

## NOTICE OF PUBLIC HEARING: PROPOSED SANITARY SEWER CHARGE RATE CHANGE

The Cupertino Sanitary District's last rate increase was in 2009. The District has experienced steadily rising operating and capital improvement costs to the extent that the District is drawing down reserves for payment of these costs. While the District has made every effort to control and lower its operating and maintenance costs, the City of San Jose sewerage treatment costs continue to rise due to new federal and state regulatory requirements. We have now been notified that the sewerage treatment facilities utilized by the District will require substantial upgrades and improvements over the next 10 years. The District's share of the cost for these upgrades and improvements is estimated to be 15 million dollars over the next 5 years. In order to cover the District's normal operating and capital improvement costs and the District's share of the cost to upgrade and improve the sewerage treatment facilities, the Sanitary Board has determined that sewer service charges must be increased as follows:

<u>Type of Service:</u>	<u>Current Rates:</u>	<u>Proposed Rates:</u>
<b>Residential:</b>		
Residential – per unit	\$288.00 /YR	\$300.00 /YR
	\$24.00 /MO	\$25.00 /MO
<b>Commercial:</b>		
Fixed charge:	\$3.815 /YR	\$5.087 /YR
Plus additional charge per Hundred Cubic Feet (HCF) of sewage discharged:		
Auto Repair Shops & Service Stations	\$2.745 /HCF	\$2.859 /HCF
Car Washes	\$2.293 /HCF	\$2.389 /HCF
Domestic Laundry	\$2.473 /HCF	\$2.576 /HCF
Machinery Manufacturers	\$4.020 /HCF	\$4.188 /HCF
Motels/Hotels without Food Service	\$2.799 /HCF	\$2.915 /HCF
Motels/Hotels with Food Service	\$4.700 /HCF	\$4.896 /HCF
Retirement Homes with Common Dining	\$5.289 /HCF	\$5.509 /HCF
Convalescent Hospitals	\$2.653 /HCF	\$2.764 /HCF
Printing Plants	\$4.729 /HCF	\$4.926 /HCF
Restaurants	\$5.732 /HCF	\$5.971 /HCF
Retail or Professional Office	\$2.519 /HCF	\$2.624 /HCF
Schools, Colleges, Day Care Facilities	\$3.577 /HCF	\$3.726 /HCF
<b>Commercial or Industrial</b>		
<b>Alternate Charge:</b>		
<b>Capital Cost Recovery</b>		
Infiltration/Inflow (I/I)	\$5.087 per user / yr.	\$5.299 per user / yr.
Flow	\$219,368.533 per MG /Day	\$228,508.889 per MG /Day
Biochemical Oxygen Demand (BOD)	\$32,033.373 per 1,000 lbs /day	\$33,368.097 per 1,000 lbs /day
Suspended Solids (SS)	\$29,613.240 per 1,000 lbs /day	\$30,847.125 per 1,000 lbs /day
Ammonia (NH3)	\$97,206.267 per 1,000 lbs /day	\$101,256.528 per 1,000 lbs /day
<b>Operation &amp; Maintenance Cost Recovery</b>		
Flow	\$1,909.893 per MG /year	\$1,989.472 per MG /year
Biochemical Oxygen Demand (BOD)	\$217.427 per 1,000 lbs /year	\$226.486 per 1,000 lbs /year
Suspended Solids (SS)	\$283.933 per 1,000 lbs /year	\$295.764 per 1,000 lbs /year
Ammonia (NH3)	\$2,344.280 per 1,000 lbs /year	\$2,441.958 per 1,000 lbs /year

A **public hearing** on the proposed rate increase will be conducted by the Sanitary Board on **May 5, 2010**, commencing at **7:30 p.m.**, in the Board's Meeting Chambers located at **20833 Stevens Creek Boulevard, Suite 104, Cupertino, CA 95014**, at which time any interested person will be given an opportunity to be heard. Written comments on the proposed increase may also be submitted to the Board at any time prior to or during the public hearing by mailing or delivering the same to the District's offices. If you desire any additional information concerning the proposed rate increase, please contact the District at (408) 253-7071.