

CITY OF RIO VISTA

RESPONSE TO SURVEY QUESTION #6

On behalf of the Council, we would like to thank all the citizens who have responded to the water and wastewater survey. Frequently asked, similar questions on water and sewer services are answered herewith.

1. Questions on metering/usage and billing.

State legislation requires that all homes, in Rio Vista, be equipped with a water meter by April 2015 so that the City can bill based on water usage rather than a flat rate. Homes in the Trilogy, Vineyard Bluffs and Homecoming subdivisions and some homes in the downtown area have water meters at this time.

For those homes that currently have a water meter, the legislation requires that the City commence reading meters and bill based on water usage, by April 2011. The City is currently reading existing meters, gathering necessary data and **will** bill customers a base rate and usage by April 2011. Rate payers without water meters, will continue to be billed a flat rate until a meter is installed.

Legislation (AB 2572) allows the City to recover the cost of providing services related to the purchase and installation of a water meter. In accordance with the City of Rio Vista Municipal Code Chapter 13.04, residents without meters are required to pay for the purchase and installation of meters. Residents must comply with this requirement prior to April 2015.

Residents with a meter are **not** paying for nor will they be required to pay for the installation of meters on homes without meters.

2. When will the Utility bills show water usage?

For those residents with water meters, water usage will be reflected on your April 2011 bill. There is a chart on the bill, which will show usage in hundred cubic feet (HCF). The current bills do not reflect usage at this time. However, the utility bill does reflect a note stating that 748 gallons is equivalent to 1 HCF. This is not residents actual water usage.

3. Why are there two sewer plants in Rio Vista?

History - The Beach Drive Plant serving core Rio Vista opened in 1972 and has a maximum processing capacity of 650,000 gallons a day. Over the years, infrastructure, underground pipes, and lift stations were added to receive sewer flows from the new Homecoming and Vineyard Bluffs developments. Currently, the average processing load at the Beach Facility is 450,000 gallons a day.

In 1995, with the approval of the Summerset (now Trilogy) development, a sewer plant independent of the Beach Drive Plant was constructed by the builder, to serve that development. While the plant served the development through the early stages of home construction, it proved to be problematic and the City was penalized for malfunctions. With the proposed housing build out of Trilogy at 3000 units, it was estimated that total sewer flow would be 300,000 gallons per day. Additionally, there were four other housing developments pending in Rio Vista. Since the projected sewer flows from these developments would exceed the capacity of the Beach plant, which could not be expanded, a new treatment plant was proposed.

Ultimately, the five developers funded, through various cash, bonding, or other financing methods, the construction of the new Northwest Treatment Plant off of Airport Road. Consequently, we have two wastewater treatment facilities.

The Northwest facility was designed to eventually serve all of Rio Vista at the one plant. However, there will be a cost to install the infrastructure to transfer flow from Beach to the Northwest facility. It was the intent of the prior Councils and that of the current Council that the facilities expansion take place over time with additional development.

To that end, the City is currently requiring developers to install sewer lines larger than their basic needs in anticipation of closing the Beach Drive Plant. The City must develop a plan for closing the Beach Plant, identifying the infrastructure needed and the associated cost.

4. Why is Trilogy paying: higher rates/rates for other residents?

The City is required to maintain every pipe, valve, manhole, pump station, and wet well throughout the City. As supply and other costs increase so does the cost to operate each facility. In order to properly maintain and operate the facilities in the “black” rates had to be increased. Additionally, State mandates require the City to implement a “collections system management plan” and a prevention maintenance program, further increasing the rates.

Specific to the wastewater facilities, the only sewer flows processed at the Northwest facility are from Trilogy residents. Trilogy residents pay a total of \$96.61 (Water \$45.01 and Sewer \$51.60) monthly for city utilities while all other residents pay \$132.93 (Water \$45.01 and Sewer \$87.92) monthly. When comparing sewer rates, Trilogy pays a lower sewer rate than other residents.

The monthly sewer rate paid by Trilogy residents is for the operation and maintenance of the Northwest facility. They are not paying for costs associated with the Beach facility and vice versa.

5. Why is Trilogy paying higher rates when it is paying for sewer bonds?

The bonds issued and currently paid by most homeowners of Trilogy were for the construction of the Northwest Treatment facility.

6. Rates are too high and I am on a fixed income/low income?

As a public agency, water and wastewater accounts are separate from the City’s General Fund and used solely to recover the cost of operations. State law requires that ratepayers their proportionate cost of the operations and maintenance for water and sewer services. Offering a low-income or senior rate discount would require other ratepayers to pay more than their proportionate share or the City’s General Fund (separate fund) to make up the difference. Currently the General Fund is experiencing an annual deficit in its own right.

7. Why are Rio Vista’s utility rates higher compared to other cities?

The cost of providing water and/or wastewater service is significantly different from one municipality to another. The cost of the City of Rio Vista’s water and wastewater services include operational costs, infrastructure, capital improvement projects (CIP’s), debt service, mandates, and reserves for necessary repairs and replacements. One of the major cost factors is the ongoing debt/deficit that the wastewater fund has accumulated. All of the above costs are factored in to determine the rate structure.

It is always useful and prudent to evaluate other communities’ rate structures and costs; HOWEVER each individual city is unique in its background, individual needs, and situations. When comparing Rio Vista to other cities, we must make sure we are comparing apples to apples. For example, did any of the other Solano County cities have a sewer debt/deficit of 4.6 million on June 30, 2010? The infrastructure system needs are great in a city that has deferred maintenance and has not invested in its infrastructure for years. The 4.8 million needed for capital improvement projects over 10 years addresses only a minute portion of the identified needs. It is for these reasons that we cannot balance our rates to any other communities.