

PUBLIC FIRE PROTECTION CHARGES

At the September 4, 2018 City of Cumberland Council Meeting the Cumberland City Council passed Resolution 18-9E, Resolution authorizing the charging of the fire protection fee on the utility bill instead of the tax levy.

We hope the following will answer some of your questions as to why the change was made by the City of Cumberland. Customers will begin to see these charges on their January 1-31, 2019 utility bill, per PSC approval. There will be a Public Hearing held on Tuesday, November 13, 2018 at 2:30 P.M. at the Cumberland City Hall, 950 1st Avenue, Cumberland. If you have any further questions regarding this change, please contact the City of Cumberland at (715)822-2752.

- **What is the Public Fire Protection Charge?**

This is a charge that is required by State law, and regulated by the State of Wisconsin's Public Service Commission. This is a cost collected for the benefit of municipal water utilities for the express purpose of recovering the costs to supply proper volume & pressure of water for fighting fires.

- **How has Public Fire Protection been paid in the past?**

The City has been using property tax dollars to subsidize the utility at the rate of approximately \$177,251/year for facilities in the City of Cumberland.

- **Why is this now going to show up as a fee on my Utility Bill?**

Due to Budget Constraints & reduction in State-shared revenues, the City can no longer afford to subsidize the Utility through the use of general property taxes. Utility customers will now have to pay for a service that was previously subsidized by only the City's property taxpayers. All utility customers will now be treated equally & non-profits will now have to also pay for their share of the Public Fire Protection costs.

- **Isn't this a cost that should be borne by the Fire Department & not the utility customers? Isn't this why I pay taxes?**

This cost has absolutely nothing to do with the Volunteer Fire Department. The Public Fire Protection Charge covers the costs of the Water Utility to be able to deliver water for fighting fires & is completely independent of any expenses that the Fire Department may incur in order to use the water to fight the fire.

- **What costs does the Public Fire Protection Charge specifically cover?**

Although hydrants are an important part of the cost there are other expenses such as increased sizes of water mains, increased pump capacity, and increased storage capacity (water towers) that all must be in place to supply a fire. These things must all be in place to make sure that the Utility has enough capacity to provide water for fighting fires and still supply daily water needs at the same time. If the water system was not used to fight fires, the system would cost the utility significantly less to operate & maintain due to smaller mains, pumps and storage tanks.

- **I'm not on Public Water, but I do have hydrants near my house, will I still have to pay the fee?**

The public fire protection charge will only be collected from customers of the water utility within the City of Cumberland. State law *requires* that if any non-utility

customers are directly charged for PFP, then **ALL** non-utility customers must be charged. No method of billing Public Fire Protection will ever be perfect.

- **I have multiple meters; will I receive a charge for every meter?**
Any meter providing general service (being consumed, used in a manufacturing process, discharge to the sanitary sewer, etc.) **will** receive the Public Fire Protection Charge.
- **Does the PFP Charge apply to Tax Exempt Properties?**
Yes, all utility customers will be responsible for paying the Public Fire Protection Charge, i.e. churches, schools, government entities; will pay the same rate as any other customer with the same meter size.
- **My house is worth a fraction of what a major manufacturer in the City of Cumberland is worth, why doesn't Public Fire Protection reflect value of property vs. equivalent meter?**
Many commercial, industrial & public authority buildings already have private fire lines which they have installed at their own expense & pay a monthly charge to the utility. These customers are not relying solely on the public fire protection capabilities for their fire needs & because of this additional safeguard, will have lower reliance on the public fire protection capabilities of the water utility.
- **Am I able to reduce my meter size to reduce my PFP Charge**
Water meter size is based on delivering the necessary amount of water at the required pressure to all points inside your building. The meter sizing was reviewed at the time your building was constructed or remodeled.
- **This is just a utility rate increase isn't it?**
No, the utility is not receiving any increase in revenue. This is just the same amount coming from a different source, a direct charge on your utility bill rather than from the City's general tax collections. With a rate increase, the Utility would receive more revenue than it did previously.
- **What will my charge be for public fire protection?**
The Public Service Commission of Wisconsin has determined that the following rates will apply.

| Meter Size | Monthly Charges |
|-------------------|------------------------|
| 5/8" | \$ 9.61 |
| 3/4" | \$ 9.61 |
| 1" | \$ 24.01 |
| 1 1/4" | \$ 35.54 |
| 1 1/2" | \$ 48.03 |
| 2" | \$ 76.84 |
| 2 1/2" | \$ 120.07 |
| 3" | \$ 144.08 |
| 4" | \$ 240.13 |
| 6" | \$ 480.26 |
| 8" | \$ 768.42 |
| 10" | \$ 1,152.63 |
| 12" | \$ 1,536.84 |

- **When will the new rate be effective?**
The proposal is to begin January 1, 2019, subject to Public Service Commission approval.