

## Attachment F – Water Rate Increase Comments

Resident Contact Information	Comments	Date & Time	Spoke to
<b>Customer #1</b>	<p>I received a notice of public hearing for a proposed water rate service fee increase.</p> <p>I oppose this increase and encourage the City Council to vote NO:</p> <ol style="list-style-type: none"> <li>1. The proposed increase is for 8.6% which far exceeds the rate of inflation.</li> <li>2. There is no justification given for the increase --- just a simple statement that it is for increased costs of operation. Customers should be informed of exactly what the increased costs of operation are and what improvements have been made to justify such a huge increase.</li> <li>3. I believe the proposed increase is simply to cover the lost revenue due to the significantly reduced water usage over the past year and a half -- simply said, this is a lost revenue issue for San Jose Water and not due to increased costs of operation.</li> <li>4. I totally disagree with the concept of making any increase approved retroactive to 1/1/16.</li> </ol> <p>I strongly encourage the City Council to vote NO on the proposed increase as currently written.</p>	7/13/16 11:59 am	Email
<b>Customer #2</b>	<p>I GOT THE NOTICE TODAY IN THE MAIL.</p> <p>BUT IAM A BIT CONCERNED ON THE LAST TWO PARAGRAPHS OF THE LETTER. THEY DONT TELL WHE WHOLE STORY TO THE PUBLIC READING IT AND THEY DONT STATE THE FACTS AS THEY ARE WRITTEN IN THE AGREEMENT. YOU STATE THEY CAN GET OPERATIONAL COSTS, THATS NOT WHAT THE AGREEMENT SAYS. AND WHAT ARE THE OPERATIONAL COSTS THEY ARE APPLYING FOR.</p>	7/13/16 1:54 pm	Email

	ALSO I AM NOT SURE IT STATED THE CITY'S HAD AND NOW STILL DOES HAVE THE RIGTH TO VOTE THIS DOWN WE SHOULD WALK SOON BEFOR I WRITE MY DOCUMENT		
<b>Customer #3</b>	<ul style="list-style-type: none"> <li>- Full packet was not received - just 1st page</li> <li>- Resident asked why web page had been removed</li> <li>- Resident asked about the reasons for the rate increase</li> <li>- Web page had not been posted by the time the resident received the notice.</li> </ul>	7/13/16 2:02 pm	Selby & Roger
<b>Customer #2</b>	...you should have showed the increase to people the way it impacts them you way you did minimizes the rate increase it really is \$120.00 per year increase and he to some is terrible	7/13/16 2:12 pm	Email
<b>Customer #4</b>	Noted prior leak that took SJWC 4-5 days to repair. Waste of water.	7/13/16 2:30pm	Roger
<b>Customer #2</b>	TWO OTHER THINGS FIRST I THINK THE AGREEMENT OR AT LEAST SECTION 8 SHOULD BE PART OF THE NOTICE SECOND HOW IS THE CITY GOING TO ADDRESS THAT FACT THAT THE CITY HAS NEVER DONE THIS BEFORE AS THEY SHOULD HAVE	7/13/16 9:29 pm	Email
<b>Customer #5</b>	<p>I'd like to comment on the proposed water rate increase. As part of the hearing on September 6th (or in advance), I would appreciate the city manager educating the community more about our water arrangement with SJWC and how the city is helping residents proactively manage their water expenses. A few specific things that I would like to better understand:</p> <ul style="list-style-type: none"> <li>* How does the rate increases for SJWC compare to other water retailers, like Cal Water (who also services part of Cupertino)?</li> <li>* The letter explains the increase in rates due to higher operating costs. More details, like a breakdown of specific costs and their increases, would be appreciated.</li> <li>* How is the city working with SJWC to improve our level of service? Many cities (like San Francisco and Sacramento) have moved to using smart water meters to give residents real-time access to their water usage in a useful format. Can Cupertino be more proactive in getting SJWC to launch a pilot program for smart meters in Cupertino? This would help</li> </ul>	7/14/16 10:40 am	Email

	<p>residents substantially reduce usage while also reduce operating costs in the long term (no more metermen and catching infrastructure problems quicker).</p> <p>* From past public hearings on water, the city seems frustrated with SJWC. Are we considering moving more of the city to Cal Water for better service? Would the threat of more competition improve our service from SJWC?</p> <p>Thank you for your consideration. I look forward to hearing more at the public hearing.</p>		
<b>Customer #6</b>	<p>I'm a Cupertino resident who has just received your July 11 letter. Please advise me where I can find information on increases in our water service fees in recent years/decade (dates and %s). Thank you.</p>	<p>7/14/16 10:41 am</p>	Email
<b>Customer #7</b>	<p>We are opposed to the proposed increase. You need to list out the justification for the 8.6% increase in detail and not just "to cover increasing costs of operations"!</p> <p>We like to know,</p> <ol style="list-style-type: none"> <li>1. How many times water fee has increased within the last 10 years?</li> <li>2. What is the actual increase in cost of operations this time?</li> <li>3. How much of this increase goes to salary?</li> <li>4. This 8.6% increase is 3-4 times that of Cost of Living. How do you justify this?</li> </ol>	<p>7/14/16 12:00 pm</p>	Email
<b>Customer #8</b>	<p>It is outrageous that San Jose Water wants to increase rates. If they would just respond to water main leaks in a timely manner, they would not need a rate increase.</p> <p>This was their typical response to several of these problems, and finally they replaced the water main. Too little too late! Why don't we find a more reliable supplier for Cupertino?</p>	<p>7/14/16 1:58 pm</p>	Email
<b>Customer #2</b>	<p>THE AGREEMENT DOES NOT LET SJW GET INCREASES FOR ANY BUT WATER OR POWER INCREASES.</p> <p>SO WHAT IS THIS ABOUT OPERATIONAL COST INCREASES/ (Exhibit 1)</p>	<p>7/14/16 5:19 pm</p>	Email

<b>Customer #2</b>	ALL OPERATIONAL, REPAIR, AND REPLACEMENT COSTS ARE ON THEM NOT THE RATE PAYERS	7/14/16 5:30 pm	Email
<b>Customer #9</b>	I do not want to vote for increasing water service rates. My motion is to deny and keep the current service fee rates AS-IS.	7/14/16 9:46 pm	Email
<b>Customer #10</b>	Voice message with question about increase.	7/15/16 left VM	Roger
<b>Customer #2</b>	<p>YOU NEED TO PUT THIS QUESTION IN YOUR QUESTIONER YOU ARE PUTTING OUT TODAY CAUSE THE SUBJECT WILL COME UP</p> <ul style="list-style-type: none"> <li>WHY DID THE CITY NOT PER THE AGREEMENT HAVE PUBLIC MEETING FOR THE PURPOSE OF APPROVAL/DISAPPROVAL OF SJW RATE INCREASES THRU THE PAST YEARS OF THE AGREEMENT ?</li> </ul>	7/15/16 7:25 am	Email
<b>Customer #2</b>	<p>Reply by Roger Lee: I agree. You will see this Q&amp;A in the FAQ. Mr Kolski: <b>TRANSPARENCY...THIS AS YOU KNOW HAS GONE ON TO LONG. THE PEOPLE SHOW KNOW ! PAST AND PRESENT COUNCIL LEADERSHIP HAS NOT DONE THEIR JOB AND THEY PEOPLE VOTED THEM IN. WITHOUT YOU AND TIM THIS WOULD HAVE CONTINUED FOR WHO KNOWS HOW LONG.</b></p> <p>Reply by Roger Lee: Regarding operation expense, agree that SJWC is responsible for all these costs. They (SJWC) are the operators and responsible for paying salaries, wholesale water, maintenance and so on. When these costs go up, the agreement provides the lessee an opportunity to raise rates.</p> <p>Mr. Kolski: <b>YOU NEED TO SHOW ME WHERE IT SAYS THAT! SEND THAT TO ME. AS I READ IT, IT SAYS "FOR WATER AND POWER INCREASES", NO OTHER REASONS.</b></p>	7/15/16 8:00 am	Email
<b>Customer #2</b>	IN MY WAY FRIEND I AM ONLY TRYING TO SUPPORT YOU AND SOLVE THIS ISSUE THAT YOU AND TIM HAND NOTHING TO DO WITH TILL THIS POINT THE COUNCIL LEADERSHIP HAS PLAYED THE POLITICAL GAME MAYBE WORSE! IT IS OVER FRIEND IT WILL ALL BECOME COME PUBLIC	7/15/16 8:26 am	Email

	I ONLY IN SOME WAY I HELPED THE PEOPLE OF THE CITY TO SEE HOW THEY HAVE BEEN TREATED AND TO GET THE AGREEMENT FOLLOWED BY BOTH PARTIES THAT SIGNED IT LET ME KNOW TODAY WHEN THE QUESTIONER IS ON THE CITY SITE		
<b>Customer #11</b>	The annual CPI change from April 2015 to April 2016 is 2.7% for the Bay area. With the mandated water conservation at lower water usage, we now have to pay more. This doesn't make sense. The SJWC should tighten their operations and reduce their labor costs and other operations and maintenance costs. Just like every family, the SJWC should manage their operations based on the monies they have and not asking for rate increase. Just like every working citizen, we just cannot keep going to our boss to ask for raise every time we need monies. I am opposed to the rate increase even though it appears that the CPUC has granted SJWC an increase of 8.6%.	7/15/16 9:02 am	Email
<b>Customer #12</b>	While I understand the need to raise rates periodically as costs increase, the retroactive nature of this proposed increase is out of line. If you want to have a public hearing just slightly more than one week prior to the proposed increase and then make the increase retroactive 9 ½ months is unfair to people on fixed incomes who may have budget issues. Having to cover 9 ½ months of increase will have a significant impact on people who may be living month to month. This public hearing is not about planning, it seems to be about rubber stamping a decision by the PUC in favor of the SJWC. If you confirm the adoption of the rate increase, do so without impacting fixed income citizens by refusing to make the decision retroactive		Email
<b>Customer #13</b>	Current rates in notice do not match what he is paying. He is long time resident...why notice now and not before?	7/15/16 11:55am	Roger
<b>Customer #14</b>	The water company service fees are out of control, 8.6% is way more than inflation. It's outrageous to go back to collect from Jan 1, the year is already half over. This is beyond greedy.	7/15/16 4:46 pm	Email

<b>Customer #15</b>	<p>8.6% increase and retroactive from January 1, 2016 are unreasonable and irresponsible rate hikes.</p> <p>City should phase these increase and make it effective January 1, 2017. Give people time to anticipate and adjust to rate hikes. As is, San Jose water has already imposed super surcharge on usage and now another 8.6% is too much.</p> <p>Thank You for hearing the citizens! Hoping that you would care for the citizens and not just keep increasing costs to us.</p>	7/15/16 9:55 pm	Email
<b>Customer #16</b>	<p>We recently received the notice in the mail that there is a proposal for water rate increases, including applying them retroactively back to Jan 1, 2016.</p> <p>We are quite opposed to this proposal and, if we could, would move to a competing service. But since our water service is a monopoly, this fee is essentially being foisted on us without our say. :-(</p> <p>And to apply it retroactively is to add insult to injury.</p> <p>Please consider that your constituents do NOT want to vote in favor of this proposal.</p>	7/16/16 6:39 pm	Email
<b>Customer #17</b>	<p>This is in response to your letter dated July 11 advising us of an 8.6% increase in water rates retroactive to Jan 1, 2016. Your letter asked for written comments before the Sept 6 meeting. We have 3 concerns:</p> <p>1) It is quite extraordinary to bill retroactively. Imagine if you went to the grocery store and the manager came out to inform you that all the milk you've purchased over the last year actually costs \$10 per gallon rather than the \$4 per gallon you were billed for and paid.</p> <p>2) An 8.6% increase seems very significant in this era of low inflation and low wage increases.</p> <p>3) We are concerned that possibly staff in SJWD have granted themselves excessive salary increases. What has been the percentage increase in the median pay of the SJWD personnel over the last 5 years? What is the annual pay rate for the top 3 persons?'</p>	7/16/16 9:22 pm	Email
<b>Customer #18</b>	<p>Regarding the recent mailed notification of the 8.6% water rate increase, I have a few questions that your letter didn't address satisfactorily. The phrase... "increase cost of operation" was used (at least) twice without</p>	7/18/16 10:02 am	Email

	<p>any clarity as to what specifically is the cause of increase besides the CPUC granting SJWC an increase of said amount. Can you provide further clarity on this? Also... why 8.6% as a particular percentage increase?</p> <p>I write this because I will not be in town the day of this town meeting. Thank you for your time and input.</p>		
<b>Customer #19</b>	<p>I am writing this e-mail to indicate my OBJECTION to increasing water service fees in Cupertino. We have had enough of tax and fee increases in California for almost everything. Water rates that are imposed on consumers are already extremely high due to the drought situation. Adding another 8.6% rate increase by City of Cupertino is just NOT ACCEPTABLE. The costs of living in California and especially in Silicon Valley are so sky rocketed that in the end it becomes impossible to manage expenses in this area and people are forced to leave the state. To make things worse, increases in the fees and taxes are initially proposed as temporary but then they never expire! I DO NOT agree with this additional increase. Also, the proposed amount is so high at 8.6%. We could have managed perhaps a 1-2% increase, but 8.6% is just NOT ACCEPTABLE.</p> <p>I hope this letter gets considered.</p>	7/23/16 11:10 am	Email
<b>Customer #7</b>	<p>The FAQ really does not add more info.</p> <p>I found this news item from Google... <a href="http://www.mercurynews.com/business/ci_26336348/san-jose-water-customers-face-rate-increase">http://www.mercurynews.com/business/ci_26336348/san-jose-water-customers-face-rate-increase</a></p> <p>In it, SJWC said they will ask for increases not only for 2016, but 2017 and 2018! Your notice definitely did not mention this. Everyone knows it is difficult to object to rate increases when the argument use is "improve infrastructure". I wonder if City of Cupertino can give its residents an update on how much improvement has SJWC accomplished since 2012 when they asked for 40% increase? And how much more improvements are needed? Please do so in the September review meeting.</p>	7/23/16 9:52 pm	Email

<b>Customer #20</b>	Concerned that increased growth in City is putting too much demand on water. Thinks this issue deserves attention similar to traffic, etc	7/25/16 11:45am	Roger
<b>Customer #21</b>	<p>I have received your letter on a proposed increase in rates for water service fees of 8.6% which is pretty high from my personal opinion but this is not the major concern of this email. I am the owner of the following address: 10690 Cordova Road, Cupertino, CA 95014</p> <p>I have rented the house addressed above from 5/1/2014 to 5/14/2016. I have moved back to the house on <b>5/15/16</b>. The proposed increase in rates for water service fees of 8.6% will be effective September 15, 2016 (<b>retroactive to January 1, 2016</b>). But I was not residing at the house from <b>January 1, 2016 to May 14, 2016, I should not be responsible for the retroactive rate increase from January 1 through May 14, 2016</b>. And my rental lease been ended without any outstanding condition/s and I do not think I am able or responsible to get the tenant for it. I think San Jose Water Company should directly collect the portion of increase mentioned from the correct/responsible residence at that time (my Tenant). Please advise!</p> <p>Thanks for your attention in this matter.</p>	8/9/16 8:29 am	Email
<b>Customer #22</b>	<p>Can you please consider a water service increase of 3%, and not 8.6%? We are writing to oppose the water service rate increase at 8.6% by the San Jose Water Company that is connected to Cupertino. From speaking with others in the bay area here, workers have an average increase of 2.5% to 3% in salary if they do an excellent job. The rate of water rate increase of 8.6% is extremely high, since salary increases do not even move up at that high rate.</p> <p>We are also opposing the retroactive fees proposed. We are retirees on a tight budget. It is unacceptable to expect residents to pay retroactively, being hit with unexpected expenses for several months in the past.</p> <p>Thank you for your consideration.</p>	8/15/16 12:29 pm	Email



<b>Customer #23</b>	<p>Hi folks in charge of water rates, I am really worried to see your letter saying 8.6% increase in water rates. Since the water consumption constraints imposed more than a year ago, we have reduced our consumption but still more than the allocation - which is very very low given we have a hard to maintain. Our water bill has been about 3x of what it used to be prior to new regulations. I was not give any explanation by the SJ water company (who serves Cupertino residents) what will they do with the extra money collected from people like us who exceed the allocation. On top of it you are now asking for 8.6% increase. This does NOT make sense, please explain.</p>	8/15/16 5:14 pm	Email
<b>Customer #24</b>	<p>I am adamantly opposed to the proposed water rate increase. SJW Corp reported \$16.8M in net income on \$86.9M operating revenue. This is a 19% profit margin - a ridiculous figure for a public utility with a captive customer base.</p> <p>If SJ Water needs to fund infrastructure improvements, perhaps they should obtain the funds by trimming executive compensation. A good place to start would be with W. Richard Roth, President, Chief Executive Officer and Chairman of the Board of SJW Corp, whose total annual compensation is nearly \$1.2M. Then, the inflated salaries of the other executives who are making over half a million per year can be reexamined and scaled back.</p> <p>Don't let SJ Water claim that they must have this increase because of the drought. Their water production expenses increased just \$100,000, to \$48.3M from \$48.2M in 2015. This 0.2% production cost increase is no justification for a fee increase of 8.6% on the backs of ratepayers. It is time for SJ Water to figure out how to run an efficient operation rather than demanding that water users subsidize their profligate business practices.</p> <p>Please reject SJ Water's proposed rate increase.</p>	8/17/16 3:07 pm	Email
<b>Customer #25</b>	<p>I was shocked to read the City notification letter regarding a proposed water rate increase of 8.6% <i>RETROACTIVE to LAST JANUARY!!!</i></p> <p>First, that is a BIG increase!</p>	8/29/16 12:33 pm	Email

	<p>Second, it's <i>retroactive</i> for the previous 9 1/2 months of the year??? Outrageous!!!</p> <p>Third, San Jose Water Company provides <i>inferior customer service</i> as compared to some other water companies in the area. SJ Water reads meters only once every two months. California Water Service reads monthly. Why does this matter? You can have a serious underground leak and not know there's a problem until your bill arrives in the mail after up to two months of leaking and wasting water.</p> <p>This happened to me. I just received my bi-monthly bill and almost fainted when I saw the total of over \$2,000. Whatever leak I have is underground and absolutely not visible. With more frequent meter reading, I would have known sooner and could have cut the losses at least in half.</p> <p>In addition, San Jose Water has antiquated metering technology. In this time of drought crisis what we need is smart metering of water to detect leaks and waste at the earliest possible time. The Water company is probably dragging their feet on this due to cost. However, it makes sense for all of us to install smart systems now and add a small amount to each customer's bill to pay off the initial expense. However, this would be a fixed cost, the same for each customer, not a variable 8.6% based on usage.</p> <p>Another service the water companies could, and in my opinion should, provide is leak detection. I believe they should have trained employees or subcontractors who can be hired by customers at a reasonable rate to come to the property and detect and repair leaks. The phone company does this. The cable TV company does this too. Why not the water company? Reliable, competent leak detection services are difficult for consumers to find and book. With water conservation being so critical, I believe the water companies have a responsibility to help facilitate repairs.</p> <p>PLEASE VOTE NO on this proposed rate increase. In addition please consider requiring a schedule for smart meter installation and leak detection services before considering any rate increases. When</p>		
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	necessary, moderate rate increases should only be allowed to go into effect in the future, not retroactively. Thank you for your consideration.		
<b>Customer #25</b>	Questions about rate increase amount and retroactive rate increase. (email above)	8/29/16 11:35 am	Roger
<b>Customer #26</b>	I can't believe that you would suggest an 8.6% RETROACTIVE rate increase! The people of Cupertino have been working to meet the reductions in water use... and now you want to retroactively hit them with a rate increase going back to January!!! Shame on you. It would be one thing to propose a rate increase starting, for example, in 2017, but making this retroactive is an example of overbearing government at work. Just because you could probably get away with it doesn't make it right. No wonder there are so many Bernie supporters.	8/30/16 7:31 am	Email

Utilities Commission approved rates in similar, nearby municipalities. Lessee may ask City to approve increases in rates from time to time.

City shall act on all requests for rate increases within sixty (60) days of receipt of the request. In cases of natural disaster, other emergencies or acts of God, City recognizes that extraordinary rate relief on an expedited basis may be necessary and City agrees to expeditiously approve any such reasonably requested rate relief. In the event City does not act on any requested rate relief either within the 60 day period or on an expedited basis, as the case may be, and such rate relief is subsequently approved or ordered, the water rates and charges shall be adjusted to subsequently recover from customers over a reasonable period of time such amounts as are necessary to place Lessee in the same position it would have been had the rates been in effect from and after the end of such 60 day period.

Notwithstanding the foregoing, Lessee may upon written notice to the City, pass through to customers in the Service Area in a manner substantially similar to that permitted by the California Public Utilities Commission any increase or decrease in the cost of water or power (to the extent not already reflected in rates), as well as any new City imposed fees, charges, taxes, license or permit fees, so long as Lessee promptly passes through in a manner substantially similar to that permitted by the California Public Utilities Commission any decreases in water or power costs. Lessee shall, at City's request, provide City with any information which may reasonably request documenting any changes up or down in the cost of water or power. Lessee may also impose conservation or rationing penalties on those customers exceeding their allocations, in the event of mandatory water rationing involving penalties imposed by the Santa Clara Valley Water District.

In the event, that rates or surcharges are reduced by order of the P.U.C or voluntarily by Lessee in areas of the City, other than in the Service Area of the Lease, the Lessee shall forthwith reduce its rates or surcharges within the Service Area of the Lease by the same percentage.

#### A. Phase-in Rate and Structure

Should Lessee's rates and charges be higher than that of City's at the time of Closing Date, Lessee will perform a conversion of rate structure and phase-in rates and charges over a three year period as follows.

(1) Rate Structure Conversion. Beginning in January 1998 Lessee will convert the City's inverted rate structure to Lessee's rates by taking the revenue generated by the rates excluding charges and other revenue and computing an equivalent rate that would generate the same amount of revenue.

(2) Phase-in Period. Beginning in January 1998 Lessee will have new rates and charges established by computing the differences between revenue generated using

