#### Dear Customer:

This notice explains the proposed utility service rate increases for customers receiving City of Roseville water and solid waste (refuse) utility services. Your wastewater (sewer) service is provided by Sacramento Regional County Sanitation District (the District) and Sacramento Area Sanitation District (SASD). The amount you are charged for this service is based on the District and SASD fees and is included on your City of Roseville utility bill for collection purposes only.

Please note that there may be additional rate increases assessed by the District and SASD in the near future. Attached is a mailer that was sent to the District customers in late November 2010 explaining the possibility of a future rate increase for the treatment portion of the rate. Specific questions regarding this possible rate increase for wastewater services by the District should be directed to (916) 875-5555.

Inquiries regarding water and solid waste rate increases should be directed to the City of Roseville at (916) 774-5300.

The proposed utility rate increases for water, wastewater (sewer) and solid waste (refuse) service 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 the proposed rate increase will be held on Wednesday, June 1, 2011 at 7:00 p.m. The hearing will cover proposed rate increases for water, wastewater (sewer) and solid waste (refuse) utility services.

This notice has been sent to all property owners who currently receive any of these utility services. If adopted, the proposed rate increases would 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.

**Wastewater (Sewer) Utility Service** – Your wastewater service is provided by the District and SASD. The amount you are charged for this service is based on the District and SASD fees and included on your city utility bill for collection purposes only. The District recently adopted new rates and this notice includes information on those rates to be adopted by the Roseville City Council to allow for collection of the newly adopted rate on behalf of the District.

**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. 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.

FOR QUESTIONS REGARDING YOUR WASTEWATER SERVICE, PLEASE CALL THE SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT AT (916) 875-5555.

#### Why are the rates for my utilities being increased?

To continue the City of Roseville's long tradition of providing reliable water, wastewater 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.
- <u>Water quality and monitoring</u>. 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 reductions.
- 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.
- Wastewater costs. Your wastewater service is provided by the District and SASD. The amount you are charged for this service is based on the District and SASD fees and included on your city utility bill for collection purposes only. The District recently adopted new rates and this notice includes information on those rates to be adopted by the Roseville City Council to allow for collection of the newly adopted rate on behalf of the District.

#### 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 only (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 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 costs 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.

#### **Background Information**

The charts below provide a summary of the estimated rate increases to be considered by the Roseville City Council at the public hearing noted above. See Appendix A for detailed rate schedules.

The following chart represents the monthly impact to a typical residential customer:

	Water*		Solid Waste**	
Current FY10/11	\$ 25.79	\$	22.70	
Proposed FY11/12	\$ 28.22	\$	23.40	
Proposed FY12/13	\$ 30.66	\$	24.10	

<sup>\*</sup>The average use of a typical residential customer is 1,900 cubic feet of water per month. In this example for 2011 proposed rates, the typical residential customer is charged a \$18.05 monthly service charge for a 3/4" water meter, plus 0.39 per 100 cubic feet for the first 1,200 cubic feet of water used and \$0.78 per 100 cubic feet for the next 700 cubic feet of water used. Actual billed amounts will vary depending on meter size and actual water use.

<sup>\*\*</sup>The proposed 2011 rate for residential solid waste customers would be a flat monthly rate for pick-up and disposal of the contents of two 90 gallon refuse containers (one for trash and one for green waste).

#### **Utility Rates Comparison**

#### **City of Roseville Estimated Monthly Utility Rate Comparison**

Municipality	Water*	Solid Waste
City of Roseville, Current	\$25.79	\$22.70
City of Roseville, Proposed FY11/12	\$28.22	\$23.40
City of Roseville, Proposed FY12/13	\$30.66	\$24.10
City of Lincoln (Current)	\$40.55	\$19.98
City of Rocklin (Current)	\$46.15	\$24.47
City of Citrus Heights (Current)	\$28.32	\$27.05
City of Folsom (Current)	\$33.55	\$25.50
City of Sacramento (Current)	\$34.35	\$41.67
City of Davis (Current)	\$40.00	\$28.87

<sup>\*</sup>Estimated water rates are of a typical residential customer who uses 1,900 cubic feet of water per month.

#### 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, wastewater 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.

## **APPENDIX A**

Solid Waste – Proposed solid waste residential rates increase approximately 3% in 2011 and 3% in 2012 as reflected in the charts below:

	Current	Proposed 2011 Rate	Proposed 2012 Rate
Fixed refuse monthly charge	22.70	23.40	24.10
Each refuse 60 or 90 gallon container service	22.70	23.40	24.10
Additional empty of a 60 or 90 gallon container/late charge	14.85	15.30	15.75
Temporary removal of a residential service	45.40	46.75	48.15
Move-in box pick-up	80.35	82.75	85.25
Each additional green waste container  Additional empty of a green waste container	11.40	11.75	12.10 11.65
Refuse 60 or 90 gallon replacement charge	66.35	68.35	70.40
Fixed fee for return of a confiscated green waste container due to contamination	106.10	109.30	112.60
Temporary dumpster delivery and removal charge	55.40	57.05	58.75
Temporary dumpster per yard charge	9.30	9.60	9.90

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

**Water Quantity Rates (Metered)** 

	Current Rate	Proposed 2011 Rate (per 100 cubic feet)	Proposed 2012 Rate (per 100 cubic feet)
First 1,200 cu. ft.	\$0.36	\$0.39	\$0.43
Next 3,000 cu. ft.	\$0.71	\$0.78	\$0.84
Next 3,300 cu. ft.	\$1.07	\$1.17	\$1.27
Over 7,500 cu ft.	\$1.59	\$1.74	\$1.89

**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	\$1143.55	\$1,252.20	\$1,358.65
12	\$2135.45	\$2,338.30	\$2,537.05

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

<sup>\*</sup>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.

### Wastewater

Proposed wastewater rates (combination of two fees) were increased February 1, 2010 and July 1, 2010 to a combined total of \$32.62 as reflected in the chart below:

	Actual 2011 Rate	Actual 2012 Rate
Residential Accounts		
Single Family Residential	32.62*	32.62*

<sup>\*</sup> The rate reflects a portion of treatment costs from the District and a portion of the transmission costs from SASD. The 2013 rate is subject to change dependent upon rates adopted by the District.

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

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

For wastewater, you may obtain information on the amount to be charged for service to your parcel by contacting the Sacramento Regional Sanitation District at **(916) 875-5555.** 

**Information for SRCSD Customers:** 

Proposed regulations would increase wastewater treatment rates and fees.

Enclosed, please find additional information.



SRCSD Board of Directors
Representing:
County of Sacramento
City of Citrus Heights
City of Elk Grove
City of Elk Grove
City of Sacramento
City of Sacramento

10060 Goethe Road Sacramento, CA 95827



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## WHAT IS SRCSD'S POSITION?

SRCSD places a high value on protecting water quality. However, SRCSD believes that the proposed new conditions go beyond what is necessary. SRCSD has provided comments to the Water Board stating that proposed new conditions are not justified by science and that regulatory requirements should be appropriately balanced against costs to the community.

# Why are you receiving this information?

Since your rates could be affected, SRCSD wants to ensure you are aware of this issue and have the opportunity to weigh in on it if you choose.

## THE ISSUE

A State agency known as the Central Valley Regional Water Quality Control Board (Water Board) will soon decide whether to impose new, very restrictive conditions for the region's wastewater discharge. Such a mandate would require SRCSD to install very expensive additional wastewater treatment processes that will cost approximately \$2 billion. This means a homeowner's monthly wastewater treatment rate could increase from \$20 per month to more than \$60 per month.

## **About Us**

Sacramento Regional County Sanitation District (SRCSD) provides regional wastewater conveyance and treatment services to 1.3 million residential, industrial and commercial customers in unincorporated Sacramento County; the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, Sacramento, and West Sacramento; and the communities of Courtland and Walnut Grove.

SRCSD is an exemplary service provider and environmental steward, proudly serving the region with quality wastewater treatment since 1982. Our record of compliance with our regulatory requirements is a strong 99.99%.

## WHO IS PROPOSING THE NEW CONDITIONS?

New conditions for SRCSD's wastewater discharge have recently been proposed by the Water Board staff. These conditions will be in the form of a permit, often referred to as a National Pollutant Discharge Elimination System (NPDES) permit. Members of the Water Board will consider and vote on whether or not to adopt those new conditions for SRCSD.

If approved, the required new treatment processes would cost approximately \$2 billion to construct.

## POTENTIAL IMPACTS TO CUSTOMER RATES & FEES:

Total Project Costs	Annual Operating Cost	Monthly Wastewater Treatment Charge (per ESD)	
00010		Current	Future
\$2.06 billion	\$77 million	\$20.00*	\$61.50

<sup>\*</sup>The monthly \$20 charge is for regional wastewater treatment and does not include the additional charge from other agencies for local wastewater collection services.

One-Time "Connection" or Impact Fees			
In	fill	New	
Current	Future	Current Future	
\$2,800	\$13,000	\$7,450	\$35,000

# **Monthly Customer Rates**

If these regulatory changes are enacted, rates for wastewater treatment in the region will increase over the next ten years. The average residential customer (considered one equivalent single family dwelling unit or "ESD") currently pays \$20 per month for wastewater treatment. That rate could increase to about \$60 per month.

Commercial customers are charged one or more ESDs per month based on factors such as building square footage or number of plumbing fixtures. These customers' rates would also increase proportional to residential rates.

## **Connection Fees**

Connecting to the sewer system for the first time requires payment of impact — or connection — fees. Just as with existing customers' monthly rates, there would be an increase in impact fees. The table below outlines the existing and projected future impact fee per one equivalent single-family dwelling (ESD) for both "infill" and "new" development areas. Depending on the size, function and other factors of the connecting property, fees for one property can range from one ESD to many.

## **UPCOMING PUBLIC HEARING**

The most likely date and time for the public hearing is Thursday, December 9 at 8:30 a.m. Please note, however, that the meeting date and time is subject to change and could be on any of the days outlined below. For up-to-date meeting information, please visit either www.sacdeltasolutions.com or www.swrcb.ca.gov/centralvalley, or call (916) 876-6167 for an automated informational message.

POSSIBLE DATES: December 8, 9 or 10, 2010 LOCATION: 11020 Sun Center Dr., #200

Rancho Cordova, CA, 95670-6289

TIME: To be determined

Members of the public may attend and provide comment at the Water Board's public hearing.