

Basis for Calculating the Proposed Rates and Charges

The proposed rates for the City's monthly service charges are consistent with the City's cost of service (COS) studies for the water and wastewater systems. The COS studies allocate operating and capital costs to customer classifications based on usage characteristics to determine a proportional rate which as required by Prop. 218. For more details, please visit: www.milpitas.gov/watersewer2023.

The City's Water and Recycled Water Charges have three components:

- Fixed Meter Charge:** All customers pay the fixed meter charge. The fixed meter charge is established based on the meter size of the property receiving water service. The rate is calculated to recover a portion of the City's fixed costs, such as meter reading, billing, repairs and customer service.
- Volumetric Charge:** All customers who use water during a bi-monthly bill cycle pay the volumetric charge. The volumetric charge is a fixed charge calculated per unit of water delivered to a property. It is designed to recover the cost of providing water, including wholesale water purchase, water supply and distribution costs.
- Capital Surcharge:** The capital surcharge is assessed on all potable water customers and, like the volumetric charge, is a fixed charge calculated per unit of water delivered to a property. The surcharge provides funding for capital projects and debt service.

The City's Wastewater Charges have two components:

- Service Charge:** The service charge is a fixed monthly charge per service connection and like the water system, is calculated to recover a portion of the City's fixed costs of providing wastewater services.
- Volumetric Charge*:** The volumetric charge is a variable monthly charge based on a customer's use classification and volume of wastewater discharged into the system. The volumetric charge is not applied to residential and irrigation accounts. The charge recovers a portion of the City's cost for collection and treatment of wastewater.

*Wastewater charges have four customer classifications: single family residential, multi-family residential, non-residential, and mobile home park. Non-residential customers are further classified based on the type of business. Together, the rates for the wastewater service charges are structured to proportionally recover the cost of providing wastewater services among the various customer classifications.

Potable Water Fixed Meter Charges

Bi-monthly \$ based on Meter Size | Applies to all customer classifications

Meter Size (Inches)	Current Rates	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
5/8	\$34.10	\$35.87	\$38.21	\$40.70	\$43.35	\$46.17
3/4	\$51.14	\$47.03	\$50.09	\$53.35	\$56.82	\$60.52
1	\$85.24	\$69.34	\$73.85	\$78.66	\$83.78	\$89.23
1-1/2	\$170.48	\$125.14	\$133.28	\$141.95	\$151.18	\$161.01
2	\$272.76	\$192.10	\$204.59	\$217.89	\$232.06	\$247.15
3	\$511.43	\$404.13	\$430.40	\$458.38	\$488.18	\$519.92
4	\$852.38	\$716.60	\$763.18	\$812.79	\$865.63	\$921.90
6	\$1,704.76	\$1,464.29	\$1,559.47	\$1,660.84	\$1,768.80	\$1,883.78
8	\$1,704.76	\$3,138.22	\$3,342.21	\$3,559.46	\$3,790.83	\$4,037.24
10	\$1,704.76	\$4,700.56	\$5,006.10	\$5,331.50	\$5,678.05	\$6,047.13

Volumetric Charges

Bi-monthly \$ per unit (1 unit = 1 hundred cubic feet = 748 Gallons)

Meter Size (Inches)	Current Rates	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
Potable	\$6.70	\$7.17	\$7.64	\$8.14	\$8.67	\$9.24
Recycled	\$4.51	\$5.41	\$5.77	\$6.15	\$6.55	\$6.98
Capital	\$1.08	\$1.14	\$1.20	\$1.26	\$1.33	\$1.40

Private Fireline

Bi-monthly \$ based on Fire Service Line Size | Applies to all customer classifications with a dedicated fireline

Line Size (Inches)	Current Rates	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
2	\$54.55	\$54.55	\$54.55	\$54.55	\$54.55	\$54.55
3	\$102.29	\$102.29	\$102.29	\$102.29	\$102.29	\$102.29
4	\$170.48	\$170.48	\$170.48	\$170.48	\$170.48	\$170.48
6	\$340.95	\$340.95	\$340.95	\$340.95	\$340.95	\$340.95
8	\$340.95	\$340.95	\$340.95	\$340.95	\$340.95	\$340.95
10	\$340.95	\$340.95	\$340.95	\$340.95	\$340.95	\$340.95

Recycled Water Fixed Meter Charges

Bi-monthly \$ based on Meter Size | Applies to all customer classifications

Meter Size (Inches)	Current Rates	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
5/8	\$34.10	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44
3/4	\$51.14	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44
1	\$85.24	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44
1-1/2	\$170.48	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44
2	\$272.76	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44
3	\$511.43	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44
4	\$852.38	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44
6	\$1,704.76	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44
8	\$1,704.76	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44
10	\$1,704.76	\$13.54	\$14.43	\$15.37	\$16.37	\$17.44

Wastewater Fixed and Volumetric Charges

Bi-monthly \$ based on unique customer classifications

	SERVICE CHARGES						VOLUMETRIC CHARGES					
	Current Rates	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	Current Rates	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
Residential (\$ per Dwelling Unit)							Not Applicable					
Single Family	\$124.14	\$128.44	\$133.58	\$138.93	\$144.49	\$150.27						
Multi-Family	\$95.34	\$97.96	\$101.88	\$105.96	\$110.20	\$114.61						
Mobile Home	\$78.28	\$84.42	\$91.05	\$98.20	\$105.91	\$114.22						
Institutional (\$ per unit = 1 hundred cubic feet = 748 gallons)												
Schools/Colleges	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$9.99	\$11.58	\$12.04	\$12.53	\$13.04	\$13.57
Commercial (\$ per unit = 1 hundred cubic feet = 748 gallons)												
Motels/Hotels	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$5.75	\$5.64	\$5.88	\$6.12	\$6.37	\$6.63
General Office	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$6.84	\$6.92	\$7.20	\$7.49	\$7.79	\$8.11
City of Milpitas	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$5.80	\$5.59	\$5.82	\$6.06	\$6.31	\$6.57
Service Stations	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$5.70	\$5.61	\$5.84	\$6.08	\$6.33	\$6.59
Eat/Drink Establishments	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$9.06	\$10.88	\$11.32	\$11.78	\$12.26	\$12.76
Convalescent Hosp/Daycare	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$5.60	\$5.45	\$5.67	\$5.90	\$6.14	\$6.39
Personal Services, Laundries	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$5.31	\$4.97	\$5.17	\$5.38	\$5.60	\$5.83
Electrical/Electronic	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$6.72	\$6.82	\$7.10	\$7.39	\$7.69	\$8.00
Machinery Manufacture	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$8.43	\$9.92	\$10.32	\$10.74	\$11.17	\$11.62
Monitored Sites (\$ per unit = 1 hundred cubic feet = 748 gallons)												
Rocktenn (Jefferson Smurfit)	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$10.46	\$10.79	\$11.23	\$11.68	\$12.15	\$12.64
T. Marzetti Co.	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$12.09	\$11.17	\$11.62	\$12.09	\$12.58	\$13.09
Prudential Overall Supply	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$8.42	\$9.88	\$10.28	\$10.70	\$11.13	\$11.58
Evoqua Water Technologies	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$7.06	\$6.40	\$6.66	\$6.93	\$7.21	\$7.50
Elmwood Rehabilitation	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$6.69	\$7.78	\$8.09	\$8.42	\$8.76	\$9.12
Linear Technology	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$6.88	\$6.62	\$6.89	\$7.17	\$7.46	\$7.76
DS Waters of America	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$6.04	\$5.38	\$5.61	\$5.84	\$6.08	\$6.33
Magic Tech & Headway Tech	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$7.32	\$7.73	\$8.04	\$8.37	\$8.71	\$9.06
Non-Monitored Sites (\$ per unit = 1 hundred cubic feet = 748 gallons)												
Lucky Pure Water	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$5.29	\$4.95	\$5.15	\$5.36	\$5.58	\$5.81
Milpitas Materials	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$5.29	\$4.95	\$5.15	\$5.36	\$5.58	\$5.81
Union Pacific	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$7.35	\$7.85	\$8.17	\$8.50	\$8.84	\$9.20
Cisco	\$27.35	\$29.25	\$30.43	\$31.65	\$32.92	\$34.24	\$6.72	\$6.82	\$7.10	\$7.39	\$7.69	\$8.00