Dear Non-Residential Customer:

This notice explains the proposed utility service rate increases for commercial non-residential customers receiving City of Roseville water and solid waste (refuse) utility services. Wastewater (sewer) utility rates will remain at the current approved levels. The proposed utility rate increases will be recommended to the Roseville City Council at the date, time and location specified below in the Notice of Public Hearing. This notice also provides information on the reason for the rate increases and what the additional revenue generated by the adopted rates will be used for.

Notice of Public Hearing

A public hearing on proposed rate increases for Water and Solid Waste will be held on Wednesday, June 1, 2011 at 7:00 p.m. The hearing will cover proposed two-year rate increases for Water and Solid Waste (refuse) utility services and allow for public comment.

Notice is being sent to property owners who currently receive Water and Solid Waste utility services. If adopted, the proposed rate increases will become effective on your August 2011 and July 2012 utility bills. These increases will be recommended to the Roseville City Council at a public hearing to be held on Wednesday, June 1, 2011 at 7:00 p.m. at the Roseville City Council Chambers located at 311 Vernon St., Roseville. This notice also describes how to file a protest against the proposed rate increases.

Water Utility Service - The City of Roseville purchases, treats, and delivers approximately 11 billion gallons of water to customers each year. The Water Utility operates and maintains a water treatment plant, pipelines, pump stations, fire hydrants, storage reservoirs, wells and water meters. The proposed rate increase will provide funding to cover increased operational costs such as state and federal water treatment regulations, and continue to provide funds for renewal and replacement of infrastructure as it ages.

Solid Waste (Refuse) Utility Service - The City of Roseville operates a solid waste (refuse) collection service, green waste program, recycling programs and street sweeping services for the residents and businesses within city limits. The proposed rate increase will cover operational cost increases in fuel and vehicles and other regulatory costs. The increase will allow the City to continue to provide reliable curbside collection services, green waste services, street sweeping and recycling programs to its customers.

FOR QUESTIONS REGARDING WATER AND SOLID WASTE (REFUSE) SERVICE, PLEASE CALL (916) 774-5300.

Exceptions in services are as follows:

Customers who receive a water bill from the Placer County Water Agency or the San Juan Water District. Some customers receive solid waste (refuse) from the City of Roseville and water service from either the Placer County Water Agency (PCWA) or the San Juan Water District. If you receive a PCWA or San Juan Water District utility bill for your water, your water rate will not be affected by this notice; however, your solid waste (refuse) utility rates will be impacted by the proposed increases in this notice.

The best way to determine who provides your utility services, which may be affected by this notice, is to review your utility bill(s).

Why are the rates for my utilities being increased?

To continue the City of Roseville's long tradition of providing reliable water and solid waste utility services to our customers, rate increases are needed to cover increasing operational costs. Some of the factors contributing to the increase in operational costs include:

- Water Supply. Purchased water costs continue to increase as the City's demand for water exceeds its allocation from the U.S. Bureau of Reclamation (Reclamation). To meet the additional demand, the City has contracted with Placer County Water Agency for additional raw water supplies. To use these options, additional costs for water purchases, conveyance of water through Reclamation facilities (Folsom Dam), Water Forum environmental mitigation for non-Bureau water, and power used to deliver the water to Roseville are needed.
- Water quality and monitoring. Regulatory issues, testing services, treatment chemicals, and rising study costs.
- Regional integration and conjunctive use programs. Required system interties and wells necessitate additional water quality monitoring and special studies.
- Water Conservation mandate (Senate Bill 7) requires the state's water purveyors to achieve a 20 percent reduction in urban per capita water use in California by December 31, 2020. The legislation also requires incremental progress towards this goal by reducing per capita water use by at least 10 percent on or before December 31, 2015.

Compliance with this mandate will result in reduced water sales which equates to an overall reduction in the water utility's revenue. Reduced water sales does not necessarily equate to reduced costs as one might expect. In reality, much of the water utility costs are fixed and cost savings realized by purchasing less water are more than offset by reduced revenue and the increased enforcement and public outreach needed in times of drought or state mandated water use reduction.

Solid waste bins and cans. The solid waste utility rate increase reflects the need to prepare for replacement of aging equipment. A specific example is refuse bins, which typically have a 10-year warranty. Many bins and cans in the City's inventory have been in service for periods of up to 20 years. The alternative to gradual collection of incremental amounts to address future replacement needs would be an abrupt and steep future rate increase to meet immediate needs.

Fiscal responsibility - What we did before we considered increasing utility rates

The City of Roseville's Environmental Utilities Department conducted a comprehensive line item review of our budgetary expenditures to maximize available resources before looking at possible utility rate increases. Some of the cost cutting measures that were implemented or scheduled to be implemented include:

- Reduction in materials, supplies, and services expense;
- Travel and training minimized to mission critical (ongoing practice);
- Reduced personnel requests (ongoing practice);
- Used in-house staff reducing the use of professional services contracts;
- Reduced fuel consumption by implementing an idling policy;
- Optimized refuse routes to maximize fuel usage efficiency;
- Installation of radio read water meters with replacement of older water meters. Meter readers can drive a truck through a neighborhood and gather meter reads by radio signal, rather than touch every meter with a reading wand. This saves labor costs and reduces worker injury rate;
- Environmental Utilities has moved forward with is the development of a system of Aquifer Storage and Recovery (ASR) wells throughout the city. ASR technology allows for treated drinking water to be pumped into and stored in the underground aquifer in times of plenty to be later used during water shortages or emergencies;

- Traditionally, replacing water and wastewater pipes involved digging up a sidewalk or a
 street and causing some disruption as a pipe or other piece of infrastructure is replaced.
 Taking advantage of the latest technology, Environmental Utilities has began to use a
 'slip-lining' process that allows us to replace older piping with minimal digging, minimal
 traffic impact and at a lower cost than traditional replacement methods;
- The recycling revenue derived from recycling drop-off locations work to the benefit of utility customers. All revenue goes back into the Solid Waste Enterprise Fund to help keep solid waste rates low and maintain the services in place.

How do I protest the proposed rate increases?

The Roseville City Council will consider these proposed rate increases for utility services at a public hearing on Wednesday, June 1, 2011 at 7:00 p.m. at the Roseville City Council Chambers located at 311 Vernon St., Roseville.

Under Proposition 218, if you are the owner of record of a parcel or parcels subject to the proposed rate increases you may submit a protest against any or all of the proposed rate increases by filing a <u>written protest</u> with the City Clerk at or before the time set for the public hearing. If written protest is filed by a majority of the affected parcel owners, the proposed rate increases will not be imposed.

A written protest must contain a description of the parcel or parcels in which the party signing the protest has an interest, sufficient to identify the parcel(s). If the party signing the protest is not shown on the last equalized assessment roll of Placer County as the owner of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner of the parcel(s). Protests should also indicate which proposed utility service rate(s) adjustment is being protested (water and/or solid waste (refuse)).

Protests regarding the proposed rate increases may be mailed to:

City of Roseville, City Clerk, 311 Vernon St, Roseville, CA 95678.

Protests may also be personally delivered to the City Clerk.

How can I find out how this proposed adjustment affects my utility bill?

You may obtain information on the amount to be charged for service to your business by contacting the City of Roseville's Utility Billing Division at **(916) 774-5300.**

APPENDIX A

The following charts provide a summary of the increases to be considered by the Roseville City Council at the public hearing noted above.

Solid Waste

Proposed solid waste commercipates increase approximately 3% in 2011 and 3% in 2012 as reflected in the charts below:

FRONTLOADER AND REARLOADER COMMERCIAL SERVICES*	Current	Proposed 2011 Rate	Proposed 2012 Rate
Frontloader and rearloader commercial dumpster per yard charge	9.30	9.60	9.90
Frontloader and rearloader compactor per yard charge	16.80	17.30	17.80
Frontloader and rearloader dumpster extra pick-up per yard charge	9.30	9.60	9.90
Frontloader cardboard dumpster per yard charge	12.35	12.70	13.10
Frontloader cardboard dumpster extra pick-up per yard charge	2.85	2.95	3.05

ROLL-OFF COMMERCIAL OPEN TOP AND COMPACTOR SERVICES*	Current	Proposed 2011 Rate	Proposed 2012 Rate
Minimum charge per haul (base rate) without tonnage	143.30	147.60	152.05
Minimum charge per haul	291.35	300.10	309.10
Roll-off dumpster per yard charge	16.80	17.30	17.80
Tonnage over limit per ton charge	68.00	68.00	68.00
Minimum monthly charge for city owned roll-off open top dumpsters	Equal to the roll- off dumpster size multiplied by the roll-off dumpster per yard charge.	Equal to the roll- off dumpster size multiplied by the roll-off dumpster per yard charge.	Equal to the roll- off dumpster size multiplied by the roll-off dumpster per yard charge.

TEMPORARY FRONLOADER, REARLOADER AND ROLL-OFF CHARGES*	Current	Proposed 2011 Rate	Proposed 2012 Rate
Frontloader and rearloader temporary dumpster delivery and removal charge	55.40	57.05	58.75
Frontloader and rearloader temporary dumpster per yard charge	9.30	9.60	9.90
Frontloader and rearloader temporary dumpster rental fee	52.85	54.45	56.10
Roll-off temporary dumpster minimum charger per haul (base rate)	291.35	300.10	309.10
Roll-off temporary dumpster per yard charge	16.80	17.30	17.80
Tonnage over limit per ton charge	68.00	68.00	68.00
Roll-off temporary dumpster rental fee	95.80	98.65	101.60

ADDITIONAL COMMERCIAL SERVICE RATES*	Current	Proposed 2011 Rate	Proposed 2012 Rate
Standby service charge per occurrence	45.90	47.30	48.70
Emergency after hours call out service charge per occurrence	143.45	147.75	152.20
Fixed monthly commercial charge	25.45	26.20	27.00
60 or 90 gallon automated container monthly charge	22.70	23.40	24.10
Commercial bin assistance charge	40.15	41.35	42.60
Fixed fee for additional pick-up of a city owned 60 or 90 gallon automated container	14.80	15.25	15.70

^{*}The amounts billed to nonresidential customers will vary with the type of service and number of pickups in a billing period.

<u>Water</u>: Proposed non-residential water rates increase by approximately 9.5% in 2011 and 8.5% in 2012 as reflected in the charts below:

Water Monthly Service Charges (Metered)

Meter Size (Inches)	Current Rate	Proposed 2011 Rate	Proposed 2012 Rate
5/8	16.50	18.05	19.60
3/4	16.50	18.05	19.60
1	26.55	29.05	31.50
1 1/2	51.25	56.10	60.85
2	81.00	88.70	96.25
3	150.45	164.75	178.75
4	250.55	274.35	297.65
6	497.00	544.20	590.45
8	795.95	871.55	945.65
10	1,143.55	1,252.20	1,358.65
12	2,135.45	2,338.30	2,537.05

Water Quantity Rates (Metered)

	Current Rate	Proposed 2011 Rate	Proposed 2012 Rate
Non-Residential Accounts			
All water use	\$0.71 per 100 cu. ft.	\$0.78 per 100 cu. ft.	\$0.84 per 100 cu. ft.

Non-Metered or Flat Service Charges*

	Current Rate	Proposed 2011 Rate	Proposed 2012 Rate
Single-family lots under 4,900 square feet	19.00	20.80	22.55
Single-family lots 4,901 to 8,900 square feet	24.85	27.20	29.50
Single-family lots 8,901 to 12,000 square feet	30.95	33.90	36.80
Single-family lots 12,001 to 15,000 square feet	36.80	40.30	43.75
Single-family lots existing before July 1, 1977, which are in excess of 15,000 square feet	36.30	39.75	43.15
For each 1,000 square feet or portion over 15,000 square feet	1.94	2.12	2.30
Mobile home parks, per living unit	17.60	19.25	20.90

^{*}Some commercial customers are charged a flat rate based on the residential flat rates. The amount charged varies depending on the number of equivalent residential flat rates assigned to the parcel.

Note: Water customers outside the City are charged an additional 60% on the above water rates.