf	3.1400	1.5000	3/4	8.57							
			24 - 35	47 - 70		ccf	4.6400	1.5000	1	12.52							
			36 +	71 +		ccf	6.1400	1.5000	1 1/2	22.42							
									2	34.29							

Water Rate Survey

4/30/2010

CITY	EFFECTIVE DATE	MONTHLY RATE BLOCKS		BI-MONTHLY RATE BLOCKS		UNIT	RATE	CONSERVATION	MONTHLY		OTHER CHARGES	SOURCE OF SUPPLY		SPECIAL RATES	RECYCLED WATER	NOTES/ FUTURE CHANGES
		PENALTY SYSTEM/ TIER DIFFERENTIAL	METER RENTAL	SIZE	CHARGE			SUPPLIER	%							
Landscape		1 +		1 +		ccf	3.4700		3	65.94						
Recycled Water		1+		1+		ccf	3.1300		4	101.54						
Agriculture & Institutional		1 +		1 +		ccf	1.6400		6	200.46						
									8	319.14						
All Others		0 - 6		0 - 12		ccf	1.6400		10	457.61						
		7 - 20		13 - 40		ccf	3.1900		12	892.78						
		21 - 50		41 - 100		ccf	3.4000									
		51 - 500		101 - 1000		ccf	3.5000									
		201 - 1250		1001 - 2500		ccf	3.6000									
		1251 - 2500		2501 - 5000		ccf	3.6900									
		2501 +		5000 +		ccf	3.7700									

**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL 2008/2009	CURRENT 2009/2010	PROPOSED 2010/2011	PROPOSED 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVE/FUND BALANCE, JULY 1	19,575,798	21,757,235	15,643,191	15,482,336	16,213,746	13,747,429	12,116,563	13,032,439	15,127,482	15,628,420	18,188,969	18,686,148	21,757,235
CURRENT RESOURCES:													
Service Fees	20,657,045	20,831,932	21,769,369	23,628,993	25,761,794	27,957,692	30,194,307	32,609,852	35,055,591	37,684,760	40,511,117	43,346,895	339,352,303
Connection and Development Fees	409,557	754,697	566,692	578,026	589,587	601,378	613,406	625,674	638,188	650,951	663,970	677,250	6,959,819
Other Revenues	177,334	151,636	131,847	138,614	146,201	153,999	161,944	170,437	179,047	188,219	197,994	207,828	1,827,766
Interest Income	467,571	601,661	476,838	623,606	528,747	466,022	501,248	581,826	601,093	699,576	718,698	689,859	6,489,174
Transfer From General Services Fund	3,291,855	0	0	0	0	0	0	0	0	0	0	0	0
New WPCP Bond Proceeds	0	0	0	0	2,565,530	12,107,215	21,441,745	33,560,495	32,874,380	25,946,475	32,772,840	39,934,955	201,203,635
Bond Proceeds	0	0	13,647,681	6,691,870	5,271,075	0	0	0	0	0	0	0	25,610,626
TOTAL CURRENT RESOURCES	25,003,362	22,339,925	36,592,427	31,661,110	34,862,934	41,286,307	52,912,650	67,548,283	69,348,298	65,169,981	74,864,619	84,856,787	581,443,322
TOTAL AVAILABLE RESOURCES	44,579,160	44,097,161	52,235,619	47,143,446	51,076,680	55,033,735	65,029,213	80,580,722	84,475,780	80,798,402	93,053,588	103,542,935	603,200,557
CURRENT REQUIREMENTS:													
OPERATING REQUIREMENTS:													
Operations	12,651,356	12,817,648	13,578,194	14,034,584	14,453,031	14,933,432	15,420,287	15,889,187	16,310,383	16,735,241	17,139,538	17,543,815	168,855,339
In-Lieu Charges and Fund Transfers	2,442,462	3,255,934	3,541,598	3,790,197	4,110,789	3,587,927	3,737,991	3,464,074	3,709,227	3,838,734	3,922,277	3,916,042	40,874,792
TOTAL CURRENT OPERATING REQUIREMENTS	15,093,818	16,073,582	17,119,792	17,824,781	18,563,821	18,521,359	19,158,278	19,353,261	20,019,609	20,573,974	21,061,816	21,459,857	209,730,131
NON-OPERATING REQUIREMENTS:													
Interfund Loan Repayment	3,458,638	450,000	550,000	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	12,339,944
Debt Service	1,570,988	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	33,930,154
New WPCP Debt Service	0	0	0	0	2,360,500	2,363,250	2,364,500	8,443,250	8,446,250	8,444,000	16,678,000	16,679,750	65,779,500
Water Pollution Control Plant Rent	311,763	321,116	327,538	337,364	347,485	357,910	368,647	379,707	391,098	402,831	414,916	427,363	4,075,975
Transfer to Water Supply and Distribution Fund	0	24,000	0	0	0	0	0	0	0	0	0	0	24,000
Wastewater Equipment Replacement	282,349	547,440	726,966	551,393	845,572	667,159	353,252	486,562	493,928	617,265	877,505	366,543	6,533,586
Transfer To General Fund (Power Generation Facility)	782,864	798,521	814,492	838,926	864,094	890,017	916,718	944,219	972,546	1,001,722	1,031,774	1,062,727	10,135,756
TOTAL NON-OPERATING REQUIREMENTS	6,406,601	5,225,636	5,503,556	6,072,237	8,762,205	8,622,889	8,347,671	14,598,291	14,648,376	14,810,371	23,346,748	22,880,936	132,818,915
CAPITAL AND INFRASTRUCTURE REQ.:													
Projects - Debt Funded	0	0	10,563,122	6,691,870	5,271,075	0	0	0	0	0	0	0	22,526,067
Projects - Revenue Funded	1,321,506	7,154,751	3,566,813	340,813	3,346,871	3,667,084	3,049,705	980,567	1,306,494	1,277,487	1,303,037	1,331,722	27,325,345
Replacement/ Rehabilitation of WPCP	0	0	0	0	1,385,280	12,105,840	21,441,120	30,521,120	32,872,880	25,947,600	28,655,840	39,934,080	192,863,760
TOTAL CAPITAL AND INFRASTRUCTURE REQ.	1,321,506	7,154,751	14,129,935	7,032,683	10,003,226	15,772,924	24,490,825	31,501,687	34,179,374	27,225,087	29,958,877	41,265,802	242,715,172
TOTAL REQUIREMENTS	22,821,925	28,453,970	36,753,283	30,929,700	37,329,251	42,917,172	51,996,774	65,453,240	68,847,360	62,609,433	74,367,440	85,606,596	585,264,218
RESERVES:													
Debt Service	1,566,961	1,565,309	3,138,592	3,138,592	4,318,842	4,320,217	4,320,842	7,360,217	7,361,717	7,360,592	11,477,592	11,478,467	11,478,467
Contingencies	3,162,839	3,204,412	3,394,549	3,508,646	3,613,258	3,733,358	3,855,072	3,972,297	4,077,596	4,183,810	4,284,885	4,385,954	4,385,954
Capital and Infrastructure Reserve	0	3,566,813	340,813	3,346,871	3,667,084	3,049,705	980,567	1,306,494	1,277,487	1,303,037	1,331,722	1,371,674	1,371,674
Rate Stabilization Reserve	17,027,435	7,306,658	8,608,383	6,219,637	2,148,245	1,013,283	3,875,958	2,488,474	2,911,621	5,341,530	1,591,949	700,244	700,244
TOTAL RESERVES	21,757,235	15,643,191	15,482,336	16,213,746	13,747,429	12,116,563	13,032,439	15,127,482	15,628,420	18,188,969	18,686,148	17,936,339	17,936,339
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Sewer Rate Increase	0.0%	7.5%	4.5%	7.5%	8.5%	8.0%	8.0%	8.0%	7.5%	7.5%	7.5%	7.0%	
Prior Year Sewer Rate Increase	8.5%	8.0%	7.5%	7.0%	7.0%	4.0%	4.0%	4.0%	4.0%	6.0%	6.0%	6.0%	

**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2020 TO JUNE 30, 2030**

	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
RESERVE/FUND BALANCE, JULY 1	17,936,339	19,708,905	20,518,109	20,890,655	21,588,463	22,792,149	24,109,200	24,366,106	24,554,516	24,374,211	17,936,339	21,757,235
CURRENT RESOURCES:												
Service Fees	45,947,709	48,704,571	51,626,846	52,659,383	53,712,570	54,518,259	55,063,441	55,614,076	56,170,217	56,731,919	530,748,991	870,101,294
Connection and Development Fees	697,567	718,494	740,049	762,250	785,118	808,672	832,932	857,920	883,657	910,167	7,996,826	14,956,645
Other Revenues	217,834	228,366	239,455	245,141	250,968	256,161	260,684	265,310	270,044	274,888	2,508,852	4,336,617
Interest Income	938,519	977,053	994,793	1,028,022	1,085,340	1,148,057	1,160,291	1,169,263	1,160,677	1,132,846	10,794,861	17,284,035
Transfer From General Services Fund	0	0	0	0	0	0	0	0	0	0	0	0
New WPCP Bond Proceeds	58,182,080	47,937,580	38,394,080	0	0	0	0	0	0	0	144,513,740	345,717,375
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	25,610,626
TOTAL CURRENT RESOURCES	105,983,709	98,566,065	91,995,223	54,694,796	55,833,997	56,731,148	57,317,348	57,906,569	58,484,595	59,049,819	696,563,270	1,278,006,592
TOTAL AVAILABLE RESOURCES	123,920,048	118,274,970	112,513,332	75,585,452	77,422,460	79,523,298	81,426,548	82,272,675	83,039,111	83,424,030	714,499,608	1,299,763,827
CURRENT REQUIREMENTS:												
OPERATING REQUIREMENTS:												
Operations	18,067,584	18,607,003	19,162,539	19,734,674	20,323,905	20,930,742	21,555,712	22,199,358	22,862,238	23,544,926	206,988,680	375,844,020
In-Lieu Charges and Fund Transfers	3,886,551	4,100,870	4,387,827	4,363,558	4,653,636	4,766,753	4,838,893	5,067,906	5,153,758	5,305,980	46,525,733	87,400,525
TOTAL CURRENT OPERATING REQUIREMENTS	21,954,135	22,707,873	23,550,365	24,098,232	24,977,541	25,697,495	26,394,605	27,267,264	28,015,996	28,850,906	253,514,413	463,244,544
NON-OPERATING REQUIREMENTS:												
Interfund Loan Repayment	845,829	845,829	845,829	845,829	845,829	845,829	845,829	845,829	845,829	845,829	8,458,290	20,798,234
Debt Service	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	30,845,594	64,775,748
New WPCP Debt Service	16,675,750	21,882,750	21,880,500	21,883,000	21,884,250	21,878,500	21,875,250	21,873,500	21,887,250	21,884,750	213,605,500	279,385,000
Water Pollution Control Plant Rent	444,458	462,236	480,725	499,954	519,953	540,751	562,381	584,876	608,271	632,602	5,336,207	9,412,182
Transfer to Water Supply and Distribution Fund	0	0	0	0	0	0	0	0	0	0	0	24,000
Wastewater Equipment Replacement	545,421	877,264	674,531	777,373	413,463	362,177	901,242	849,487	972,807	972,807	7,346,571	13,880,158
Transfer To General Fund (Power Generation Facility)	1,105,236	1,149,445	1,195,423	1,243,240	1,292,970	1,344,689	1,398,476	1,454,415	1,512,592	1,573,095	13,269,581	23,405,337
TOTAL NON-OPERATING REQUIREMENTS	22,701,254	28,302,084	28,161,567	28,333,955	28,041,024	28,056,505	28,667,737	28,692,666	28,911,309	28,993,643	278,861,744	411,680,660
CAPITAL AND INFRASTRUCTURE REQ.:												
Projects - Debt Funded	0	0	0	0	0	0	0	0	0	0	0	22,526,067
Projects - Revenue Funded	1,371,674	1,412,824	1,516,664	1,564,801	1,611,745	1,660,098	1,998,099	1,758,229	1,737,596	1,789,724	16,421,454	43,746,798
Replacement/ Rehabilitation of WPCP	58,184,080	45,334,080	38,394,080	0	0	0	0	0	0	0	141,912,240	334,776,000
TOTAL CAPITAL AND INFRASTRUCTURE REQ.	59,555,754	46,746,904	39,910,744	1,564,801	1,611,745	1,660,098	1,998,099	1,758,229	1,737,596	1,789,724	158,333,694	401,048,865
TOTAL REQUIREMENTS	104,211,143	97,756,861	91,622,677	53,996,988	54,630,310	55,414,098	57,060,441	57,718,159	58,664,900	59,634,273	690,709,851	1,275,974,069
RESERVES:												
Debt Service	11,476,467	14,079,967	14,078,842	14,080,092	14,080,717	14,077,842	14,076,217	14,075,342	14,082,217	14,080,879	14,080,879	14,080,879
Contingencies	4,516,896	4,651,751	4,790,635	4,933,668	5,080,976	5,232,685	5,388,928	5,549,840	5,715,559	5,886,232	5,886,232	5,886,232
Capital and Infrastructure Reserve	1,412,824	1,516,664	1,564,801	1,611,745	1,660,098	1,998,099	1,758,229	1,737,596	1,789,724	1,842,879	1,842,879	1,842,879
Rate Stabilization Reserve	2,302,718	269,728	456,377	962,958	1,970,359	2,800,574	3,142,732	3,191,739	2,786,711	1,979,768	1,979,768	1,979,768
TOTAL RESERVES	19,708,905	20,518,109	20,890,655	21,588,463	22,792,149	24,109,200	24,366,106	24,554,516	24,374,211	23,789,758	23,789,758	23,789,758
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	(0)	0
STATISTICS:												
Sewer Rate Increase	6.0%	6.0%	6.0%	2.0%	2.0%	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Prior Year Sewer Rate Increase	6.0%	6.0%	6.0%	5.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Wastewater Rate Survey

	Effective Date	Monthly Rates For				Comments
		Residential	Apartments	Mobile Homes	Standard Commercial (\$ per ccf)	
Cupertino	07/01/10 * Proposed Rate	25.00	25.00/unit	25.00/unit	2.6240	Commercial: Fixed charge of \$5.087/yr plus charge per ccf
Fremont	07/01/10	23.01	20.32/unit	20.32/unit	3.1200	*General rate: \$5.78/ccf strong, \$2.73/ccf weak Restaurants: fast food, \$5.52/1000 gal ; full service \$7.06/1000 gal
Milpitas	04/19/10	35.47	25.34/unit	15.59/unit	2.7400	Commercial: add a flate rate of \$5.99/mo
Mountain View	07/01/09	24.20	24.20/unit	24.20/unit	2.9000	Minimum commercial charge/mo: \$20.29
Palo Alto	07/01/09	24.65	24.65/unit	24.65/unit	5.0700	*Minimum charge \$24.65 (Restaurant rates: \$9.29/ccf)
San Jose	07/01/09	31.00	17.73/unit	17.77/unit	2.9200	
Santa Clara	07/01/09	16.30	16.30/unit	16.30/unit	1.8400	Based on 90% of metered water use; minimum charge \$16.30/mo
Sunnyvale (<i>proposed</i>)	07/01/10	29.23	18.26/unit	18.26/unit	2.8529	

**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL 2008/2009	CURRENT 2009/2010	PROPOSED 2010/2011	PROPOSED 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVE/FUND BALANCE, JULY 1	4,376,796	3,801,721	3,285,651	3,583,522	3,896,255	4,969,282	6,848,523	7,055,724	6,762,808	6,402,556	6,161,941	7,399,446	3,801,721
CURRENT RESOURCES:													
Rental Income	165,395	170,211	170,211	173,615	177,087	180,629	184,242	187,927	191,685	195,519	199,429	203,418	2,033,973
Service Fees	30,997,529	31,950,000	34,350,250	37,098,270	38,582,201	40,125,489	40,952,730	41,797,075	42,638,401	43,496,714	44,372,359	45,265,689	440,629,177
Miscellaneous Revenues	372,288	258,202	262,039	272,114	278,340	284,770	289,013	293,329	297,658	302,059	306,535	311,087	3,155,145
Transfer From SMaRT Station Fund	0	0	527,605	0	0	0	0	0	0	0	0	0	527,605
SMaRT Station Revenues	1,432,832	1,628,850	1,775,015	1,396,044	1,417,992	1,440,320	1,463,035	1,486,145	1,509,657	1,533,577	1,555,599	1,582,676	16,788,910
County Wide AB939 Fee	149,914	110,711	106,200	100,474	101,437	102,409	103,391	104,383	105,385	106,396	107,418	108,449	1,156,652
Landfill Gas Revenue	35,263	34,028	32,837	31,688	30,579	29,509	28,476	27,479	26,517	25,589	24,694	23,829	315,226
Interest Income	114,807	126,371	70,265	113,483	191,126	263,405	271,374	260,108	246,252	236,998	284,594	326,460	2,390,436
TOTAL CURRENT RESOURCES	33,268,026	34,278,373	37,294,422	39,185,687	40,778,762	42,426,531	43,292,261	44,156,447	45,015,554	45,896,852	46,850,628	47,821,608	466,997,124
TOTAL AVAILABLE RESOURCES	37,644,822	38,080,094	40,580,073	42,769,209	44,675,017	47,395,813	50,140,784	51,212,171	51,778,362	52,299,408	53,012,568	55,221,054	470,798,846
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	976,440	600,000	1,300,000	3,157,302	3,157,302	3,157,302	4,653,203	4,653,203	4,653,203	4,653,203	4,653,203	4,653,203	39,291,122
Debt Service	84,993	83,088	78,507	78,562	78,555	78,863	78,717	78,510	78,993	79,008	78,946	78,806	870,556
SMaRT Station Debt Service	1,025,497	1,077,995	1,078,153	1,076,771	1,078,126	1,078,347	1,077,828	1,077,414	1,076,951	1,076,288	0	0	9,697,874
Estimated Future SMaRT Station Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
New MRF Debt Service	543,837	548,702	549,502	546,183	549,504	548,562	547,040	548,475	549,184	549,168	548,426	546,958	6,031,705
Operations	2,069,767	2,235,695	2,230,871	2,320,722	2,385,916	2,458,456	2,532,047	2,603,553	2,669,151	2,735,455	2,808,984	2,872,662	27,853,510
Solid Waste Collection Contract	16,726,065	15,811,254	16,672,538	16,944,422	17,591,051	18,132,206	18,726,703	19,687,602	20,167,742	20,465,202	20,693,521	21,314,326	206,206,568
Capital Projects	0	50,000	150,000	150,000	0	0	0	0	0	0	0	0	350,000
Special Projects	28,398	313,687	100,000	0	113,674	37,142	43,503	0	0	91,895	0	126,051	825,952
Infrastructure Projects	53,726	114,332	174,140	300,000	0	0	0	0	0	0	0	0	588,472
Project Administration	1,805	23,093	13,261	0	0	0	0	0	0	0	0	0	36,354
SMaRT Capital Replacement	207,300	182,424	176,896	180,434	184,043	187,723	191,478	195,307	199,214	203,198	207,262	211,407	2,119,386
In-Lieu Charges	2,261,920	2,410,989	2,487,435	2,568,655	2,668,919	2,780,813	2,866,903	2,952,520	3,034,422	3,117,085	3,197,757	3,280,318	31,365,816
SMaRT Expense Share (Sunnyvale)	9,509,435	10,721,495	11,279,943	10,928,219	11,258,311	11,428,331	11,687,883	11,953,069	12,186,827	12,424,642	12,660,164	12,861,653	129,390,537
Long Term Rent - SMaRT and Landfill	353,918	589,536	603,577	621,684	640,335	659,545	679,331	699,711	720,702	742,323	764,593	787,531	7,508,867
Transfer To General Fund	0	0	0	0	0	0	0	0	39,416	0	0	0	39,416
Transfer To Infrastructure Fund	0	153	285	0	0	0	423	0	0	0	268	183	1,312
Transfer To SMaRT Station Fund	0	0	101,443	0	0	0	0	0	0	0	0	0	101,443
Transfer To Water Supply & Distribution Fund	0	32,000	0	0	0	0	0	0	0	0	0	0	32,000
TOTAL CURRENT REQUIREMENTS	33,843,101	34,794,443	36,996,551	38,872,954	39,705,735	40,547,290	43,085,060	44,449,364	45,375,805	46,137,467	45,613,123	46,733,098	462,310,890
RESERVES:													
Debt Service	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914
Contingencies	2,830,527	2,876,844	3,018,335	3,019,336	3,123,528	3,201,899	3,294,663	3,424,422	3,502,372	3,562,530	3,616,267	3,704,864	3,704,864
20 Year Resource Allocation Plan	908,281	345,893	502,273	814,005	1,782,840	3,583,710	3,698,147	3,275,471	2,837,270	2,536,497	3,720,265	4,720,178	4,720,178
TOTAL RESERVES	3,801,721	3,285,651	3,583,522	3,896,255	4,969,282	6,848,523	7,055,724	6,762,808	6,402,556	6,161,941	7,399,446	8,487,956	8,487,956
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Refuse Rate Increase	5.5%	5.5%	7.5%	7.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
PRIOR YEAR STATISTICS:													
Refuse Rate Increase	5.5%	5.2%	5.5%	5.0%	3.5%	3.0%	3.0%	3.0%	2.0%	1.5%	1.0%	1.0%	

**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2020 TO JUNE 30, 2030**

	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
RESERVE/FUND BALANCE, JULY 1	8,487,956	9,235,815	10,680,318	12,483,099	13,997,866	14,825,350	14,950,929	14,091,177	12,334,601	9,643,052	8,487,956	3,801,721
CURRENT RESOURCES:												
Rental Income	209,520	215,806	222,280	228,949	235,817	242,891	250,178	257,684	265,414	273,377	2,401,916	4,435,889
Service Fees	46,177,062	43,462,607	44,338,288	45,231,675	45,916,969	46,383,129	46,854,091	47,329,904	47,810,621	48,296,294	461,800,640	902,429,817
Miscellaneous Revenues	315,955	309,617	314,443	319,359	323,676	327,362	331,101	334,895	338,745	342,651	3,257,804	6,412,949
Transfer From SMaRT Station Fund	0	0	0	0	0	0	0	0	0	0	0	527,605
SMaRT Station Revenues	1,610,129	1,638,143	1,666,732	1,695,908	1,725,685	1,756,078	1,787,100	1,818,766	1,851,092	1,884,092	17,433,725	34,222,635
County Wide AB939 Fee	109,491	110,543	111,605	112,678	113,761	114,855	115,960	117,075	118,202	119,340	1,143,509	2,300,161
Landfill Gas Revenue	22,995	22,191	21,414	20,664	19,941	19,243	18,570	17,920	17,293	16,687	196,918	512,144
Interest Income	439,801	508,587	594,433	666,565	705,969	711,949	671,008	587,362	459,193	267,917	5,612,784	8,003,220
TOTAL CURRENT RESOURCES	48,884,954	46,267,494	47,269,194	48,275,797	49,041,819	49,555,507	50,028,007	50,463,606	50,860,559	51,200,358	491,847,296	958,844,420
TOTAL AVAILABLE RESOURCES	57,372,910	55,503,309	57,949,513	60,758,895	63,039,685	64,380,857	64,978,936	64,554,783	63,195,160	60,843,410	500,335,252	962,646,142
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	4,653,203	0	0	0	0	0	0	0	0	0	4,653,203	43,944,325
Debt Service	78,966	79,033	79,007	78,889	79,054	79,112	79,062	79,279	79,985	79,855	792,242	1,662,799
SMaRT Station Debt Service	0	0	0	0	0	0	0	0	0	0	0	9,697,874
Estimated Future SMaRT Station Debt Service	0	0	1,050,320	1,050,320	1,050,320	1,050,320	1,050,320	1,050,320	1,050,320	1,050,320	8,402,561	8,402,561
New MRF Debt Service	548,303	548,777	0	0	0	0	0	0	0	0	1,097,080	7,128,784
Operations	2,958,421	3,046,742	3,137,703	3,231,381	3,327,858	3,427,218	3,529,547	3,634,933	3,743,469	3,855,248	33,892,521	61,746,031
Solid Waste Collection Contract	21,953,756	22,612,369	23,290,740	23,989,462	24,709,146	25,450,420	26,213,933	27,000,351	27,810,362	28,644,672	251,675,212	457,881,780
Capital Projects	0	0	0	0	0	0	0	0	0	0	0	350,000
Special Projects	0	44,376	59,342	0	56,226	49,945	95,376	68,794	0	56,214	430,273	1,256,225
Infrastructure Projects	0	0	0	0	0	0	35,621	0	0	0	35,621	624,093
Project Administration	0	0	0	0	0	0	0	0	0	0	0	36,354
SMaRT Capital Replacement	217,749	224,282	231,010	237,941	245,079	252,431	260,004	267,804	110,560	113,877	2,160,737	4,280,123
In-Lieu Charges	3,378,074	3,468,743	3,582,411	3,689,171	3,799,109	3,912,325	4,028,916	4,148,980	4,272,623	4,399,949	38,680,301	70,046,117
SMaRT Expense Share (Sunnyvale)	13,537,115	13,963,178	13,175,325	13,597,493	14,034,036	14,267,803	14,626,417	14,972,100	15,456,883	15,958,283	143,588,633	272,979,170
Long Term Rent - SMaRT and Landfill	811,157	835,491	860,556	886,373	912,964	940,353	968,563	997,620	1,027,549	1,058,375	9,299,002	16,807,868
Transfer To General Fund	0	0	0	0	0	0	0	0	0	0	0	39,416
Transfer To Infrastructure Fund	352	0	0	0	542	0	0	0	357	357	1,608	2,920
Transfer To SMaRT Station Fund	0	0	0	0	0	0	0	0	0	0	0	101,443
Transfer To Water Supply & Distribution Fund	0	0	0	0	0	0	0	0	0	0	0	32,000
TOTAL CURRENT REQUIREMENTS	48,137,095	44,822,991	45,466,414	46,761,029	48,214,335	49,429,928	50,887,759	52,220,182	53,552,108	55,217,151	494,708,993	957,019,883
RESERVES:												
Debt Service	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914
Contingencies	3,844,929	3,962,229	3,960,377	4,081,834	4,207,104	4,314,544	4,436,990	4,560,738	4,701,071	4,845,820	4,845,820	4,845,820
20 Year Resource Allocation Plan	5,327,972	6,655,175	8,459,808	9,853,118	10,555,332	10,573,471	9,591,273	7,710,948	4,879,067	717,524	717,524	717,524
TOTAL RESERVES	9,235,815	10,680,318	12,483,099	13,997,866	14,825,350	14,950,929	14,091,177	12,334,601	9,643,052	5,626,259	5,626,259	5,626,259
FUND BALANCE, JUNE 30	0	0										
STATISTICS:												
Refuse Rate Increase	2.0%	2.0%	2.0%	2.0%	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%		
PRIOR YEAR STATISTICS:												
Refuse Rate Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%	1.5%		

Solid Waste Collection Rate Survey

Effective Date		MONTHLY RATES FOR							Comments
		1-can or 2-cans or 3-cans 32 gal 64 gal or 96 gal	Extra Can Charge	Mobile Home Park	Disabled/B ack yd	3yd ³ 1x/wk (includes bin rental)	On Call Debris Box 30 cy bin rental and dump		
Cupertino	08/01/09	20.23 40.46 60.69	10.14	N/A	\$10.86/can	188.80	718.34	Discounted senior citizen rate offered: (1 can=\$10.12)	
Fremont	01/01/10	25.71 28.16 41.44	N/A	N/A	tdt'l charge	169.03	451.73	50% discount for seniors age 70-79: 80 and older receive 20- or 32- gallon svc at no charge	
Milpitas	01/01/10	30.28 30.28 33.14 <i>Seniors 18.00</i>	7.67	28.07	N/A	175.82	799.40	Optional 96-gallon cart rental (\$2.86) included <i>Allied provides only 96-gal; residents can provide 32-gallon containers; the rate is the same regardless of number, but cart-rental is not charged</i>	
Mountain View	07/01/09	17.55 35.10 52.65	N/A	N/A	N/A	237.75	806.80	Multi Residential \$11.95 mini can	
Palo Alto	07/01/10	34.00 67.00 99.00	10.00	N/A	N/A	446.00	878.00	Rates include \$3.00/mo cart rental Mini can (20 gal)=\$18.00 cannot be combined with other service	
San Jose	07/01/09	31.50 59.00 86.50	6.25	N/A	N/A	175.82	Various**	20 gal can=\$25.90 <i>**City has several haulers-none have published rates, by quote only</i>	
								<i>*Included in cost:optional yard waste cart, additional \$4.00/mo</i>	
Santa Clara	07/01/09	21.80 30.74 39.68	N/A	N/A	0	161.56	684.00	20 gal can rate= \$16.45 <i>**All rates include \$3.80 per month for annual cleanup</i>	
Sunnyvale (proposed)	07/01/10	28.70 35.05 41.40	6.00*	21.36	28.70	288.59	749.89		

* tag for extra bag

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE ESTABLISHING RATES AND CHARGES FOR WATER, WASTEWATER, AND SOLID WASTE SERVICES FOR FISCAL YEAR 2010/2011 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, WASTEWATER, AND SOLID WASTE SERVICES WITHIN CITY LIMITS (Sunnyvale Municipal Code Chapters 12.16, 12.24, 8.16.) Water, wastewater, and solid waste 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 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 15, 2010. Rates for bi-monthly customers will begin appearing on bills after August 15, 2010.

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 _____, 2010, 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