



Questions and Answers

FY 2010/11 & 2011/12 Proposed Rates

Utility Rate Increase

Q: Why do utility rates need to be increased now?

A: The City provides the highest-quality and most reliable water, sewer, stormwater, and solid waste services to its residents and business operators. The City is facing rising wholesale water costs, power and fuel costs, and rates must keep up with these increased expenses. Also, the City must meet new environmental regulations and keep sufficient emergency reserves to fulfill bond covenants, which can't be met without a rate increase. Only rates for water and solid waste are being proposed for an increase for fiscal years 2010/11 and 2011/12.

Q: How much will rates increase – in other words, how much more will a typical resident or business operator pay each month?

A: The City recognizes that residents and business operators dislike higher costs, and the proposed increases are the minimum necessary to make sure the City is sufficiently funding its services. For a typical residence with a 6,000 square foot lot the combined increase (applies only to water and solid waste) will be about \$23 a month for FY 2010/11 and \$30 a month for FY 2011/12. With the rate increases, the total utility charge for a typical residence will be about \$270 a month for FY 2010/11 and \$300 for FY 2011/12.

For a typical residence with a 10,000 square foot lot, the proposed increase in water and solid waste rates would result in a combined utility bill increase of approximately \$36 a month for FY 2010/11 and approximately \$43 a month for FY 2011/12.

For an apartment building with six units, the combined increase (applies only to water and solid waste) is about \$52 a month, and for a typical business operator, the combined increase is about \$285 a month for FY 2010/11.

Q: When the rate increases take effect, how much will a typical resident or business operator pay each month for utilities?

A: : For FY 10/11, with the rate increase, the total utility charge for an apartment building with six units is about \$605 a month, and for a typical business operator the total charge is about \$3,343 a month. For FY 2011/12, with the rate increase, the total utility charge for an apartment building with six units is about \$672 a month, and for a typical

business operator the total charge is about \$3,710 a month (*please note that your utility bill includes water, wastewater, solid waste, stormwater charges and an alley refuse fee for apartment buildings*).

Q: How did the City decide on these rates?

A: The City continually analyzes its costs so that it can provide high-quality utility services. Along with that cost analysis, the City regularly looks at its business practices to see if there are ways to operate more efficiently. The City also retains utility experts to help staff anticipate future service and facility needs, prepare for emergencies, and determine adequate reserve funds. The proposed increases are based on those factors and are the minimum amount necessary to operate responsibly.

Q: How do these increases compare to utility rates in nearby cities?

A: Beverly Hills utility rates are comparable to nearby cities; in fact, services such as regular bulky goods pickup and alley maintenance are superior to many other communities. The City balances the need to keep rates as low as possible with its mission to provide high-quality, reliable services.

Q: When will the new rates take effect?

A: The Public Works Commission invites the community to discuss this matter at its meeting on **May 13, 2010, at 455 N Rexford Drive, Room 280A at 8:30 AM**. The City Council will subsequently consider the increases at a first hearing on **June 3, 2010, at 7:00 PM at 455 N Rexford Drive, City Council Chambers**. If the City Council approves the increases, the new rates will become effective on July 22, 2010, and July 1, 2011, respectively.

Q: How can I find out more about the rates?

A: The City is committed to providing its residents and business customers clear and informative information regarding this rate increase notice. We urge you to call Customer Service at (310) 285-2436 during the City's regular business hours to learn more about how this notice affects you.