

10567 Mariposa Avenue
Jackson, CA 95642

Re: ACES Rate Increase Supporting Information for 5/16/2011 rate hearing.

To: Sutter Creek City Council

5/18/2011

Council,

This letter is a follow up to the 5/16 Sutter Creek City Council meeting. I would like answers to the questions I asked at the meeting. Those questions are included in this letter. Additionally, I have included other questions I would like answered and some comments for the record.

I was a little surprised that none of the council or the City Manager understood the page with the financial information and did not ask questions about it. In fact, your City Manager opened this agenda item with a full recommendation for you to adopt the ACES rate increase without concern or further discussion. Even more surprising was Mr. Molinelli, ACES' owner, who did not understand the financial information page. I would like a complete explanation of what each of the numbers on the financial page represents and how they are calculated.

Attachment #1 was referred to in the Rate Adjustment Methodology paper and was not included in the packet. I would like a copy of it.

The financial sheet should explain how ACES' costs have/will change with time. However, there is no financial report showing how revenues have/will change. Without both sides of the balance sheet, how can you know rate increases are justified? For example, if costs go up by 5% and revenues stay constant, there may be a need for a rate increase. However, if revenue goes up by 5%, rates may not need to be increased at all. Which brings up another question: where in the financial statement is the revenue generated by recycled products and are the customers experiencing any form of rebate or rate compensation for their efforts to recycle? Will you please have ACES provide figures for all revenue generated from Sutter Creek so that you, the Council, can do the necessary analysis in order to vote for the residents honestly and transparently?

Some of the numbers on the financial page have no supporting documentation. How do you as a Council determine the accuracy of the numbers on the page? Please ask ACES for supporting information so that the expense and revenue figures can be verified.

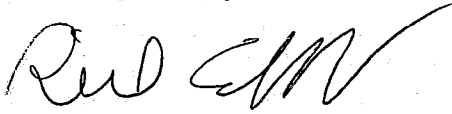
Also, it appears that ACES employees are budgeted to receive a salary increase. In an economy where professionals are receiving pay cuts and benefit reductions, I would like to understand what effort ACES management is making to avoid rate increases.

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How many of each service-type customer does ACES have in Sutter Creek? This information will help you determine the revenue that ACES receives, versus blindly voting for an allowable annual increase.

You were each elected to represent the residents of Sutter Creek. How can you represent the public without understanding the financial information on which to base your decisions? *Please* take steps to ensure that you and the City Manager have enough information to make an informed decision that is in the best interests of the people you represent.

Thank you for your time.



Bill Condrashoff
Ratepayer Protection Alliance