Frequently Asked Questions: Water & Solid Waste Rates 2011

What portion of the solid waste and water monthly utility bills goes to pay for rehabilitation?

Rehabilitation costs comprise of approximately 10% of the water budget, and approximately 1.5% of the solid waste budget, this is reflected in the monthly billing charges.

Why is 1,900 cubic feet of water not paid for at the \$0.39 metered rate?

The city uses a tiered rate structure. In the example provided by the city in the public notification, \$0.39 is the applicable rate for the first 1200 cf. The \$0.78 rate would apply to the next 700 cf. The example was provided to illustrate a typical residential bill, but water consumption varies across individual households.

Before installation of the meters we were on a flat rate. We are paying more now that we are metered. Where is the extra revenue?

The city's metered water rates were designed to be revenue neutral. That means that if a customer consumes water equal to what is estimated for a typical residential customer (1,900 cubic feet) they should pay close to the amount they were paying on their flat rate. Utility rates are also designed to cover the cost of providing service and are not profit based. These costs encompass all that is required to operate the water treatment plants, associated distribution system (pipelines, pump stations, etc.). Switching from flat to metered rates was not intended to generate additional funds for the utility but rather reallocate the costs to the users of the water based on meter reads (amount of consumption). Meters also give the customer a greater ability to impact the monthly cost by evaluating and modifying how they use water.

Why isn't the rate increase allowed to be a vote of the people?

The process to protest the proposed rate increase was the result of Proposition 218, a statewide proposition which was approved by voters in 1996. The protest process is specific and set in the California Constitution Article 13D, Section 4. The City of Roseville does not determine the protest process and follows what state law requires per the wishes of California voters.

Why do you charge a flat rate for trash service when some residents use it less than others?

Providing a basic weekly refuse pick-up to all customers maximizes the overall efficiency of the utility.

The solid waste utility provides services to commercial customers and over 40,000 residential customers, and therefore efficient truck routes and landfill trips are necessary to provide service to the entire city. To design operations to accommodate individual pick-up schedules would significantly increase labor, fuel, and vehicle costs. Customers that require more than the basic weekly service (e.g., additional cans, or solid waste pick-ups) do pay additional fees for added services.

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I would like to know what cost controls Environmental Utilities has put in place?

A comprehensive rates analysis is conducted every two years, and includes a four-year forecast. The analysis is based on a technical model, which incorporates historic and forecasted expenses and revenue.

Because the utilities are municipally owned, the rates analyses are based only on the cost to provide services and are used to set the budget for each utility.

The corresponding budget is approved by City Council, and the utility cannot exceed the adopted budget. The utilities are also guided by City policy to be self-sufficient utility and maintain a 10% economic reserve.

Additionally, Environmental Utilities has strategic plans in each of the utilities and performance measures are set and measured. Those measurements are listed in the city's budget every year and can be found here - http://www.roseville.ca.us/gov/finance/budget.asp.

Why are they allowing a refuse bin supplier dictate the quality of product that will be passed on to the residents of Roseville?

The comment made by the Environmental Utilities Director at the June 1, 2011 Council meeting reflects the fact that not all cans are of equal durability. While some cans currently in the city's inventory have lasted well over 20 years, the city replaces an average of 780 cans annually, in addition to conducting repairs, such as replacing wheels and lids, part of rehabilitation and replacement to extend useful life.

A record is maintained for each can repair and replacement, and includes the annual average numbers of replaced cans. The city seeks to maintain overall quality standards and a condition assessment is planned for next year to determine the condition and quality of cans currently in use.

Why is the water utility transferring the 6 employees? Where is this money coming from to pay \$1.5 million dollars?

When the Water Meter Retrofit Program was established, a deliberate decision was made to use water utility staff, with the intent to absorb those employees upon completion of the program. To that end, various components of the water operations have been minimally staffed for the past several years leading up to this transfer, which was considered acceptable as it was assumed to be a temporary scenario, with full-staffing resuming upon completion of the meter retrofits.

Further, for optimal efficiency, the meters now in place require calibrating and monitoring. These city staff are uniquely qualified for this work as they have hands-on experience with virtually every meter, as well as the associated infrastructure. In addition, some staff will be used to supplement other crews within the division to fully staff these functions. This includes preventative maintenance, construction/repair, and backflow testing. By utilizing these staff to fill in the under staffed functions we can

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ensure the customer service is not reduced and that the water utility can continue to provide a clean and reliable water supply to our customers.

In addition, several positions will soon be vacated due to retirements within the crews. At that time these positions will be evaluated but to let current trained and developed staff go would be a disservice to our customers.

Finally, the \$1.5 million estimate did not come from the city and is inaccurate. In reality, the costs are approximately \$600,000 for Fiscal Year (FY) 2011-12 and \$485,000 in FY 2012-13 and were included in the revenue requirements that resulted in the proposed rate package.

We as rate payers were paying for the meters years before they were installed. Where is that money?

The water meter retrofit surcharge was implemented over a 10-year period. The surcharge funded the overall program and meter installations were implemented on a scheduled basis to most efficiently install meters throughout the entire city. The City received additional funding not originally anticipated through a federal grant authorized under the 1999 Water Resources Development Act, administered through the US Army Corps of Engineers and from West Roseville Specific Plan development fees. The additional funding enabled Environmental Utilities to terminate the water meter retrofit surcharge payments 22 months early, saving customers up to \$154.20 each, depending on the type of retrofit which varies.

Why the need for a written protest? What sets that requirement?

The process for notifying customers of the proposed rate increase was the result of Proposition 218, a statewide proposition which was approved by voters in 1996. The noticing requirements are specific and set in the California Constitution Article 13D, Section 4. The City of Roseville does not determine the process and follows what state law requires per the wishes of California voters.

On the rate comparison with other jurisdictions, I have experiences living in other cities in the area where my utility bill was lower, yet Roseville's chart suggests that they are among the lowest in the region?

The rate comparison chart is intended to show a utility bill comparison for an average customer bill. Each utility bill may vary dependent upon use and circumstance.

Hasn't it rained alot lately? Why are you raising our water rates?

Roseville's primary water supply comes from Folsom Reservoir, a federally owned and operated facility. Water received from Folsom Reservoir is through existing water supply contracts for a set amount of water every year, unless reduced due to dry or drought conditions. Runoff by snow melt is what influences supply in the reservoir. Costs in this case are not driven by the amount of rain we receive but other factors such as water treatment, distribution and maintaining the city's water infrastructure to bring water to our customers homes and businesses.