



Sewer Rate Increase Public Hearing

An Informational Presentation of the GCSD Sewer Rate Increase Proposal
Peter J. Kampa, GM | Groveland CSD | August 15, 2018

GCSD Mission

Our mission is to provide environmentally sound, economic, and compliant services that meet our customer's needs for water and wastewater treatment, fire protection, and park facilities in the unincorporated township of Groveland, California.

Purpose of Presentation

- **Understand the GCSD and its Functions and Funding**
- **Explain Why Increased Sewer Rates are Needed (and options)**
- **Identify How the Money Will be Spent**
- **Review the Proposed Rates**

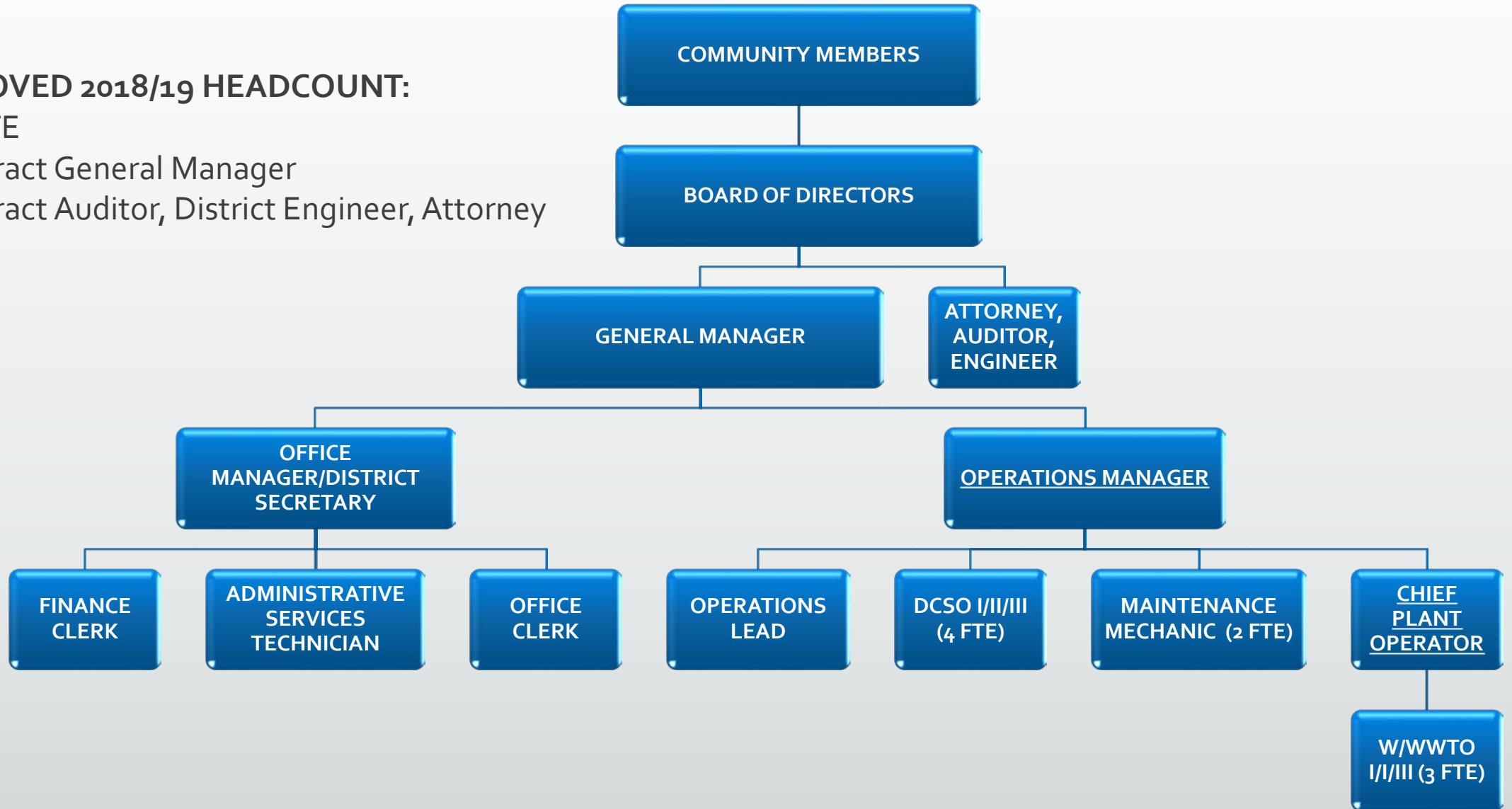
Who is GCSD

- Local government – closest to the people
- Formed by a vote of local residents to provide specific services
 - Water
 - Sewer
 - Fire
 - Parks
- Governed by state laws and regulations, state permits and standards
- You elect the Board to govern your special district
 - Board appoints a GM to implement their policy

GCSD Organizational Chart – Current

APPROVED 2018/19 HEADCOUNT:

- 16 FTE
- Contract General Manager
- Contract Auditor, District Engineer, Attorney



How are GCSD Services Funded?

- Sewer service – rates, charges and fees
- Water - rates, charges and fees
- Park – Property tax
- Fire – Property tax

State constitution and laws prohibit comingling of funds among services

What Makes Sewer Service so Expensive

- Strict state environmental regulations
 - No relief regardless of circumstances
- Strict state permitting regulations
 - Mandatory minimum penalties
- Public Health and safety
- Highly mechanical system
- Low customer count compared to miles of main
 - GCSD - One lift station for every 100 customers
 - Modesto – One lift station for every 2677 customers

How Your Rate Dollar is Spent



Debt Service
14¢

Infrastructure Reserve*
4¢

Capital Improvement Projects*
13¢

Salary
15¢

Benefits
6¢

*Funding Contingent on Successful Rate Increase Process

Other Operating Expenses
48¢

(Power, Chemicals, Vehicles and Equipment, Fuel, System Repair and Maintenance, Sampling, State Permits, Engineering, Administration, Leases, Inspections)

Why are Rate Increases Needed?

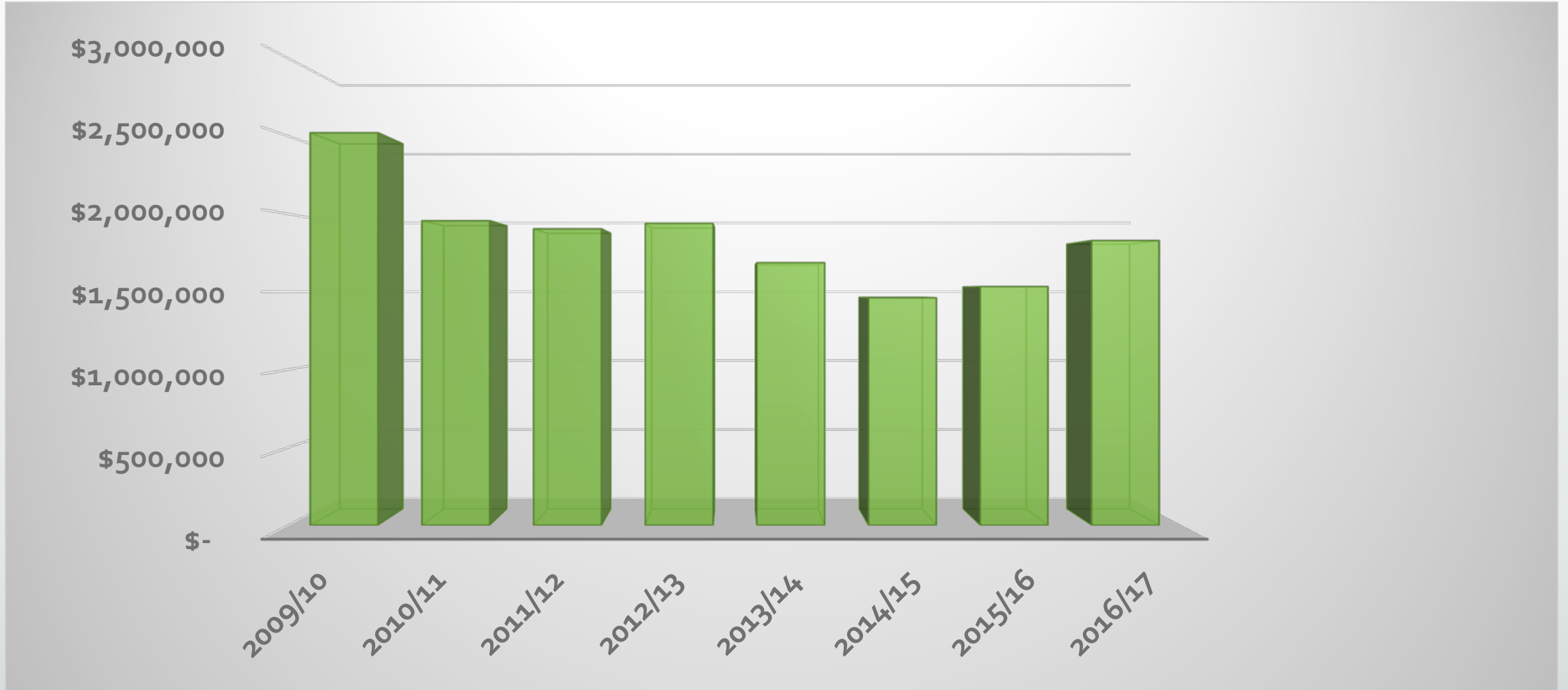
- Last rate increase was 2010
- Complete immediate system improvements to ensure regulatory compliance
- Complete replacements and improvements to increase efficiency
 - Safety
 - Labor Cost
 - Power
- Set aside funding for future spending on infrastructure being used by customers now



Why Such a Sharp (17% each year) Increase?

- True need is a 51% increase, proposing to spread over 3 years
- Best practice is to increase rates up to 6% each year
- Had GCSD increased rates each year from 2010 to current by 6%:
 - We would only need a 6% increase to be where we plan to be
 - We would have \$890,000 more invested in infrastructure replacement and reserves

What Has Been Done to Control cost?



Where will the Money be Spent?

- **\$100,000** set aside in a restricted reserve
- **\$300,000** allocated annually for system improvements
- **\$61,394** in new annual loan payments
- Pay for comprehensive sewer master plan

Groveland CSD

Proposed Monthly Sewer Rate Increase Distribution (2018/19)



Capital
Improvement
Projects
\$6.38

Infrastructure
Reserve
\$5.75

Operating
Expenses
\$0.58

Groveland CSD
Proposed Monthly Sewer Rate Increase Distribution (2022/23)



Grant Match Loan	Capital Improvement Projects	Infrastructure Reserve	Operating Expenses	Contingency Reserve
\$3.82	\$17.24	\$5.75	\$11.96	\$11.31

Upgrade Sewer Lift Stations



Upgrade Treatment Plant



Upgrade Sludge Drying Capacity



SEWER CAPITAL OUTLAY	
Project	18/19 Proposed Final
Downtown Groveland/BOF Rehab Planning	155,000
Sludge Drying Bed Concrete Slab, Resolution 10-18	90,969
Replace STP Reservoir 1 Valves	20,000
LS 2 Upgrades and Recoating	-
Wastewater Pump Replacements	24,000
Building Upgrades/Repairs	32,000
Road Repairs/Maintenance	-
Truck #9 Replacement	9,600
CIP Contingency	-
Replacement of Storm Damaged Sewer	549,120
Repair/Replace Road Culvert and Restore Perc Pond	200,000
WWTP Flume Storm Damage Repair 2017 Floods	409,470
WWTP Flume Storm Damage Repair 2018 Floods	343,863
TOTAL CAPITAL OUTLAY	1,834,022

Proposed Residential Sewer Rates

	Current	2018/19	2019/20	2020/21	2021/22*	2022/23*
Residential		17%	17%	15%	3%	3%
Monthly Fixed Charge	\$53.10	\$62.13	\$72.69	\$83.59	\$86.10	\$88.68
Debt Service Charge - PML	\$25.75	\$20.42	\$20.42	\$20.42	\$20.42	\$20.42
Volume Charge (\$/gal)	\$0.00698	\$0.00817	\$0.00955	\$0.01099	\$0.01132	\$0.01166

Typical Residential Bill

	Current	2018/19	2019/20	2020/21	2021/22*	2022/23*
Typical Residential Bill (3100 gals) - Groveland/BOF	\$74.74	\$87.44	\$102.31	\$117.66	\$121.18	\$124.82
Typical Residential Bill (3100 gals) - PML	\$100.49	\$107.86	\$122.73	\$138.08	\$141.60	\$145.24

Proposed Commercial Sewer Rates

	Current	2018/19	2019/20	2020/21	2021/22*	2022/23*
Commercial		17%	17%	15%	3%	3%
Monthly Fixed Charge	\$53.10	\$62.13	\$72.69	\$83.59	\$86.10	\$88.68
Debt Service Charge - PML	\$25.75	\$20.42	\$20.42	\$20.42	\$20.42	\$20.42
Volume Charge (\$/gal)	\$0.01121	\$0.01312	\$0.01535	\$0.01765	\$0.01818	\$0.01872

Typical Commercial Bill

	Current	2018/19	2019/20	2020/21	2021/22*	2022/23*
Typical Commercial Bill (4000 gals) - Groveland/BOF	\$97.94	\$114.59	\$134.07	\$154.18	\$158.81	\$163.57
Typical Commercial Bill (4000 gals) - PML	\$123.69	\$135.01	\$154.49	\$174.60	\$179.23	\$183.99

Rate Increase Process

- Public Notice Mailed July 2, 2018 to all sewer customers
- Public Hearing
- If no majority protest on August 15, Board considers adoption of new rates
- If approved, rates are effective September 1, 2018