



Rate Change Frequently Asked Questions

At the regular Board meeting held on January 22, 2007, the Sacramento Suburban Water District (SSWD or District) Board of Directors approved a three-year rate plan that calls for an increase in water rates. The following are some frequently asked questions.

1. What Is The Reason For A Rate Increase?

The rate increase is almost exclusively due to needed capital facility replacements, many of which have been deferred for a long time. SSWD is positioning itself to catch up on maintenance and rehabilitation that should have occurred over the past 20+ years. This rate increase helps meet the goal of pay-as-you-go financing of ongoing capital replacement projects which reduces our reliance on debt financing.

SSWD will be spending nearly \$110 million on capital replacement projects over the next 15 years. Some of the significant projects include:

System Infrastructure – Replacement of existing, aging and deteriorating water main infrastructure (e.g. services, pipelines, valves, fire hydrants) and the rehabilitation of existing groundwater wells are areas which were historically deferred. This increased number of capital improvement projects in addition to SSWD's normal replacement, maintenance and rehabilitation schedule, significantly increases revenues needed. Replacement of pipeline infrastructure and well rehabilitations are ongoing projects. This work is necessary to ensure our customers continue to receive quality water delivered through a reliable water distribution system.

Changes in State Law – In late 2004, the Governor signed Assembly Bill 2572. This law requires all water suppliers to install water meters on all customer connections by January 1, 2025.

In February 2004, SSWD adopted a Meter Retrofit Plan (Plan). This 20 year Plan retrofits approximately 1,300 residential water services annually. As of January 2009, about 41% SSWD's water services have been retrofitted with water meters. SSWD is on schedule to complete metering by the state mandated 2025 deadline. Generally meter retrofitting will take place on a neighborhood-by-neighborhood basis.

Long-Term Surface Water Projects – SSWD and its predecessor districts have been working to provide District customers with two sources of water: surface and ground water (called conjunctive use). Conjunctive use combines the use of treated surface water in wet years, when ample water is available from rainfall and snow pack, with the use of groundwater in dry years, when surface water isn't as readily available. Without supplemental surface water supplies, local groundwater basins may become depleted or develop water quality issues. Transitioning to a conjunctive use water supply system increases the long term reliability for District customers far into the future.

Water Forum Commitments – SSWD is a participant in the Water Forum Agreement, which provides guidelines to protect the lower American River through conservation measures. By signing this agreement, SSWD committed itself to: install water meters, perform annual water evaluations, and develop water conservation incentive programs. Recent changes to the programs have increased District costs.

Operations & Maintenance (O&M) Costs – While nearly all O&M costs (e.g. labor costs, disinfecting chemicals, energy costs, and vehicle maintenance) have increased, O&M costs are only a small portion of the overall need for additional revenues.

2. How Would The Rate Increase Affect My Bill?

The need to generate 13% more revenue in calendar year 2009 will cause customers' bills to vary. Rates are calculated based on parcel size, and meter or service connection size.

For more information, call our Customer Service Team Monday through Friday from 8:00 a.m. to 4:30 p.m. at 916.972.7171, visit www.sswd.org to review a copy of the rate schedule or contact us at feedback@sswd.org.

3. When Will The Rate Increase Take Effect?

Flat rate customers will see the change on the January 2009 water bill.

Metered rate customers will see the change on the January 2009 water bill, which will be received in February 2009.

4. What Do All the Charges On My Bill Mean?

All bills include the following:

Flat Service Charge or Meter Service Charge

These charges are allocated to pay the District's fixed operations and maintenance costs, such as building maintenance, utility bills, vehicle maintenance and water main repairs. The charge is based on the size of the water service line to your property or the size of the meter.

Usage Charge

The usage charge portion of your bill is used for variable operations and maintenance costs, such as purchasing surface water, chemicals for water treatment and electricity for pumping groundwater.

- Flat rate customers: this portion of your bill is calculated based on the square footage of your parcel, which is received from the Sacramento County Assessor's Office.
- Meter rate customers: this portion of your bill is based on the amount of water that goes through your water meter.

Capital Facilities Charge

The monies collected are to fund pay-as-you-go financing of ongoing capital improvement projects and for principal and interest on funds borrowed for past capital improvement projects (e.g. reservoirs, meter retrofit, well construction and rehabilitation, main replacements). The charge is based on the size of the water service line to your property or the size of the meter.

Some customers may see these additional charges on their water bill:

Multiple Unit Charge: Flat rate customers with multiple dwellings on a single parcel (duplexes, etc.) have an additional per unit charge. The extra unit charge is for water use incurred by the additional dwellings on the parcel.

Private Fire Service Charge

A monthly charge for water service at un-metered connections to SSWD's water system that are equipped with a detector check assembly satisfactory to SSWD and Department of Public Health (DPH) and which supplies water to privately-owned and maintained sprinklers used exclusively for fire fighting, irrespective of the quantity of water used and based on the size of the fire service assembly.

Backflow Charge: This charge is per backflow device. Monies collected are used to administer and monitor SSWD's backflow program, which includes notifying customers for testing and retesting, compiling results and submittal of results to DPH. Backflow devices are to prevent potential contaminants from entering the water system.

5. *What Does "pay-as-you-go" Mean?*

SSWD is moving towards funding its capital facility costs without incurring additional debt. All District capital facilities will deteriorate over time. SSWD desires to pay the cost of replacing such assets with monies collected from monthly rates.

6. *How Can I Obtain Additional Information?*

Information is available:

- At SSWD's administrative office located at 3701 Marconi Avenue Suite 100, Sacramento, California (during business hours).
- On SSWD's web site: www.sswd.org. Please e-mail your comments to feedback@sswd.org.
- By calling our Customer Service Team Monday through Friday from 8:00 a.m. to 4:30 p.m. at 916.972.7171.
- At the monthly Board meetings held the third Monday of each month at 6:30 p.m. Meetings are held at the administrative office.