

May 12, 2023

ANDREW SHARP
212 THOMPSON SQ
MOUNTAIN VIEW CA 94043

**NOTICE OF PUBLIC HEARING
RECOMMENDED TRASH/RECYCLING/
ORGANICS RATES EFFECTIVE JULY 1, 2023**

**City of Mountain View City Council Chambers
500 Castro Street, Second Floor
Tuesday, June 27, 2023, at 6:30 p.m.
or as soon thereafter as the matter can be heard.**

The City of Mountain View (City) takes pride in providing water, wastewater (sewer), and solid waste (trash, recycling, and organics) services at the lowest rates possible. In general, the City's rates are comparable to or lower than those of neighboring cities. The purpose of this letter is to alert our customers that there are recommended increases to utility rates to be considered and included at a public hearing on June 27, 2023.

Rate increases are generally necessary to pay for the higher costs the City will be charged by: the San Francisco Public Utilities Commission (SFPUC) and the Santa Clara Valley Water District (SCVWD) for the water they supply to the City; the Palo Alto Regional Water Quality Control Plant (Treatment Plant) for the treatment of the City's wastewater; Recology for trash, recycling, and organics collection services and certain processing services; and the Sunnyvale Materials and Recovery Transfer (SMaRT®) Station for processing commercial and residential trash and residential recyclables. This letter provides the details of the recommended rate increases for Fiscal Year 2023-24 beginning on July 1, 2023 (the City's fiscal year is from July 1 through June 30). No Proposition 218 hearing is required for water and wastewater rates as those rate increases are within the previously adopted schedule of fees, and pass-through and inflationary adjustments approved at a public hearing on June 22, 2021 pursuant to Government Code Section 53756. The rates in this notice are **monthly rates**; the City bills customers on a **bimonthly** basis.

In summary, for a typical single-family residence, the Fiscal Year 2023-24 recommended rate increases are:

Water—8.0%
Wastewater (Sewer)—6.0%
Trash/Recycling/Organics—7.0%

TRASH/RECYCLING/ORGANICS RATES

Effective July 1, 2023, a 7.0% rate increase is recommended (rounded up to the next five cents) for trash/recycling/organics services, which consists of the Recology contract cost increase, SMaRT Station net cost increases, and City cost increases.

Recology is the private company that provides trash, recyclables, and organics collection services in the City. The City's contract with Recology provides for an 8.13% rate increase in collection services. This is based on projected expenditure increases and revenue requirements in accordance with the City's contract with Recology.

The City's residential trash, residential recyclables, and commercial trash are processed at the SMaRT Station under a Memorandum of Understanding (MOU) between the City of Mountain View and the City of Sunnyvale. The MOU provides for the City to pay its proportional share of costs, and, while the City's share of SMaRT Station costs are lower for Fiscal Year 2023-24, after taking into consideration the reduction in the City's share of tonnage processed, costs are estimated to increase 6.8%. SMaRT operating costs, including utility costs, are up significantly.

NOTICE OF WATER AND WASTEWATER RATE CHANGES—NO PROPOSITION 218 HEARING REQUIRED

WATER RATES

Effective July 1, 2023, an 8.0% increase is recommended for the average cost of water and meter rate (rounded up to the nearest cent and five cents, respectively), which consists of City cost increases up to the Consumer Price Index (CPI) inflation adjustment and wholesale supplier increase.

Effective July 1, 2023, the recycled water rate is recommended to increase by CPI (rounded down to 5.0%) from \$5.31/unit to \$5.58/unit (rounded up to the next cent) to cover the cost of the program.

The SFPUC has notified the City of a proposed 9.7% increase in wholesale rates effective July 1, 2023, and its public hearing is generally held in May to adopt rates. The SCVWD has notified the City of a proposed 15.0% increase in the well water rate for Fiscal Year 2023-24, which corresponds to a 14.1% increase in the treated water rate as it is based on the well water rate plus \$115.00 per acre-foot surcharge. The SCVWD’s public hearing process concludes April 25, 2023. The CPI for All Urban Consumers in the San Francisco Metropolitan Area for February 2023 is 5.3%. The combination of increases from the SFPUC and SCVWD and CPI increase for City costs results in an approximate 8.6% rate increase, and an 8.0% rate increase is recommended within the inflationary and pass-through rate increase provisions allowed and approved at a public hearing June 22, 2021 pursuant to Government Code Section 53756. See below for sample of recommended rates and Exhibit 1 for a complete list.

SAMPLE RECOMMENDED WATER RATES

	CURRENT FY22-23	RECOMMENDED FY23-24
Meter Charge*		
5/8" and 3/4"	\$17.65	\$19.05
1"	\$35.30	\$38.10
1.5"	\$70.60	\$76.20
All Single-Family**		
0-3 Units	\$5.96	\$6.44
>3-15 Units	\$7.94	\$8.58
>15 Units	\$12.70	\$13.73
All Nonresidential Uniform	\$7.94	\$8.58
Recycled Water (Uniform)	\$5.31	\$5.58

* Meter rates are tied to capacity ratios published by the American Water Works Association (AWWA).

** The Uniform and Tier 2 rates reflect the average cost of water. Tier 1 is set at 75.0% and Tier 3 is set at 160.0% of the average cost of water (or Tier 2).

One unit of water is 100 cubic feet (ccf) or 748 gallons. Water rates are per unit.

WASTEWATER (SEWER) RATES

Effective July 1, 2023, a total 6.0% rate increase is recommended (rounded to the nearest five cents for the residential flat rate and up to the next cent for the per-unit rate), which consists of the Treatment Plant increase, CPI inflation adjustment, and a 2.0% increase (Year 10 of a 10-year phase-in period) to fund future major renovations at the Treatment Plant.

The City of Palo Alto notified the City of a 3.7% proposed increase in its Treatment Plant budget for Fiscal Year 2023-24. Wastewater rates paid by Mountain View customers fund the cost of treating wastewater generated in the City at the Palo Alto Treatment Plant (approximately 60.0% of costs) and costs to operate the City’s sewer system (approximately 40.0% of costs). The CPI for All Urban Consumers in the San Francisco Metropolitan Area for February 2023 is 5.3%. The combination of the supplier and CPI increases result in an approximate 4.4% rate

UTILITY RATES

Title	Current FY22-23	Recommended FY23-24	Basis
<u>Trash and Recycling Service:</u>			
Bin for a Day	\$273.00	\$292.00	Fixed
Bin Rental—Compost and Trash:			
1 Cubic Yard	\$24.25	\$25.95	Container/Month
2 Cubic Yards	\$36.30	\$38.85	Container/Month
3 Cubic Yards	\$48.25	\$51.65	Container/Month
4 Cubic Yards	\$60.30	\$64.55	Container/Month
6 Cubic Yards	\$72.35	\$77.45	Container/Month
Bin Service:			
Compost:			
One Cubic Yard			
1 Time/Week	\$90.30	\$96.60	Container/Month
2 Times/Week	\$198.55	\$212.45	Container/Month
3 Times/Week	\$306.40	\$327.85	Container/Month
4 Times/Week	\$414.40	\$443.40	Container/Month
5 Times/Week	\$522.35	\$558.95	Container/Month
6 Times/Week	\$630.30	\$674.40	Container/Month
Two Cubic Yards			
1 Time/Week	\$180.15	\$192.80	Container/Month
2 Times/Week	\$378.60	\$405.10	Container/Month
3 Times/Week	\$576.65	\$617.05	Container/Month
4 Times/Week	\$774.60	\$828.85	Container/Month
5 Times/Week	\$972.65	\$1,040.75	Container/Month
6 Times/Week	\$1,170.75	\$1,252.70	Container/Month
Three Cubic Yards			
1 Time/Week	\$270.15	\$289.10	Container/Month
2 Times/Week	\$558.45	\$597.60	Container/Month
3 Times/Week	\$846.60	\$905.90	Container/Month
4 Times/Week	\$1,134.90	\$1,214.35	Container/Month
5 Times/Week	\$1,422.95	\$1,522.60	Container/Month
6 Times/Week	\$1,711.10	\$1,830.90	Container/Month
Four Cubic Yards			
1 Time/Week	\$360.15	\$385.40	Container/Month
2 Times/Week	\$738.75	\$790.50	Container/Month
3 Times/Week	\$1,116.75	\$1,194.90	Container/Month
4 Times/Week	\$1,495.00	\$1,599.65	Container/Month
5 Times/Week	\$1,873.20	\$2,004.30	Container/Month
6 Times/Week	\$2,251.25	\$2,408.85	Container/Month
Extra Pickup			
1 Cubic Yard	\$70.35	\$75.30	Pickup
2 Cubic Yards	\$88.05	\$94.20	Pickup
3 Cubic Yards	\$112.40	\$120.30	Pickup
4 Cubic Yards	\$153.75	\$164.55	Pickup
Trash:			
One Cubic Yard			
1 Time/Week	\$120.35	\$128.80	Container/Month
2 Times/Week	\$264.70	\$283.25	Container/Month
3 Times/Week	\$408.50	\$437.10	Container/Month
4 Times/Week	\$552.50	\$591.20	Container/Month
5 Times/Week	\$696.45	\$745.25	Container/Month
6 Times/Week	\$840.35	\$899.20	Container/Month
Two Cubic Yards			
1 Time/Week	\$240.20	\$257.05	Container/Month
2 Times/Week	\$504.75	\$540.10	Container/Month
3 Times/Week	\$768.85	\$822.70	Container/Month
4 Times/Week	\$1,032.80	\$1,105.10	Container/Month
5 Times/Week	\$1,296.85	\$1,387.65	Container/Month
6 Times/Week	\$1,560.95	\$1,670.25	Container/Month

Title	Current FY22-23	Recommended FY23-24	Basis
Compactor Service:			
Compost:			
Per Compacted Yard	\$57.10	\$61.10	Pickup (on-call and regular service)
10 Cubic Yards	\$570.75	\$610.90	Fixed
20 Cubic Yards	\$1,141.50	\$1,221.75	Fixed
25 Cubic Yards	\$1,426.90	\$1,527.20	Fixed
30 Cubic Yards	\$1,712.25	\$1,832.65	Fixed
35 Cubic Yards	\$1,997.65	\$2,138.10	Fixed
40 Cubic Yards	\$2,283.00	\$2,443.50	Fixed
Recycling (Cardboard or Mixed Container or Mixed Paper):			
Per Compacted Yard	\$19.05	\$20.40	Pickup (on-call and regular service)
10 Cubic Yards	\$190.25	\$203.65	Fixed
20 Cubic Yards	\$380.50	\$407.25	Fixed
25 Cubic Yards	\$475.65	\$509.10	Fixed
30 Cubic Yards	\$570.75	\$610.90	Fixed
35 Cubic Yards	\$665.90	\$712.70	Fixed
40 Cubic Yards	\$761.00	\$814.50	Fixed
Trash:			
Per Compacted Yard	\$76.10	\$81.45	Pickup (on-call and regular service)
10 Cubic Yards	\$761.00	\$814.50	Fixed
20 Cubic Yards	\$1,522.00	\$1,629.00	Fixed
25 Cubic Yards	\$1,902.50	\$2,036.25	Fixed
30 Cubic Yards	\$2,283.00	\$2,443.50	Fixed
35 Cubic Yards	\$2,663.50	\$2,850.75	Fixed
40 Cubic Yards	\$3,044.00	\$3,258.00	Fixed
Debris Box:			
Rental:			
Daily (after 7 days)	\$17.65	\$18.90	+7 Days
Monthly	\$536.90	\$574.90	Month
Service:			
Cardboard:			
16 Cubic Yards	\$202.55	\$216.75	Pickup (on-call and regular service)
20 Cubic Yards	\$234.20	\$250.60	Pickup (on-call and regular service)
25 Cubic Yards	\$265.80	\$284.40	Pickup (on-call and regular service)
30 Cubic Yards	\$300.55	\$321.55	Pickup (on-call and regular service)
40 Cubic Yards	\$356.05	\$381.00	Pickup (on-call and regular service)
Compost or Yard Trimmings:			
16 Cubic Yards	\$607.65	\$650.20	Pickup (on-call and regular service)
20 Cubic Yards	\$702.55	\$751.75	Pickup (on-call and regular service)
25 Cubic Yards	\$797.40	\$853.20	Pickup (on-call and regular service)
30 Cubic Yards	\$901.55	\$964.65	Pickup (on-call and regular service)
40 Cubic Yards	\$1,068.15	\$1,142.90	Pickup (on-call and regular service)
Trash:			
8 Cubic Yards (rock box only)	\$771.65	\$825.70	Pickup (on-call and regular service)
16 Cubic Yards	\$810.15	\$866.90	Pickup (on-call and regular service)
20 Cubic Yards	\$936.70	\$1,002.30	Pickup (on-call and regular service)
25 Cubic Yards	\$1,063.15	\$1,137.60	Pickup (on-call and regular service)
30 Cubic Yards	\$1,202.05	\$1,286.20	Pickup (on-call and regular service)
40 Cubic Yards	\$1,424.15	\$1,523.85	Pickup (on-call and regular service)
Wastewater Service:			
Base Commercial	\$6.58 (\$46.06 min.)	\$6.98 (\$48.86 min.)	Per unit (748 gallons) or fraction thereof of water consumed
Commercial/Industrial, Chemical, Groundwater, Liquid Waste	\$11.19 (1.7 x base) (\$78.33 min.)	\$11.87 (1.7 x base) (\$83.09 min.)	Per unit (748 gallons) or fraction thereof of water consumed
Restaurant	\$12.83 (1.95 x base) (\$89.81 min.)	\$13.61 (1.95 x base) (\$95.27 min.)	Per unit (748 gallons) or fraction thereof of water consumed

Operations for services provided through both agreements include efforts to reduce the amount of waste sent to landfills as well as to abide by Senate Bill 1383, which mandates residential and commercial organics composting. City operating costs increased significantly last fiscal year due to changes to include these efforts and resulted in an unbalanced operating budget. There is sufficient available balance to absorb the increases over a period of time, and the City is recommending a 7.0% rate increase to cover the cost increases for Fiscal Year 2023-24 only. However, it is expected that higher increases in the future will be needed to bring the operating budget into balance. See below for the sample recommended rates and Exhibit 1 for a complete list.

SAMPLE RECOMMENDED TRASH/RECYCLING/ORGANICS RATES

	CURRENT FY22-23	RECOMMENDED FY23-24
Per 32-Gallon Cart	\$39.35	\$42.10
3-Yard Trash Bin—1x per week pick-up	\$360.20	\$385.45
—3x per week pick-up	\$1,128.80	\$1,207.85
3-Yard Compost Bin—1x per week pick-up	\$270.15	\$289.10
—3x per week pick-up	\$846.60	\$905.90

This is a sample calculation of recommended rates based upon the recommended rate increase above.

The trash/recycling/organics rates stated in this notice will not be increased above the rates stated above without further written notice to the City’s customers and a further protest hearing pursuant to Proposition 218.

PROTESTS

The City Council will hold a public hearing to receive resident input on June 27, 2023 at 6:30 p.m. or as soon thereafter as the matter can be heard. Article XIII(D) of the California State Constitution, also known as Proposition 218, allows utility customers to submit written protests to the City regarding recommended rate increases. Utility customers objecting to the recommended trash/recycling/organics rates described in this notice may submit protests in person at the public hearing or, if unable to attend the public hearing, may file written protests with the City Clerk’s Office at City Hall (500 Castro Street, Third Floor) before 5:00 p.m. on June 27, 2023. No email protests are accepted. Protests must be received before the close of the public hearing on June 27 2023. Written notices should be addressed as follows:

City of Mountain View City Clerk
 Attn: Agenda 062723
 P.O. Box 7540
 Mountain View, CA 94039-7540

Pursuant to California Government Code Section 53755(b), only one written protest per parcel filed by a property owner or utility customer of the parcel who is responsible for paying the rates will be counted to determine whether or not there is a majority protest to the recommended rate increases. To be included in the protest count, a protest must be signed and include the address of the utility customer submitting the protest, or, if submitted by a property owner who is not a utility customer, the service address; be timely; be submitted with respect to a property served by the City’s utilities; and state that it is protesting the recommended trash/recycling/organics rate increase.

You may also contact the City’s Finance and Administrative Services Department at 650-903-6316 or email finance@mountainview.gov if you have questions about this notice or the recommended utility rate increases.

increase, and a 4.0% increase is recommended within the inflationary and pass-through rate increase provisions allowed and approved at a public hearing June 22, 2021 pursuant to Government Code Section 53756. An additional 2.0% rate increase for future major renovations at the Treatment Plant (Year 10 of a 10-year phase-in period) was also noticed and approved at the June 22, 2021 public hearing. See below for recommended rates.

RECOMMENDED WASTEWATER RATES

	CURRENT FY22-23	RECOMMENDED FY23-24
Residential (Flat Rate)	\$50.10	\$53.10
Base Commercial*	\$6.58	\$6.98
Industrial/Groundwater*	\$11.19**	\$11.87
Restaurants*	\$12.83***	\$13.61

* Per unit of water with a minimum charge for seven units applies where applicable.

** 1.7 x base rate.

*** 1.95 x base rate.

UTILITY RATES

Title	Current FY22-23	Recommended FY23-24	Basis
<u>Trash and Recycling Service:</u>			
Bin for a Day	\$273.00	\$292.00	Fixed
Bin Rental—Compost and Trash:			
1 Cubic Yard	\$24.25	\$25.95	Container/Month
2 Cubic Yards	\$36.30	\$38.85	Container/Month
3 Cubic Yards	\$48.25	\$51.65	Container/Month
4 Cubic Yards	\$60.30	\$64.55	Container/Month
6 Cubic Yards	\$72.35	\$77.45	Container/Month
Bin Service:			
Compost:			
One Cubic Yard			
1 Time/Week	\$90.30	\$96.60	Container/Month
2 Times/Week	\$198.55	\$212.45	Container/Month
3 Times/Week	\$306.40	\$327.85	Container/Month
4 Times/Week	\$414.40	\$443.40	Container/Month
5 Times/Week	\$522.35	\$558.95	Container/Month
6 Times/Week	\$630.30	\$674.40	Container/Month
Two Cubic Yards			
1 Time/Week	\$180.15	\$192.80	Container/Month
2 Times/Week	\$378.60	\$405.10	Container/Month
3 Times/Week	\$576.65	\$617.05	Container/Month
4 Times/Week	\$774.60	\$828.85	Container/Month
5 Times/Week	\$972.65	\$1,040.75	Container/Month
6 Times/Week	\$1,170.75	\$1,252.70	Container/Month
Three Cubic Yards			
1 Time/Week	\$270.15	\$289.10	Container/Month
2 Times/Week	\$558.45	\$597.60	Container/Month
3 Times/Week	\$846.60	\$905.90	Container/Month
4 Times/Week	\$1,134.90	\$1,214.35	Container/Month
5 Times/Week	\$1,422.95	\$1,522.60	Container/Month
6 Times/Week	\$1,711.10	\$1,830.90	Container/Month
Four Cubic Yards			
1 Time/Week	\$360.15	\$385.40	Container/Month
2 Times/Week	\$738.75	\$790.50	Container/Month
3 Times/Week	\$1,116.75	\$1,194.90	Container/Month
4 Times/Week	\$1,495.00	\$1,599.65	Container/Month
5 Times/Week	\$1,873.20	\$2,004.30	Container/Month
6 Times/Week	\$2,251.25	\$2,408.85	Container/Month
Extra Pickup			
1 Cubic Yard	\$70.35	\$75.30	Pickup
2 Cubic Yards	\$88.05	\$94.20	Pickup
3 Cubic Yards	\$112.40	\$120.30	Pickup
4 Cubic Yards	\$153.75	\$164.55	Pickup
Trash:			
One Cubic Yard			
1 Time/Week	\$120.35	\$128.80	Container/Month
2 Times/Week	\$264.70	\$283.25	Container/Month
3 Times/Week	\$408.50	\$437.10	Container/Month
4 Times/Week	\$552.50	\$591.20	Container/Month
5 Times/Week	\$696.45	\$745.25	Container/Month
6 Times/Week	\$840.35	\$899.20	Container/Month
Two Cubic Yards			
1 Time/Week	\$240.20	\$257.05	Container/Month
2 Times/Week	\$504.75	\$540.10	Container/Month
3 Times/Week	\$768.85	\$822.70	Container/Month
4 Times/Week	\$1,032.80	\$1,105.10	Container/Month
5 Times/Week	\$1,296.85	\$1,387.65	Container/Month
6 Times/Week	\$1,560.95	\$1,670.25	Container/Month