

FINANCIAL SECURITY PACKAGE (PLANNING)

Applicant (Entity) Legal Name: GARBERVILLE SANITARY DISTRICT	
Pledged Revenues And Fund(s) For The Project: WATER REVENUES FROM SERVICE CHARGES	
Project Title: HURLBUTT TANK REPLACEMENT PROJECT	
Contact Person: JENNIE SHORT	Phone: 707-223-4567

1. Amount of Assistance Requested: \$ 300,000

2. Other Project Funding Sources

Name and Type of Funding Sources	Amount	Applied	Approved	Received
NONE	\$			
	\$			
	\$			

3. Current Year Median Household Income: \$ 28,265

5a. Current Year Estimated Population Served: 913

5b. Current Year Estimated Number of Residences: 340

5c. Current Year Estimated Number of Permanently Occupied Residences: 339
(Only required if applying for grant funding/principal forgiveness)

6. Active Service Connections Not Applicable

Service Connection Type	Number of Service Connections	Average Monthly Billing (Last 12 months) Per Connection
Residential	323	\$ 340,100
Commercial	139	\$ 244,300
Industrial	0	\$ 0
Other	5	\$ 0
TOTAL	467	\$ 584,400

Rate increase effective date for projected monthly service charges: SEPTEMBER 1, 2020

7. Discussion of Material Events, Material Obligation Conditions, and Any Debt Limit

Identify any current prior material events such as bankruptcy, defaults, litigation, grand jury findings, unscheduled draws on reserve funds, substitution of insurers or their failure to perform, unscheduled draws on credit enhancements, actions taken in anticipation of filing Chapter 9, rating changes, relevant conditions in material obligations, and any local debt limit.

NONE.

8. Rate Study

Has a rate study been conducted for your system? Yes No

If **yes**, please submit a complete copy of the Rate Study.

9. Debt Management Policy

Please provide a copy of your Debt Management Policy (If Applicable).

ATTACHMENTS (Check the box next to each item attached to your application.)

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | F1 – AUDITED FINANCIAL STATEMENTS OR TAX RETURNS (3 Years) |
| <input checked="" type="checkbox"/> | F2 – BUDGET PROJECTIONS (REVENUE/EXPENSE) (2 years – or more if needed)
(See Sample in Application Instructions) |
| <input checked="" type="checkbox"/> | F3a – AUTHORIZING RESOLUTION |
| <input type="checkbox"/> | F3b – CORPORATE RESOLUTION |
| <input type="checkbox"/> | F3c – OTHER ENTITY TYPE |
| <input checked="" type="checkbox"/> | F4 – RATE ADOPTION RESOLUTION, COPY OF RATES, AND PUBLIC NOTICE OF PROPOSITION 218 MEETING |
| <input checked="" type="checkbox"/> | F5 – SCHEDULE OF ALL MATERIAL DEBT OR NO DEBT LETTER
(See Application Instructions) |
| <input type="checkbox"/> | F6 – DEBT MANAGEMENT POLICY (If Applicable) |
| <input type="checkbox"/> | F7 – NEW SPECIAL TAX, ASSESSMENT DISTRICT, OR SERVICE CHARGE PROJECTIONS (If Applicable) |
| <input type="checkbox"/> | F8 – RELEVANT SERVICE, MANAGEMENT, OPERATING, OR JOINT POWERS AGREEMENTS (If Applicable) |
| <input type="checkbox"/> | F9 – SCHOOL DISTRICT CERTIFICATION OF INTERIM REPORT (If Applicable) |

GARBERVILLE SANITARY DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2018

GARBERVILLE SANITARY DISTRICT

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June 30, 2018

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ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Garberville Sanitary District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Garberville Sanitary District as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
Garberville Sanitary District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Garberville Sanitary District, as of June 30, 2018 and 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Anderson, Lucas, Somerville, & Borges

November 5, 2018
Fortuna, California

BASIC FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT

Statement of Net Position

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 223,082	\$ 149,997
Cash - Insurance Proceeds Held	34,100	-
Restricted Cash	46,517	46,355
Accounts Receivable - Net of \$5,000		
Allowance for Doubtful Accounts	90,692	94,092
Prepays and Deposits	7,871	20,119
Total Current Assets	<u>402,262</u>	<u>310,563</u>
Restricted Assets		
Cash in County Treasury	647,263	611,988
Total Restricted Assets	<u>647,263</u>	<u>611,988</u>
Noncurrent Assets		
Capital Assets, Net of Depreciation	11,018,345	11,496,261
Construction in Progress	91,947	6,627
Total Noncurrent Assets	<u>11,110,292</u>	<u>11,502,888</u>
Total Assets	<u><u>\$ 12,159,817</u></u>	<u><u>\$ 12,425,439</u></u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 47,258	\$ 27,769
Insurance Proceeds Payable	34,100	-
Accrued Payroll Liabilities	-	2,049
Accrued Vacation	20,836	16,721
Current Portion of Long-Term Obligations	112,632	131,751
Total Current Liabilities	<u>214,826</u>	<u>178,290</u>
Noncurrent Liabilities		
Noncurrent Portion of Long-Term Obligations	1,442,307	1,554,938
Total Liabilities	1,657,133	1,733,228
NET POSITION		
Invested in Capital Assets, Net of Related Debt	9,555,353	9,816,199
Reserved for Debt Service	46,517	46,355
Unrestricted	900,814	829,657
Total Net Position	<u><u>\$ 10,502,684</u></u>	<u><u>\$ 10,692,211</u></u>

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2018

	Water	Sewer	Total 2018
OPERATING REVENUES			
Utility Sales	\$ 534,001	\$ 359,798	\$ 893,799
Connection Fees	-	-	-
Other Revenues	22,825	23,546	46,371
<u>Total Operating Revenues</u>	556,826	383,344	940,170
OPERATING EXPENSES			
Salaries and Wages	161,827	126,438	288,265
Payroll Taxes	13,531	10,715	24,246
Employee Benefits	17,116	16,934	34,050
Rent	5,428	5,428	10,856
Materials and Supplies	801	801	1,602
Transportation	902	902	1,804
Sewage Collection	-	16,288	16,288
Office Expense	12,513	12,431	24,944
Insurance	16,024	14,757	30,781
Professional Services	37,369	32,322	69,691
Sewage Treatment	-	32,576	32,576
Water Treatment	75,716	-	75,716
Water Distribution	34,020	-	34,020
Permits and Fees	3,931	18,079	22,010
Utilities	1,204	1,204	2,408
Bad Debts	928	928	1,856
Other Expenses	7,805	7,625	15,430
Deprecation and Amortization	349,249	176,763	526,012
<u>Total Operating Expenses</u>	738,364	474,191	1,212,555
OPERATING GAIN (LOSS)	(181,538)	(90,847)	(272,385)
NON-OPERATING REVENUES (EXPENSES)			
Property Taxes and Exemptions	-	26,933	26,933
Capital Grant Income	60,000	0	60,000
Interest Income	3,600	5,363	8,963
Interest Expense	(8,713)	(4,325)	(13,038)
<u>Total Non-operating Revenues (Expenses)</u>	54,887	27,971	82,858
CHANGE IN NET POSITION	(\$126,651)	(\$62,876)	\$ (189,527)
NET POSITION			
BEGINNING OF YEAR			\$ 10,692,211
END OF YEAR			\$ 10,502,684

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2017

	Water	Sewer	Total 2017
OPERATING REVENUES			
Utility Sales	\$ 510,062	\$ 362,192	\$ 872,254
Connection Fees	-	-	-
Other Revenues	7,825	3,415	11,240
<u>Total Operating Revenues</u>	517,887	365,607	883,494
OPERATING EXPENSES			
Salaries and Wages	163,701	124,590	288,291
Payroll Taxes	14,327	10,978	25,305
Employee Benefits	19,887	19,977	39,864
Rent	5,010	5,010	10,020
Materials and Supplies	4,128	3,827	7,955
Transportation	1,477	1,477	2,955
Sewage Collection	-	14,784	14,784
Office Expense	10,775	10,906	21,682
Insurance	15,808	14,184	29,992
Professional Services	30,527	25,788	56,314
Sewage Treatment	-	36,581	36,581
Water Treatment	74,978	-	74,978
Water Distribution	27,305	-	27,305
Permits and Fees	3,742	17,578	21,320
Utilities	2,565	2,565	5,129
Bad Debts	-	-	-
Other Expenses	69	69	138
Deprecation and Amortization	355,832	176,212	532,044
<u>Total Operating Expenses</u>	730,131	464,525	1,194,655
OPERATING GAIN (LOSS)	(212,244)	(98,917)	(311,161)
NON-OPERATING REVENUES (EXPENSES)			
Property Taxes and Exemptions	(12)	24,891	24,879
Gain on Asset Disposal	5,446	5,446	10,891
Interest Income	3,040	4,151	7,191
Interest Expense	(10,223)	(3,903)	(14,127)
<u>Total Non-operating Revenues (Expenses)</u>	(1,749)	30,584	28,835
CHANGE IN NET POSITION	(\$213,993)	(\$68,333)	\$ (282,326)
NET POSITION			
BEGINNING OF YEAR			\$ 10,974,537
PRIOR PERIOD ADJUSTMENT			
END OF YEAR			\$ 10,692,211

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 943,570	\$ 874,274
Cash Paid for Employees	(344,495)	(362,040)
Cash Paid for Goods and Services	<u>(308,245)</u>	<u>(322,364)</u>
Net Cash Provided by Operating Activities	<u>290,830</u>	<u>189,870</u>
Cash Flows From Non-Capital Financing Activities		
Cash from Sale of Assets	-	14,001
Property Tax Revenues	<u>26,933</u>	<u>24,879</u>
Net Cash Provided by Non-Capital Financing Activities	<u>26,933</u>	<u>38,880</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from Long-Term Debt	-	-
Principal Paid on Long-Term Debt	(131,750)	(88,295)
Interest Paid on Long-Term Debt	(13,038)	(14,127)
Acquisition of Capital Assets	(203,667)	(210,579)
Proceeds from Insurance	104,351	-
Capital Grant	<u>60,000</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(184,104)</u>	<u>(313,001)</u>
Cash Flows From Investing Activities		
Interest on Investments	<u>8,963</u>	<u>7,191</u>
Net Cash Provided by Investing Activities	<u>8,963</u>	<u>7,191</u>
Net (Decrease) in Cash and Cash Equivalents	142,622	(77,060)
Cash and Cash Equivalents - Beginning of Year	<u>808,340</u>	<u>885,400</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 950,962</u></u>	<u><u>\$ 808,340</u></u>

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Reconciliation of Operating Gain (Loss) to Net Cash Provided by Operating Activities		
Operating Gain (Loss)	\$ (272,385)	\$ (311,161)
Adjustment to Reconcile Operating Gain (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	526,012	532,044
(Increase) Decrease in Accounts Receivable	3,400	(9,223)
(Increase) Decrease in Other Receivable	-	-
(Increase) Decrease in Prepaid Expenses	12,248	(15,955)
Increase (Decrease) in Accounts Payable	19,489	2,742
Increase (Decrease) in Accrued Liabilities	2,066	(8,577)
	563,215	501,031
Net Cash Provided by Operating Activities	<u>\$ 290,830</u>	<u>\$ 189,870</u>
 Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to Cash and Cash Equivalents per Balance Sheet		
Cash and Cash Equivalents per Statement of Cash Flows	<u>\$ 950,962</u>	<u>\$ 808,340</u>
Cash and Cash Equivalents per Balance Sheet:		
Cash and Cash Equivalents	\$ 303,699	\$ 196,352
Cash in County Treasury	647,263	611,988
	<u>\$ 950,962</u>	<u>\$ 808,340</u>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - On April 12th, 1932, the Garberville Sanitary District (the "District") was formed, pursuant to the Sanitary District Act of 1923, Health & Safety Code Section 6400 et seq. for the following purposes:

1. The collection, treatment, and disposal of wastewater for the District and its inhabitants.

In December of 2004, the community voted to purchase the assets of the Garberville Water Company for the following purposes:

1. To supply the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection and recreation.

Garberville is an unincorporated community in the southern reaches of Humboldt County, California.

Measurement Focus and Basis of Accounting - The financial statements of the District are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District uses proprietary funds. Proprietary funds are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the District's assets and liabilities including capital assets and long-term liabilities are included in the accompanying Balance Sheet. Under the accrual method of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The District reports the following proprietary funds:

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to a private business or where the board of directors has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting – The General Manager with the assistance from the Consultant Project Manager presents proposed budgets to the Board of Directors for approval. The budget is approved by a motion to adopt by the Board of Directors.

The budgets for the enterprise funds are adopted on the full accrual basis of accounting consistent with the comparative actual amounts.

Cash and Cash Equivalents - Cash and cash equivalents for purposes of the statement of cash flows includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District. Restricted assets are included.

The District has a pooled investment which is administered by the County of Humboldt. These approved investments are carried at cost, which approximates market value, and may be liquidated as needed. The investment pool has not been assigned a risk category since the District is not issued securities, but rather owns an undivided beneficial interest in the assets of this pool.

Capital Assets and Depreciation - Capital assets are recorded at cost. Capital asset purchases with values exceeding \$2,500 and having a life expectancy of at least 3 years are capitalized.

Depreciation is computed under the straight-line method using lives ranging from 3 to 50 years. Depreciation expense is calculated by using annual allowance rates varying from 2% to 33% of the various year-end account balances.

Compensated Absences - Qualified employees of the District accrue vacation, sick, compensatory and other leave time. Upon retirement, resignation, or dismissal, employees are paid in cash for all leave time accumulated except sick leave. No compensation for accrued sick leave upon retirement or termination is made. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The liability for compensated absences at June 30, 2018 was \$20,836, and at June 30, 2017 was \$16,721, and has been reflected thus on the Balance Sheet.

Fund Equity - Reservations of the ending retained earnings indicate the portions of retained earnings not appropriable for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

Allowance Method Used to Record Bad Debts – Management has provided an allowance for doubtful accounts equal to the estimated uncollectible amounts. The estimate is based on a review of the current status of trade accounts receivable. It is reasonably possible that the District's estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$5,000 at June 30, 2018 and 2017.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Policy for Defining Operating and Non-Operating Revenues - The District's proprietary funds make a distinction between operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing goods and services related directly to the principal operations of the funds. All revenues and expenses not meeting this definition are reported as non-operating including interest income and expense.

Policy for Applying FASB Pronouncements - The District has adopted all applicable FASB Statements and Interpretations, APB Opinions, and ARBs issued after November 30, 1989.

Policy for Applying Restricted/Unrestricted Resources - When an expense is incurred for which both restricted and unrestricted retained earnings are available, restricted resources are applied first.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District has no self-directed investments other than the pooled investment administered by the County referred to in Note 1. The District's funds invested and maintained by other agencies are as follows:

<u>2018</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	145,541	111,428	-	-	256,969
Restricted Water Fund	46,517	-	-	-	46,517
Petty Cash	-	-	-	213	213
Subtotal					303,699
Pooled with County	-	-	647,263	-	647,263
Total	<u>192,058</u>	<u>111,428</u>	<u>647,263</u>	<u>213</u>	<u>950,962</u>
<u>2017</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	13,490	136,268	-	-	149,758
Restricted Water Fund	46,355	-	-	-	46,355
Petty Cash	-	-	-	239	239
Subtotal					196,352
Pooled with County	-	-	611,988	-	611,988
Total	<u>59,845</u>	<u>136,268</u>	<u>611,988</u>	<u>239</u>	<u>808,340</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Capital Assets for the District for the years ended June 30, 2018 and 2017 consisted of the following:

	Balance 6/30/17	Additions	Deletions Transfers	Balance 6/30/18
Land - Sewer	129,811	-	-	129,811
Land - Water	88,699	-	-	88,699
Water System	142,475	-	-	142,475
Water Easements	177,397	-	-	177,397
Collection Facilities	2,311,581	22,420	-	2,334,001
Sewer Treatment Facilities	507,553	-	-	507,553
Water Distribution	2,696,416	16,247	(50)	2,712,613
Water Treatment	59,930	7,252	(1,800)	65,382
Water Pumps	2,910	-	-	2,910
Sewer Pumps	9,882	4,027	-	13,909
Water Project 2015	4,968,105	-	-	4,968,105
Sewer Project 2011	2,792,452	-	-	2,792,452
Wallan Road Tank	-	13,790	-	13,790
Office Equipment	32,004	-	-	32,004
Equipment	158,307	-	-	158,307
Vehicles	81,171	-	-	81,171
CIP Leino Lane	585	-	-	585
CIP Bear Canyon	1,236	1,530	-	2,766
CIP SWTP Coag	4,806	-	-	4,806
CIP Fire Hydrant Replace	-	70,000	-	70,000
CIP Contact Chamber Replace	-	70,251	(70,251)	-
Annexation Project	157,367	-	-	157,367
Less: Accumulated Depreciation	<u>(2,819,799)</u>	<u>(526,588)</u>	<u>576</u>	<u>(3,345,811)</u>
Total	<u>\$ 11,502,888</u>	<u>(321,071)</u>	<u>(71,525)</u>	<u>11,110,292</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION (Continued)

	Balance 6/30/16	Additions	Deletions Transfers	Balance 6/30/17
Land - Sewer	129,811	-	-	129,811
Land - Water	88,699	-	-	88,699
Water System	133,382	9,093	-	142,475
Water Easements	177,397	-	-	177,397
Collection Facilities	2,245,631	36,144	29,806	2,311,581
Kimtu Waterline	1,908,669	-	(1,908,669)	-
Sewer Treatment Facilities	500,762	6,791	-	507,553
Water Distribution	-	86,424	2,609,992	2,696,416
Water Treatment	-	-	59,930	59,930
Water Pumps	-	2,910	-	2,910
Sewer Pumps	-	9,882	-	9,882
Water Project 2015	4,968,105	-	-	4,968,105
Tobin Well 2015	40,189	-	(40,189)	-
Sewer Project 2011	2,792,452	-	-	2,792,452
SWTP Office Remodel	19,741	-	(19,741)	-
Alderpoint Tank	671,517	-	(671,517)	-
Melville Road (2015)	59,613	-	(59,613)	-
Office Equipment	32,004	-	-	32,004
Equipment	158,307	-	-	158,307
Vehicles	48,024	53,869	(20,722)	81,171
CIP Leino Lane	585	-	-	585
CIP Bear Canyon	576	660	-	1,236
CIP SWTP Coag	-	4,806	-	4,806
Annexation Project	157,367	-	-	157,367
Less: Accumulated Depreciation	<u>(2,305,367)</u>	<u>(532,044)</u>	<u>17,612</u>	<u>(2,819,799)</u>
Total	<u>11,827,464</u>	<u>(321,465)</u>	<u>(3,111)</u>	<u>11,502,888</u>

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2018

NOTE 4 - LONG-TERM DEBT

Long-term debt of the District for the years ended June 30, 2018 and 2017 consisted of the following:

	Balance 6/30/17	Additions	Principal Payments	Balance 6/30/18
SWRCB	168,855	0	(22,713)	146,142
Ford Truck Lease	27,339	0	(13,239)	14,100
RCAC-ALPT TANK	177,471	0	(48,850)	128,621
SRF Loan	1,310,498	0	(45,982)	1,264,516
Copier Lease	2,526	0	(966)	1,560
	1,686,689	0	(131,750)	1,554,939
	Balance 6/30/2016	Additions	Principal Payments	Balance 6/30/17
SWRCB	191,123	0	(22,268)	168,855
MFC	0	42,355	(15,016)	27,339
RCAC-ALPT TANK	223,943	0	(46,472)	177,471
Copier Lease	1,356,480	0	(45,982)	1,310,498
SRF Loan	36,438	0	(912)	2,526
	1,774,984	42,355	(130,650)	1,686,689

Current portion of long-term debt is as follows:

SWRCB	\$ 23,167
SRF Loan	22,991
RCAC Loan	51,349
Ford Motor Credit	14,100
Copier	1,025
	\$ 112,632

Descriptions, terms, and other information on each of the above categories of debt are as follows:

STATE WATER RESOURCES CONTROL BOARD (SWRCB):

On June 28, 2005, the District borrowed \$395,340 for the Sewer System Relocation Project. On September 27, 2006, the District received additional loan funding of \$33,567. The loan is payable in annual installments of \$26,090 each August 1, including 2% interest, through August 1, 2023. Net revenues of the District are pledged as collateral for this loan. The principal balance due as of June 30, 2018 was \$146,142.

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2018

NOTE 4 - LONG-TERM DEBT (Continued)

STATE WATER RESOURCES CONTROL BOARD (SWRCB) – (Continued)

Following are the principal and interest requirements to maturity for each of the five subsequent fiscal years and in five-year increments thereafter:

Year(s) Ending June 30	Principal	Interest	Total
2019	23,167	2,923	26,090
2020	23,631	2,459	26,090
2021	24,103	1,987	26,090
2022	24,585	1,505	26,090
2023	25,077	1,013	26,090
2024	25,579	511	26,090
	<u>\$ 146,142</u>	<u>\$ 10,398</u>	<u>\$ 156,540</u>

WELLS FARGO FINANCIAL LEASING

On January 9, 2015, the District entered a capital lease agreement for a Toshiba Copier. The terms were for a 60 month period with purchase option. The following principal and interest to maturity are:

Year(s) Ending June 30	Principal	Interest	Total
2019	1,025	64	1,089
2020	535	9	544
	<u>\$ 1,560</u>	<u>\$ 73</u>	<u>\$ 1,633</u>

RURAL COMMUNITY ASSISTANCE CORPORATION (RCAC-ALPT TANK)

The Alderpoint Tank Replacement Project was completed in 2016. The total project cost was \$671,517. The majority of this cost was paid for out of GSD cash funds. The District entered into a 5-year note and construction loan agreement on October 14, 2015 in the amount of \$250,000 with Rural Community Assistance Corporation. The maturity date is November 1, 2020 with an interest rate of 5.00%. Monthly payments of \$4,717.81 began on December 1, 2015. The principal balance at June 30, 2018 was \$128,622.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 4 - LONG-TERM DEBT (Continued)

RURAL COMMUNITY ASSISTANCE CORPORATION (RCAC-ALPT TANK) – (Continued)

Year(s) Ending June 30	Principal	Interest	Total
2019	51,349	5,265	56,614
2020	53,976	2,638	56,614
2021	23,296	248	23,544
	<u>\$ 128,621</u>	<u>\$ 8,151</u>	<u>\$ 136,772</u>

STATE REVOLVING FUND (SRF)

The District began the Drinking Water Improvement Project in 2005. The project was completed January 29, 2015. The total project costs were \$4,968,105. Of this amount, the District received \$400,000 in planning grant and \$100,000 in planning loan funds (which have been fully repaid). The District entered into Funding Agreement (Project 1210008-006C) SRFCX103 under the provisions of the California Safe Drinking Water State Revolving Fund through the California Department of Public Health on May 10, 2013 in the amount of \$4,060,478. This amount consisted of \$3,000,000 in grant funds and the remainder in a 0% interest rate and 30-year term loan. The Funding Agreement was amended September 2014 to increase the total to \$4,379,471. The final loan amount was \$1,379,471. As of June 30, 2016 there were no grant receivables outstanding and all loan and grant reimbursements had been received.

The principal payments of \$22,991 are due semiannually on January 1 and July 1 commencing January 2016. The principal balance at June 30, 2018 was \$1,264,515.

Year(s) Ending June 30	Principal	Interest	Total
2019	45,982	-	45,982
2020	45,982	-	45,982
2021	45,982	-	45,982
2022	45,982	-	45,982
2023	45,982	-	45,982
2024-2046	1,034,606	-	1,034,606
	<u>\$ 1,264,516</u>	<u>\$ -</u>	<u>\$ 1,264,516</u>

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2018

FORD TRUCK LEASE

The District entered into a 3-year lease purchase agreement for a new Ford Truck, including interest at 6.5% and annual payments of \$15,016.21.

Year(s) Ending June 30	Principal	Interest	Total
2019	14,100	916	15,016
	\$ 14,100	\$ 916	\$ 15,016

NOTE 5 - INSURANCE

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Sections 6500, et. seq., effective July 1, 2017 through June 30, 2018. During its membership, the following policies were in effect:

	Limits
General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability (per occurrence)	2,500,000
Employee Dishonesty Coverage (per loss)	1,000,000
Property Loss (per occurrence)	1,000,000,000
Boiler and Machinery (per occurrence)	100,000,000
Public Officials Personal Liability (per occurrence)	500,000

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 6 - PROPERTY TAXES/EXEMPTIONS

The County Board of Supervisors has authorized the District's receipt of taxes and exemptions from the County-wide \$1 per \$100 assessed valuation general purpose tax, as well as special taxes assessed for purposes of the general obligation bonds. The purpose of these appropriations is to assist the District in providing wastewater services. Following is a listing of the District's receipts by source:

	<u>2018</u>	<u>2017</u>
Current Secured Taxes	25,296	23,214
Current Unsecured Taxes	890	920
Taxes-Prior Years	0	8
Taxes-Current-Supplemental Rolls	373	406
State-Homeowners' Exemptions	317	307
Taxes-Prior Years-Supplemental	57	36
Total Taxes/Exemptions	<u>26,933</u>	<u>24,891</u>

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 5, 2018, the date the financial statements were available to be issued.

Storm Damage

On November 24, 2017, the surface water treatment plant's chlorine contact chamber underground piping experienced catastrophic failure. Coordination with the contractor that completed the construction of piping in 2014 and the State Water Resources Control Board Division of Drinking Water ensued. Temporary emergency measures were completed within days that allowed for operation of the plant while bypassing the chlorine contact chamber. SDRMA, the District's insurance company, was contacted along with various professionals and construction specialists. An insurance claim has been filed. The temporary measures in place now will be sufficient until spring when the flow rates for the plant will need to increase to fulfill increased demand. Staff is coordinating the design and implantation of a permanent fix to the failure. The cost for construction of the chlorine contact chamber underground piping in 2014 was approximately \$210,000. Replacement costs will either be paid for under the claim with the insurance company or will come from the District's reserve funds.

As of June 30, 2018, the design and partial construction of the replacement chlorine contact pressure vessel was complete. As of the date of the audit report, the construction is virtually complete and only minor sundry items remain to be completed. The operations of the water treatment plant are now fully transitioned to the new chlorine contact pressure vessel.

**GARBERVILLE SANITARY DISTRICT
FINANCIAL STATEMENTS**

JUNE 30, 2019

GARBERVILLE SANITARY DISTRICT

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ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

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EUGENE B. LUCAS (1950-2013)
DAVID A. SOMERVILLE, INACTIVE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Garberville Sanitary District

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Garberville Sanitary District as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
Garberville Sanitary District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Garberville Sanitary District, as of June 30, 2019 and 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Anderson, Lucas, Somerville, & Borges

October 10, 2019
Fortuna, California

BASIC FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT

Statement of Net Position

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 192,196	\$ 223,082
Cash - Insurance Proceeds Held	-	34,100
Cash - Restricted for Debt Service	46,680	46,517
Accounts Receivable - net of \$5,000 Allowance for Doubtful Accounts	93,056	90,692
Prepays and Deposits	3,343	7,871
Total Current Assets	<u>335,275</u>	<u>402,262</u>
Restricted Assets		
Cash in County Treasury	686,111	647,263
Total Restricted Assets	<u>686,111</u>	<u>647,263</u>
Noncurrent Assets		
Capital Assets, Net of Depreciation	10,635,803	11,018,345
Construction in Progress	16,556	91,947
Total Noncurrent Assets	<u>10,652,359</u>	<u>11,110,292</u>
Total Assets	<u><u>\$ 11,673,745</u></u>	<u><u>\$ 12,159,817</u></u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 13,470	\$ 46,558
Insurance Proceeds Receivable	-	34,100
Utility Service Deposits	5,100	700
Accrued Vacation	25,652	20,836
Current Portion of Long-Term Obligations	124,124	112,632
Total Current Liabilities	<u>168,346</u>	<u>214,826</u>
Noncurrent Liabilities		
Noncurrent Portion of Long-Term Obligations	1,295,191	1,442,307
Total Liabilities	<u><u>\$ 1,463,537</u></u>	<u><u>\$ 1,657,133</u></u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	9,233,044	9,555,353
Reserved for Debt Service	46,680	46,517
Unrestricted	930,484	900,814
Total Net Position	<u><u>\$ 10,210,208</u></u>	<u><u>\$ 10,502,684</u></u>

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019

	Water	Sewer	Total 2019
OPERATING REVENUES			
Utility Sales	\$ 525,045	\$ 351,884	\$ 876,929
Connection Fees	24,000	-	24,000
Other Revenues	15,065	7,845	22,910
<u>Total Operating Revenues</u>	564,110	359,729	923,839
OPERATING EXPENSES			
Salaries and Wages	168,860	144,178	313,038
Payroll Taxes	14,302	12,253	26,555
Employee Benefits	22,734	22,302	45,036
Rent	4,603	4,602	9,205
Materials and Supplies	976	1,042	2,018
Transportation	745	745	1,490
Sewage Collection	-	13,953	13,953
Office Expense	4,078	4,705	8,783
Insurance	15,621	14,967	30,588
Professional Services	36,699	33,054	69,753
Sewage Treatment	-	27,728	27,728
Water Treatment	87,351	-	87,351
Water Distribution	37,348	-	37,348
Permits and Fees	3,510	20,319	23,829
Utilities	1,178	1,178	2,356
Bad Debts	2,426	30	2,456
Other Expenses	18,066	17,237	35,303
Deprecation and Amortization	334,024	177,265	511,289
<u>Total Operating Expenses</u>	752,521	495,558	1,248,079
OPERATING GAIN (LOSS)	\$ (188,411)	\$ (135,829)	\$ (324,240)
NON-OPERATING REVENUES (EXPENSES)			
Property Taxes and Exemptions	-	28,128	28,128
Other Income	830	830	1,660
Interest Income	4,263	6,854	11,117
Interest Expense	(4,129)	(5,012)	(9,141)
<u>Total Non-operating Revenues (Expenses)</u>	964	30,800	31,764
CHANGE IN NET POSITION	\$ (187,447)	\$ (105,029)	\$ (292,476)
NET POSITION			
BEGINNING OF YEAR			10,502,684
END OF YEAR			\$ 10,210,208

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2018

	Water	Sewer	Total 2018
OPERATING REVENUES			
Utility Sales	\$ 534,001	\$ 359,798	\$ 893,799
Connection Fees	-	-	-
Other Revenues	22,825	23,546	46,371
<u>Total Operating Revenues</u>	556,826	383,344	940,170
OPERATING EXPENSES			
Salaries and Wages	161,827	126,438	288,265
Payroll Taxes	13,531	10,715	24,246
Employee Benefits	17,116	16,934	34,050
Rent	5,428	5,428	10,856
Materials and Supplies	801	801	1,602
Transportation	902	902	1,804
Sewage Collection	-	16,288	16,288
Office Expense	12,513	12,431	24,944
Insurance	16,024	14,757	30,781
Professional Services	37,369	32,322	69,691
Sewage Treatment	-	32,576	32,576
Water Treatment	75,716	-	75,716
Water Distribution	34,020	-	34,020
Permits and Fees	3,931	18,079	22,010
Utilities	1,204	1,204	2,408
Bad Debts	928	928	1,856
Other Expenses	7,805	7,625	15,430
Depreciation and Amortization	349,249	176,763	526,012
<u>Total Operating Expenses</u>	738,364	474,191	1,212,555
OPERATING GAIN (LOSS)	(181,538)	(90,847)	(272,385)
NON-OPERATING REVENUES (EXPENSES)			
Property Taxes and Exemptions	-	26,933	26,933
Capital Grant Income	60,000	0	60,000
Interest Income	3,600	5,363	8,963
Interest Expense	(8,713)	(4,325)	(13,038)
<u>Total Non-operating Revenues (Expenses)</u>	54,887	27,971	82,858
CHANGE IN NET POSITION	\$ (126,651)	\$ (62,876)	\$ (189,527)
NET POSITION			
BEGINNING OF YEAR			10,692,211
END OF YEAR			\$ 10,502,684

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 925,875	\$ 943,570
Cash Paid for Employees	(379,813)	(344,495)
Cash Paid for Goods and Services	(380,722)	(308,245)
	<u>165,340</u>	<u>290,830</u>
Cash Flows From Non-Capital Financing Activities		
Cash from Sale of Assets	-	-
Property Tax Revenues	28,128	26,933
	<u>28,128</u>	<u>26,933</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from Long-Term Debt	-	-
Principal Paid on Long-Term Debt	(135,624)	(131,750)
Interest Paid on Long-Term Debt	(9,141)	(13,038)
Acquisition of Capital Assets	(87,456)	(203,667)
Proceeds from Other Income	1,661	104,351
Capital Grant	-	60,000
	<u>(230,560)</u>	<u>(184,104)</u>
Cash Flows From Investing Activities		
Interest on Investments	11,117	8,963
	<u>11,117</u>	<u>8,963</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(25,975)	142,622
Cash and Cash Equivalents - Beginning of Year	950,962	808,340
Cash and Cash Equivalents - End of Year	<u>\$ 924,987</u>	<u>\$ 950,962</u>

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Gain (Loss) to Net Cash Provided by Operating Activities		
Operating Gain (Loss)	\$ (324,240)	\$ (272,385)
Adjustment to Reconcile Operating Gain (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	511,289	526,012
(Increase) Decrease in Accounts Receivable	(2,364)	3,400
(Increase) Decrease in Customer Deposits	4,400	-
(Increase) Decrease in Prepaid Expenses	4,528	12,248
Increase (Decrease) in Accounts Payable	(33,088)	19,489
Increase (Decrease) in Accrued Liabilities	4,815	2,066
	<u>489,580</u>	<u>563,215</u>
Net Cash Provided by Operating Activities	<u>\$ 165,340</u>	<u>\$ 290,830</u>
 Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to Cash and Cash Equivalents per Balance Sheet		
Cash and Cash Equivalents per Statement of Cash Flows	<u>\$ 924,987</u>	<u>\$ 950,962</u>
Cash and Cash Equivalents per Balance Sheet:		
Cash and Cash Equivalents	\$ 238,876	\$ 303,699
Cash in County Treasury	686,111	647,263
	<u>\$ 924,987</u>	<u>\$ 950,962</u>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - On April 12th, 1932, the Garberville Sanitary District (the “District”) was formed, pursuant to the Sanitary District Act of 1923, Health & Safety Code Section 6400 et seq. for the following purposes:

1. The collection, treatment, and disposal of wastewater for the District and its inhabitants.

In December of 2004, the community voted to purchase the assets of the Garberville Water Company for the following purposes:

1. To supply the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection and recreation.

Garberville is an unincorporated community in the southern reaches of Humboldt County, California.

Measurement Focus and Basis of Accounting - The financial statements of the District are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District uses proprietary funds. Proprietary funds are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the District’s assets and liabilities including capital assets and long-term liabilities are included in the accompanying Balance Sheet. Under the accrual method of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The District reports the following proprietary funds:

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to a private business or where the board of directors has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting – The General Manager with the assistance from the Consultant Project Manager presents proposed budgets to the Board of Directors for approval. The budget is approved by a motion to adopt by the Board of Directors.

The budgets for the enterprise funds are adopted on the full accrual basis of accounting consistent with the comparative actual amounts.

Cash and Cash Equivalents - Cash and cash equivalents for purposes of the statement of cash flows includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District. Restricted assets are included.

The District has a pooled investment which is administered by the County of Humboldt. These approved investments are carried at cost, which approximates market value, and may be liquidated as needed. The investment pool has not been assigned a risk category since the District is not issued securities, but rather owns an undivided beneficial interest in the assets of this pool.

Capital Assets and Depreciation - Capital assets are recorded at cost. Capital asset purchases with values exceeding \$2,500 and having a life expectancy of at least 3 years are capitalized.

Depreciation is computed under the straight-line method using lives ranging from 3 to 50 years. Depreciation expense is calculated by using annual allowance rates varying from 2% to 33% of the various year-end account balances.

Compensated Absences - Qualified employees of the District accrue vacation, sick, compensatory and other leave time. Upon retirement, resignation, or dismissal, employees are paid in cash for all leave time accumulated except sick leave. No compensation for accrued sick leave upon retirement or termination is made. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The liability for compensated absences at June 30, 2019 was \$25,652 and has been reflected thus on the Balance Sheet.

Fund Equity - Reservations of the ending retained earnings indicate the portions of retained earnings not appropriate for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

Allowance Method Used to Record Bad Debts – Management has provided an allowance for doubtful accounts equal to the estimated uncollectible amounts. The estimate is based on a review of the current status of trade accounts receivable. It is reasonably possible that the District's estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$5,000 at June 30, 2019.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Policy for Defining Operating and Non-Operating Revenues - The District's proprietary funds make a distinction between operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing goods and services related directly to the principal operations of the funds. All revenues and expenses not meeting this definition are reported as non-operating including interest income and expense.

Policy for Applying FASB Pronouncements - The District has adopted all applicable FASB Statements and Interpretations, APB Opinions, and ARBs issued after November 30, 1989.

Policy for Applying Restricted/Unrestricted Resources - When an expense is incurred for which both restricted and unrestricted retained earnings are available, restricted resources are applied first.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District has no self-directed investments other than the pooled investment administered by the County referred to in Note 1. The District's funds invested and maintained by other agencies are as follows:

<u>2019</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	\$ 135,036	\$ 56,922	\$ -	\$ -	\$ 191,958
Restricted Water Fund	46,680	-	-	-	46,680
Petty Cash	-	-	-	238	238
Subtotal					<u>238,876</u>
Pooled with County	-	-	686,111	-	686,111
Total	<u>\$ 181,716</u>	<u>\$ 56,922</u>	<u>\$ 686,111</u>	<u>\$ 238</u>	<u>\$ 924,987</u>
<u>2018</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	\$ 145,541	\$ 111,428	\$ -	\$ -	\$ 256,969
Restricted Water Fund	46,517	-	-	-	46,517
Petty Cash	-	-	-	213	213
Subtotal					<u>303,699</u>
Pooled with County	-	-	647,263	-	647,263
Total	<u>\$ 192,058</u>	<u>\$ 111,428</u>	<u>\$ 647,263</u>	<u>\$ 213</u>	<u>\$ 950,962</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2019

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Capital Assets for the District for the years ended June 30, 2019 and 2018 consisted of the following:

	Balance 6/30/18	Additions	Deletions Transfers	Balance 6/30/19
Land - Sewer	\$ 129,811	\$ -	\$ -	\$ 129,811
Land - Water	88,699	-	-	88,699
Water System	142,475	-	-	142,475
Water Easements	177,397	-	-	177,397
Collection Facilities	2,334,001	53,356	-	2,387,357
Sewer Treatment Facilities	507,553	-	-	507,553
Water Distribution	2,712,613	-	-	2,712,613
Water Treatment	65,382	-	5,391	70,773
Water Pumps	2,910	-	-	2,910
Sewer Pumps	13,909	-	-	13,909
Water Project 2015	4,968,105	-	-	4,968,105
Sewer Project 2011	2,792,452	-	-	2,792,452
Office Equipment	32,004	-	-	32,004
Equipment	158,307	-	-	158,307
Vehicles	81,171	-	-	81,171
Fire Hydrants	-	-	70,000	70,000
Annexation Project	157,367	-	-	157,367
CIP Wallan Road Tank	13,790	-	-	13,790
CIP Leino Lane	585	-	(585)	-
CIP Bear Canyon	2,766	-	-	2,766
CIP SWTP Coag	4,806	-	(4,806)	-
CIP Fire Hydrant Replace	70,000	-	(70,000)	-
Less: Accumulated Depreciation	<u>(3,345,811)</u>	<u>(511,289)</u>	<u>-</u>	<u>(3,857,100)</u>
Total	<u>\$ 11,110,292</u>	<u>\$ (457,933)</u>	<u>\$ -</u>	<u>\$ 10,652,359</u>

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION (Continued)

	Balance 6/30/17	Additions	Deletions Transfers	Balance 6/30/18
Land - Sewer	\$ 129,811	\$ -	\$ -	\$ 129,811
Land - Water	88,699	-	-	88,699
Water System	142,475	-	-	142,475
Water Easements	177,397	-	-	177,397
Collection Facilities	2,311,581	22,420	-	2,334,001
Sewer Treatment Facilities	507,553	-	-	507,553
Water Distribution	2,696,416	16,247	(50)	2,712,613
Water Treatment	59,930	7,252	(1,800)	65,382
Water Pumps	2,910	-	-	2,910
Sewer Pumps	9,882	4,027	-	13,909
Water Project 2015	4,968,105	-	-	4,968,105
Sewer Project 2011	2,792,452	-	-	2,792,452
Office Equipment	32,004	-	-	32,004
Equipment	158,307	-	-	158,307
Vehicles	81,171	-	-	81,171
CIP Leino Lane	585	-	-	585
CIP Wallan Road Tank	-	13,790	-	13,790
CIP Bear Canyon	1,236	1,530	-	2,766
CIP SWTP Coag	4,806	-	-	4,806
CIP Fire Hydrant Replace	-	70,000	-	70,000
CIP Contact Chamber Replace	-	70,251	(70,251)	-
Annexation Project CIP	157,367	-	-	157,367
Less: Accumulated Depreciation	(2,819,799)	(526,588)	576	(3,345,811)
Total	\$ 11,502,888	\$ (321,071)	\$ (71,525)	\$ 11,110,292

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2019

NOTE 4 - LONG-TERM DEBT

Long-term debt of the District for the years ended June 30, 2019 and 2018 consisted of the following:

	Balance 6/30/18	Additions	Principal Payments	Balance 6/30/19
SWRCB	\$ 146,142	\$ -	\$ (23,167)	\$ 122,975
Ford Truck Lease	14,100	-	(14,100)	-
RCAC-ALPT TANK	128,621	-	(51,349)	77,272
SRF Loan	1,264,516	-	(45,983)	1,218,533
Copier Lease	1,560	-	(1,025)	535
	<u>\$ 1,554,939</u>	<u>\$ -</u>	<u>\$ (135,624)</u>	<u>\$ 1,419,315</u>

	Balance 6/30/17	Additions	Principal Payments	Balance 6/30/18
SWRCB	\$ 168,855	\$ -	\$ (22,713)	\$ 146,142
Ford Truck Lease	27,339	-	(13,239)	14,100
RCAC-ALPT TANK	177,471	-	(48,850)	128,621
SRF Loan	1,310,498	-	(45,982)	1,264,516
Copier Lease	2,526	-	(966)	1,560
	<u>\$ 1,686,689</u>	<u>\$ -</u>	<u>\$ (131,750)</u>	<u>\$ 1,554,939</u>

Current portion of long-term debt is as follows:

SWRCB	\$ 23,631
SRF Loan	45,982
RCAC Loan	53,976
Ford Motor Credit	-
Copier	535
	<u>\$ 124,124</u>

Descriptions, terms, and other information on each of the above categories of debt are as follows:

STATE WATER RESOURCES CONTROL BOARD (SWRCB):

On June 28, 2005, the District borrowed \$395,340 for the Sewer System Relocation Project. On September 27, 2006, the District received additional loan funding of \$33,567. The loan is payable in annual installments of \$26,090 each August 1, including 2% interest, through August 1, 2023. Net revenues of the District are pledged as collateral for this loan. The principal balance due as of June 30, 2019 was \$122,975.

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 4 - LONG-TERM DEBT (Continued)

STATE WATER RESOURCES CONTROL BOARD (SWRCB) – (Continued)

Following are the principal and interest requirements to maturity for each of the five subsequent fiscal years and in five-year increments thereafter:

Year(s) Ending June 30	Principal	Interest	Total
2020	\$ 23,631	\$ 2,459	\$ 26,090
2021	24,103	1,987	26,090
2022	24,585	1,505	26,090
2023	25,077	1,013	26,090
2024	25,579	511	26,090
	<u>\$ 122,975</u>	<u>\$ 7,475</u>	<u>\$ 130,450</u>

WELLS FARGO FINANCIAL LEASING

On January 9, 2015, the District entered a capital lease agreement for a Toshiba Copier. The terms were for a 60-month period with purchase option. The following principal and interest to maturity are:

Year(s) Ending June 30	Principal	Interest	Total
2020	\$ 535	\$ 9	\$ 544
	<u>\$ 535</u>	<u>\$ 9</u>	<u>\$ 544</u>

RURAL COMMUNITY ASSISTANCE CORPORATION (RCAC-ALPT TANK)

The Alderpoint Tank Replacement Project was completed in 2016. The total project cost was \$671,517. The majority of this cost was paid for out of GSD cash funds. The District entered into a 5-year note and construction loan agreement on October 14, 2015 in the amount of \$250,000 with Rural Community Assistance Corporation. The maturity date is November 1, 2020 with an interest rate of 5.00%. Monthly payments of \$4,717.81 began on December 1, 2015. The principal balance at June 30, 2019 was \$77,272.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2019

NOTE 4 - LONG-TERM DEBT (Continued)

RURAL COMMUNITY ASSISTANCE CORPORATION (RCAC-ALPT TANK) – (Continued)

Year(s) Ending June 30	Principal	Interest	Total
2020	\$ 53,976	\$ 2,638	\$ 56,614
2021	23,296	292	23,588
	<u>\$ 77,272</u>	<u>\$ 2,930</u>	<u>\$ 80,202</u>

STATE REVOLVING FUND (SRF)

The District began the Drinking Water Improvement Project in 2005. The project was completed January 29, 2015. The total project costs were \$4,968,105. Of this amount, the District received \$400,000 in planning grant and \$100,000 in planning loan funds (which have been fully repaid). The District entered into Funding Agreement (Project 1210008-006C) SRFCX103 under the provisions of the California Safe Drinking Water State Revolving Fund through the California Department of Public Health on May 10, 2013 in the amount of \$4,060,478. This amount consisted of \$3,000,000 in grant funds and the remainder in a 0% interest rate and 30-year term loan. The Funding Agreement was amended September 2014 to increase the total to \$4,379,471. The final loan amount was \$1,379,471. As of June 30, 2019 there were no grant receivables outstanding and all loan and grant reimbursements had been received.

The principal payments of \$22,991 are due semiannually on January 1 and July 1 commencing January 2016. The principal balance at June 30, 2019 was \$1,218,533.

Year(s) Ending June 30	Principal	Interest	Total
2020	\$ 45,982	\$ -	\$ 45,982
2021	45,982	-	45,982
2022	45,982	-	45,982
2023	45,982	-	45,982
2024-2046	1,034,605	-	1,034,605
	<u>\$ 1,218,533</u>	<u>\$ -</u>	<u>\$ 1,218,533</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2019

NOTE 5 - INSURANCE

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Sections 6500, et. seq., effective July 1, 2018 through June 30, 2019. During its membership, the following policies were in effect:

	<u>Limits</u>
General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability (per occurrence)	2,500,000
Employee Dishonesty Coverage (per loss)	1,000,000
Property Loss (per occurrence)	1,000,000,000
Boiler and Machinery (per occurrence)	100,000,000
Public Officials Personal Liability (per occurrence)	500,000

NOTE 6 - PROPERTY TAXES/EXEMPTIONS

The County Board of Supervisors has authorized the District's receipt of taxes and exemptions from the County-wide \$1 per \$100 assessed valuation general purpose tax, as well as special taxes assessed for purposes of the general obligation bonds. The purpose of these appropriations is to assist the District in providing wastewater services. Following is a listing of the District's receipts by source:

	<u>2019</u>	<u>2018</u>
Current Secured Taxes	\$ 26,347	\$ 25,296
Current Unsecured Taxes	1,061	890
Taxes-Prior Years	6	0
Taxes-Current-Supplemental Rolls	335	373
State-Homeowners' Exemptions	311	317
Taxes-Prior Years-Supplemental	68	57
Total Taxes/Exemptions	<u>\$ 28,128</u>	<u>\$ 26,933</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2019

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 10, 2019, the date the financial statements were available to be issued.

Storm Damage

On November 24, 2017, the surface water treatment plant's chlorine contact chamber underground piping experienced catastrophic failure. Coordination with the contractor that completed the construction of piping in 2014 and the State Water Resources Control Board Division of Drinking Water ensued. Temporary emergency measures were completed within days that allowed for operation of the plant while bypassing the chlorine contact chamber. SDRMA, the District's insurance company, was contacted along with various professionals and construction specialists. An insurance claim was filed. The cost for construction of the chlorine contact chamber underground piping in 2014 was approximately \$210,000.

As of June 30, 2019, the construction of the replacement chlorine contact pressure vessel was complete and the insurance company has reimbursed the District for all costs related to replacement of the chlorine contact basin. As of the date of the audit report, the only item remaining for the SDRMA insurance claim is the replacement of one finished water pump.

GARBERVILLE SANITARY DISTRICT
FINANCIAL STATEMENTS

JUNE 30, 2020

GARBERVILLE SANITARY DISTRICT

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June 30, 2020

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ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

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EUGENE B. LUCAS (1950-2013)
DAVID A. SOMERVILLE, INACTIVE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Garberville Sanitary District

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Garberville Sanitary District as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
Garberville Sanitary District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Garberville Sanitary District, as of June 30, 2020 and 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Anderson, Lucas, Somerville, & Borges

February 8, 2021
Fortuna, California

BASIC FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT

Statement of Net Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 141,987	\$ 192,196
Cash - Restricted for Debt Service	46,804	46,680
Accounts Receivable - net of \$5,000 Allowance for Doubtful Accounts	111,129	93,056
Prepays and Deposits	3,440	3,343
Total Current Assets	<u>303,360</u>	<u>335,275</u>
Restricted Assets		
Cash in County Treasury	634,287	686,111
Total Restricted Assets	<u>634,287</u>	<u>686,111</u>
Noncurrent Assets		
Capital Assets, Net of Depreciation	10,207,972	10,635,803
Construction in Progress	24,090	16,556
Total Noncurrent Assets	<u>10,232,062</u>	<u>10,652,359</u>
Total Assets	<u><u>\$ 11,169,709</u></u>	<u><u>\$ 11,673,745</u></u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 34,196	\$ 13,470
SWRCB Settlement	40,000	-
Utility Service Deposits	6,600	5,100
Accrued Vacation	33,097	25,652
Current Portion of Long-Term Obligations	93,382	124,124
Total Current Liabilities	<u>207,275</u>	<u>168,346</u>
Noncurrent Liabilities		
Noncurrent Portion of Long-Term Obligations	1,201,809	1,295,191
Total Liabilities	<u><u>\$ 1,409,084</u></u>	<u><u>\$ 1,463,537</u></u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	8,896,871	9,233,044
Reserved for Debt Service	46,804	46,680
Unrestricted	816,950	930,484
Total Net Position	<u><u>\$ 9,760,625</u></u>	<u><u>\$ 10,210,208</u></u>

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

	Water	Sewer	Total 2020
OPERATING REVENUES			
Utility Sales	\$ 507,233	\$ 361,938	\$ 869,171
Connection Fees	8,000	8,000	16,000
Other Revenues	11,490	4,882	16,372
<u>Total Operating Revenues</u>	526,723	374,820	901,543
OPERATING EXPENSES			
Salaries and Wages	169,341	153,215	322,556
Payroll Taxes	14,174	12,808	26,982
Employee Benefits	24,472	24,229	48,701
Rent	5,427	5,428	10,855
Materials and Supplies	950	949	1,899
Transportation	1,463	1,459	2,922
Sewage Collection	-	42,288	42,288
Office Expense	3,379	3,379	6,758
Insurance	18,998	18,588	37,586
Professional Services	51,874	40,467	92,341
Sewage Treatment	-	32,314	32,314
Water Treatment	78,321	-	78,321
Water Distribution	66,322	-	66,322
Permits and Fees	6,548	22,689	29,237
Utilities	1,380	1,380	2,760
Bad Debts	5,493	64	5,557
Other Expenses	16,699	15,378	32,077
Deprecation and Amortization	322,276	182,618	504,894
<u>Total Operating Expenses</u>	787,117	557,253	1,344,370
OPERATING GAIN (LOSS)	\$ (260,394)	\$ (182,433)	\$ (442,827)
NON-OPERATING REVENUES (EXPENSES)			
Property Taxes and Exemptions	-	29,887	29,887
SWRCB Payment	(40,000)	-	(40,000)
Other Income	10,854	2,033	12,887
Other Expense	(13,702)	-	(13,702)
Interest Income	3,450	5,915	9,365
Interest Expense	(1,367)	(3,826)	(5,193)
<u>Total Non-operating Revenues (Expenses)</u>	(765)	34,009	(6,756)
CHANGE IN NET POSITION	\$ (261,159)	\$ (148,424)	\$ (449,583)
NET POSITION			
BEGINNING OF YEAR			10,210,208
END OF YEAR			\$ 9,760,625

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019

	Water	Sewer	Total 2019
OPERATING REVENUES			
Utility Sales	\$ 525,045	\$ 351,884	\$ 876,929
Connection Fees	24,000	-	24,000
Other Revenues	15,065	7,845	22,910
<u>Total Operating Revenues</u>	564,110	359,729	923,839
OPERATING EXPENSES			
Salaries and Wages	168,860	144,178	313,038
Payroll Taxes	14,302	12,253	26,555
Employee Benefits	22,734	22,302	45,036
Rent	4,603	4,602	9,205
Materials and Supplies	976	1,042	2,018
Transportation	745	745	1,490
Sewage Collection	-	13,953	13,953
Office Expense	4,078	4,705	8,783
Insurance	15,621	14,967	30,588
Professional Services	36,699	33,054	69,753
Sewage Treatment	-	27,728	27,728
Water Treatment	87,351	-	87,351
Water Distribution	37,348	-	37,348
Permits and Fees	3,510	20,319	23,829
Utilities	1,178	1,178	2,356
Bad Debts	2,426	30	2,456
Other Expenses	18,066	17,237	35,303
Deprecation and Amortization	334,024	177,265	511,289
<u>Total Operating Expenses</u>	752,521	495,558	1,248,079
OPERATING GAIN (LOSS)	\$ (188,411)	\$ (135,829)	\$ (324,240)
NON-OPERATING REVENUES (EXPENSES)			
Property Taxes and Exemptions	-	28,128	28,128
Other Income	830	830	1,660
Interest Income	4,263	6,854	11,117
Interest Expense	(4,129)	(5,012)	(9,141)
<u>Total Non-operating Revenues (Expenses)</u>	964	30,800	31,764
CHANGE IN NET POSITION	\$ (187,447)	\$ (105,029)	\$ (292,476)
NET POSITION			
BEGINNING OF YEAR			10,502,684
END OF YEAR			\$ 10,210,208

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 884,970	\$ 925,875
Cash Paid for Employees	(390,793)	(379,813)
Cash Paid for Goods and Services	(460,608)	(380,722)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	33,569	165,340
	<hr/>	<hr/>
Cash Flows From Non-Capital Financing Activities		
Cash from Sale of Assets	-	-
Property Tax Revenues	29,887	28,128
	<hr/>	<hr/>
Net Cash Provided by Non-Capital Financing Activities	29,887	28,128
	<hr/>	<hr/>
Cash Flows From Capital and Related Financing Activities		
Proceeds from Long-Term Debt	-	-
Principal Paid on Long-Term Debt	(84,124)	(135,624)
Interest Paid on Long-Term Debt	(5,193)	(9,141)
Acquisition of Capital Assets	(84,597)	(87,456)
Proceeds from Other Income	12,886	1,661
Other Expenses	(13,702)	-
	<hr/>	<hr/>
Net Cash (Used) by Capital and Related Financing Activities	(174,730)	(230,560)
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Interest on Investments	9,365	11,117
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	9,365	11,117
	<hr/>	<hr/>
Net (Decrease) Increase in Cash and Cash Equivalents	(101,909)	(25,975)
	<hr/>	<hr/>
Cash and Cash Equivalents - Beginning of Year	924,987	950,962
	<hr/>	<hr/>
Cash and Cash Equivalents - End of Year	\$ 823,078	\$ 924,987
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT

Statement of Cash Flows

For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Gain (Loss) to Net Cash Provided by Operating Activities		
Operating Gain (Loss)	\$ (482,827)	\$ (324,240)
Adjustment to Reconcile Operating Gain (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	504,894	511,289
(Increase) Decrease in Accounts Receivable	(18,073)	(2,364)
(Increase) Decrease in Customer Deposits	1,500	4,400
(Increase) Decrease in Prepaid Expenses	(97)	4,528
Increase (Decrease) in Accounts Payable	20,726	(33,088)
Increase (Decrease) in Accrued Liabilities	7,445	4,815
	<hr/>	<hr/>
Total Adjustments	516,396	489,580
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 33,569	\$ 165,340
	<hr/>	<hr/>
Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to Cash and Cash Equivalents per Balance Sheet		
Cash and Cash Equivalents per Statement of Cash Flows	<u>\$ 823,078</u>	<u>\$ 924,987</u>
Cash and Cash Equivalents per Balance Sheet:		
Cash and Cash Equivalents	\$ 188,791	\$ 238,876
Cash in County Treasury	634,287	686,111
	<hr/>	<hr/>
	\$ 823,078	\$ 924,987
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - On April 12th, 1932, the Garberville Sanitary District (the "District") was formed, pursuant to the Sanitary District Act of 1923, Health & Safety Code Section 6400 et seq. for the following purposes:

1. The collection, treatment, and disposal of wastewater for the District and its inhabitants.

In December of 2004, the community voted to purchase the assets of the Garberville Water Company for the following purposes:

1. To supply the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection and recreation.

Garberville is an unincorporated community in the southern reaches of Humboldt County, California.

Measurement Focus and Basis of Accounting - The financial statements of the District are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District uses proprietary funds. Proprietary funds are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the District's assets and liabilities including capital assets and long-term liabilities are included in the accompanying Balance Sheet. Under the accrual method of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The District reports the following proprietary funds:

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to a private business or where the board of directors has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting – The General Manager with the assistance from the Consultant Project Manager presents proposed budgets to the Board of Directors for approval. The budget is approved by a motion to adopt by the Board of Directors.

The budgets for the enterprise funds are adopted on the full accrual basis of accounting consistent with the comparative actual amounts.

Cash and Cash Equivalents - Cash and cash equivalents for purposes of the statement of cash flows includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District. Restricted assets are included.

The District has a pooled investment which is administered by the County of Humboldt. These approved investments are carried at cost, which approximates market value, and may be liquidated as needed. The investment pool has not been assigned a risk category since the District is not issued securities, but rather owns an undivided beneficial interest in the assets of this pool.

Capital Assets and Depreciation - Capital assets are recorded at cost. Capital asset purchases with values exceeding \$2,500 and having a life expectancy of at least 3 years are capitalized.

Depreciation is computed under the straight-line method using lives ranging from 3 to 50 years. Depreciation expense is calculated by using annual allowance rates varying from 2% to 33% of the various year-end account balances.

Compensated Absences - Qualified employees of the District accrue vacation, sick, compensatory and other leave time. Upon retirement, resignation, or dismissal, employees are paid in cash for all leave time accumulated except sick leave. No compensation for accrued sick leave upon retirement or termination is made. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The liability for compensated absences at June 30, 2020 was \$33,097 and has been reflected thus on the Balance Sheet.

Fund Equity - Reservations of the ending retained earnings indicate the portions of retained earnings not appropriable for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

Allowance Method Used to Record Bad Debts – Management has provided an allowance for doubtful accounts equal to the estimated uncollectible amounts. The estimate is based on a review of the current status of trade accounts receivable. It is reasonably possible that the District's estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$5,000 at June 30, 2020.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Policy for Defining Operating and Non-Operating Revenues - The District's proprietary funds make a distinction between operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing goods and services related directly to the principal operations of the funds. All revenues and expenses not meeting this definition are reported as non-operating including interest income and expense.

Policy for Applying FASB Pronouncements - The District has adopted all applicable FASB Statements and Interpretations, APB Opinions, and ARBs issued after November 30, 1989.

Policy for Applying Restricted/Unrestricted Resources - When an expense is incurred for which both restricted and unrestricted retained earnings are available, restricted resources are applied first.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District has no self-directed investments other than the pooled investment administered by the County referred to in Note 1. The District's funds invested and maintained by other agencies are as follows:

<u>2020</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	\$ 84,661	\$ 57,073	\$ -	\$ -	\$ 141,733
Restricted Water Fund	46,804	-	-	-	46,804
Petty Cash	-	-	-	254	254
Subtotal					188,791
Pooled with County	-	-	634,287	-	634,287
Total	<u>\$ 131,465</u>	<u>\$ 57,073</u>	<u>\$ 634,287</u>	<u>\$ 254</u>	<u>\$ 823,078</u>
<u>2019</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	\$ 135,036	\$ 56,922	\$ -	\$ -	\$ 191,958
Restricted Water Fund	46,680	-	-	-	46,680
Petty Cash	-	-	-	238	238
Subtotal					238,876
Pooled with County	-	-	686,111	-	686,111
Total	<u>\$ 181,716</u>	<u>\$ 56,922</u>	<u>\$ 686,111</u>	<u>\$ 238</u>	<u>\$ 924,987</u>

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Capital Assets for the District for the years ended June 30, 2020 and 2019 consisted of the following:

	Balance 6/30/19	Additions	Deletions Transfers	Balance 6/30/20
Land - Sewer	129,811	\$ -	\$ -	\$ 129,811
Land - Water	88,699	5,896	-	94,595
Water System	142,475	-	-	142,475
Water Easements	177,397	-	-	177,397
Collection Facilities	2,387,357	-	-	2,387,357
Sewer Treatment Facilities	507,553	-	-	507,553
Water Distribution	2,712,613	21,870	70,000	2,804,483
Water Treatment	70,773	-	-	70,773
Water Pumps	2,910	-	-	2,910
Sewer Pumps	13,909	3,023	-	16,932
Water Project 2015	4,968,105	-	-	4,968,105
Sewer Project 2011	2,792,452	-	-	2,792,452
Wallan Road Tank	13,790	4,578	-	18,368
Office Equipment	32,004	6,240	-	38,244
Equipment	158,307	-	-	158,307
Vehicles	81,171	40,035	-	121,206
Fire Hydrants	70,000	-	(70,000)	-
Annexation Project	157,367	-	-	157,367
CIP Bear Canyon	2,766	280	(2,766)	280
CIP Meadows Aerial	-	2,676	2,766	5,442
Less: Accumulated Depreciation	<u>(3,857,100)</u>	<u>(504,895)</u>	<u>-</u>	<u>(4,361,995)</u>
Total	<u>\$ 10,652,359</u>	<u>(420,297)</u>	<u>-</u>	<u>10,232,062</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION (Continued)

	Balance 6/30/18	Additions	Deletions Transfers	Balance 6/30/19
Land - Sewer	129,811	\$ -	\$ -	\$ 129,811
Land - Water	88,699	-	-	88,699
Water System	142,475	-	-	142,475
Water Easements	177,397	-	-	177,397
Collection Facilities	2,334,001	53,356	-	2,387,357
Sewer Treatment Facilities	507,553	-	-	507,553
Water Distribution	2,712,613	-	-	2,712,613
Water Treatment	65,382	-	5,391	70,773
Water Pumps	2,910	-	-	2,910
Sewer Pumps	13,909	-	-	13,909
Water Project 2015	4,968,105	-	-	4,968,105
Sewer Project 2011	2,792,452	-	-	2,792,452
Wallan Road Tank	13,790	-	-	13,790
Office Equipment	32,004	-	-	32,004
Equipment	158,307	-	-	158,307
Vehicles	81,171	-	-	81,171
Fire Hydrants	70,000	-	-	70,000
Annexation Project	157,367	-	-	157,367
CIP Leino Lane	585	-	(585)	-
CIP SWTP Coag	4,806	-	(4,806)	-
CIP Bear Canyon	2,766	-	-	2,766
Less: Accumulated Depreciation	<u>(3,345,811)</u>	<u>(511,289)</u>	<u>-</u>	<u>(3,857,100)</u>
Total	<u>\$ 11,110,292</u>	<u>\$ (457,933)</u>	<u>\$ -</u>	<u>\$ 10,652,359</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 4 - LONG-TERM DEBT

Long-term debt of the District for the years ended June 30, 2020 and 2019 consisted of the following:

	Balance 6/30/19	Additions	Principal Payments	Balance 6/30/20
SWRCB	122,975	-	(23,631)	99,344
RCAC-ALPT TANK	77,272	-	(53,975)	23,297
SRF Loan	1,218,533	-	(45,983)	1,172,550
Copier Lease	535	-	(535)	-
	<u>1,419,315</u>	<u>-</u>	<u>(124,124)</u>	<u>1,295,191</u>

	Balance 6/30/2018	Additions	Principal Payments	Balance 6/30/19
SWRCB	146,142	-	(23,167)	122,975
Ford Truck Lease	14,100	-	(14,100)	-
RCAC-ALPT TANK	128,621	-	(51,349)	77,272
Copier Lease	1,560	-	(1,025)	535
SRF Loan	1,264,516	-	(45,983)	1,218,533
	<u>1,774,984</u>	<u>-</u>	<u>(135,624)</u>	<u>1,419,315</u>

Current portion of long-term debt is as follows:

SWRCB	\$ 24,103
SRF Loan	45,982
RCAC Loan	23,297
	<u>\$ 93,382</u>

Descriptions, terms, and other information on each of the above categories of debt are as follows:

STATE WATER RESOURCES CONTROL BOARD (SWRCB):

On June 28, 2005, the District borrowed \$395,340 for the Sewer System Relocation Project. On September 27, 2006, the District received additional loan funding of \$33,567. The loan is payable in annual installments of \$26,090 each August 1, including 2% interest, through August 1, 2023. Net revenues of the District are pledged as collateral for this loan. The principal balance due as of June 30, 2020 was \$99,344.

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 4 - LONG-TERM DEBT (Continued)

STATE WATER RESOURCES CONTROL BOARD (SWRCB) – (Continued)

Following are the principal and interest requirements to maturity for each of the five subsequent fiscal years and in five-year increments thereafter:

Year(s) Ending June 30	Principal	Interest	Total
2021	24,103	1,987	26,090
2022	24,585	1,505	26,090
2023	25,077	1,013	26,090
2024	25,579	511	26,090
	<u>\$ 99,344</u>	<u>\$ 5,016</u>	<u>\$ 104,360</u>

RURAL COMMUNITY ASSISTANCE CORPORATION (RCAC-ALPT TANK)

The Alderpoint Tank Replacement Project was completed in 2016. The total project cost was \$671,517. The majority of this cost was paid for out of GSD cash funds. The District entered into a 5-year note and construction loan agreement on October 14, 2015 in the amount of \$250,000 with Rural Community Assistance Corporation. The maturity date is November 1, 2020 with an interest rate of 5.00%. Monthly payments of \$4,717.81 began on December 1, 2015. The principal balance at June 30, 2020 was \$23,297.

Year(s) Ending June 30	Principal	Interest	Total
2021	23,297	291	23,588
	<u>\$ 23,297</u>	<u>\$ 291</u>	<u>\$ 23,588</u>

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 4 - LONG-TERM DEBT (Continued)

STATE REVOLVING FUND (SRF)

The District began the Drinking Water Improvement Project in 2005. The project was completed January 29, 2015. The total project costs were \$4,968,105. Of this amount, the District received \$400,000 in planning grant and \$100,000 in planning loan funds (which have been fully repaid). The District entered into Funding Agreement (Project 1210008-006C) SRFCX103 under the provisions of the California Safe Drinking Water State Revolving Fund through the California Department of Public Health on May 10, 2013 in the amount of \$4,060,478. This amount consisted of \$3,000,000 in grant funds and the remainder in a 0% interest rate and 30-year term loan. The Funding Agreement was amended September 2014 to increase the total to \$4,379,471. The final loan amount was \$1,379,471.

The principal payments of \$22,991 are due semiannually on January 1 and July 1 commencing January 2016. The principal balance at June 30, 2020 was \$1,172,550.

Year(s) Ending June 30	Principal	Interest	Total
2021	45,982	-	45,982
2022	45,982	-	45,982
2023	45,982	-	45,982
2024	45,982	-	45,982
2025	45,982	-	45,982
2026-2030	229,910	-	229,910
2031-2035	229,910	-	229,910
2036-2040	229,910	-	229,910
2041-2046	252,910	-	252,910
	<u>\$ 1,172,550</u>	<u>\$ -</u>	<u>\$ 1,172,550</u>

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 5 - INSURANCE

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Sections 6500, et. seq., effective July 1, 2019 through June 30, 2020. During its membership, the following policies were in effect:

	Limits
General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability (per occurrence)	2,500,000
Employee Dishonesty Coverage (per loss)	1,000,000
Property Loss (per occurrence)	1,000,000,000
Boiler and Machinery (per occurrence)	100,000,000
Public Officials Personal Liability (per occurrence)	500,000

NOTE 6 - PROPERTY TAXES/EXEMPTIONS

The County Board of Supervisors has authorized the District's receipt of taxes and exemptions from the County-wide \$1 per \$100 assessed valuation general purpose tax, as well as special taxes assessed for purposes of the general obligation bonds. The purpose of these appropriations is to assist the District in providing wastewater services. Following is a listing of the District's receipts by source:

	2020	2019
Current Secured Taxes	\$ 27,983	\$ 26,347
Current Unsecured Taxes	1,089	1,061
Prior Years - Taxes	9	6
Current Supplemental Taxes	410	335
Prior Years - Supplemental	89	68
Homeowners' Exemptions	307	311
Total Taxes and Exemptions	\$ 29,887	\$ 28,128

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 8, 2021, the date the financial statements were available to be issued.

Covid-19 Pandemic

The District may be affected by the recent and ongoing outbreak of the Covid-19 disease which was declared a pandemic by the World Health Organization in March 2020. The extent to which the virus impacts the District's operations will depend on future developments, which are highly uncertain, including the duration and severity of the outbreak. While management expects this matter to negatively impact its results of operations, cash flows and financial position, the related impact cannot be reasonably estimated at this time.

Revenue and Expenditures
5-year Projections

ATTACHMENT F2

	5-YEAR AVERAGE	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
Ordinary Income/Expense							
Income							
Water Charges			Revenue Based Upon ADOPTED Rates				
4100 · Residential	283,172.14	300,000.00	340,100.00	382,500.00	421,600.00	453,700.00	453,700.00
4110 · Commercial	216,895.34	220,000.00	244,300.00	293,400.00	324,400.00	350,000.00	350,000.00
4150 · Bulk Water Sales	8,104.80	0.00	0.00	0.00	0.00	0.00	0.00
Total Water Charges	508,172.28	520,000.00	584,400.00	675,900.00	746,000.00	803,700.00	803,700.00
4300 · Connection Fees	12,940.00	0.00	0.00	0.00	0.00	0.00	0.00
4650 · Late Charges	3,750.93	4,750.00	4,750.00	4,750.00	4,750.00	4,750.00	4,750.00
4700 · Other Operating Revenue	4,350.28	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
49900 · Uncategorized Income	313.50	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	529,526.99	527,250.00	591,650.00	683,150.00	753,250.00	810,950.00	810,950.00
Gross Profit	529,526.99	527,250.00	591,650.00	683,150.00	753,250.00	810,950.00	810,950.00
Expense							
Administrative and General			+ 1.5% CPI for all but + 6% Insurance, Fuel, & Utilities + 3.5% wages				
5000 · Advertising	105.13	175.00	177.63	180.29	182.99	185.73	188.52
5005 · Bad Debts	1,512.31	1,750.00	1,776.25	1,802.89	1,829.93	1,857.38	1,885.24
5010 · Bank Charges							
5012 · Merchant Account Fees	906.72	1,300.00	1,319.50	1,339.29	1,359.38	1,379.77	1,400.47
5010 · Bank Charges - Other	685.93	950.00	964.25	978.71	993.39	1,008.29	1,023.41
Total 5010 · Bank Charges	1,592.65	2,250.00	2,283.75	2,318.00	2,352.77	2,388.06	2,423.88
5020 · Directors Fees	997.50	1,000.00	1,015.00	1,030.23	1,045.68	1,061.37	1,077.29
5030 · Dues and Memberships	1,826.15	1,925.00	1,953.88	1,983.19	2,012.94	2,043.13	2,073.78
5035 · Education and Training	1,680.48	1,500.00	1,522.50	1,545.34	1,568.52	1,592.05	1,615.93
5036 · Education and Training - B.C	57.85	150.00	152.25	154.53	156.85	159.20	161.59
Insurance							
5040 · Liability	8,299.51	13,477.48	14,286.13	15,143.30	16,051.90	17,015.01	18,035.91
5050 · Workers' Comp	9,324.78	4,282.60	4,539.56	4,811.93	5,100.65	5,406.69	5,731.09
5055 · Health							
5037 · Employee Benefits	196.47	0.00	0.00	0.00	0.00	0.00	0.00
5055.1 · Employee Portion	(5,272.45)	(3,900.00)	(4,134.00)	(4,382.04)	(4,644.96)	(4,923.66)	(5,219.08)

Revenue and Expenditures

5-year Projections

	5-YEAR AVERAGE	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
5055 · Health - Other	19,638.20	21,900.00	23,214.00	24,606.84	26,083.25	27,648.25	29,307.15
Total 5055 · Health	14,562.23	18,000.00	19,080.00	20,224.80	21,438.29	22,724.59	24,088.07
Total Insurance	32,186.51	35,760.08	37,905.69	40,180.03	42,590.84	45,146.29	47,855.07
5060 · Licenses, Permits, and Fees	3,432.37	2,267.00	2,301.01	2,335.53	2,370.56	2,406.12	2,442.21
5065 · Auto	1,141.91	1,250.00	1,268.75	1,287.78	1,307.10	1,326.71	1,346.61
5070 · Miscellaneous	100.13	50.00	50.75	51.51	52.28	53.06	53.86
5080 · Office Expense	3,338.21	3,500.00	3,552.50	3,605.79	3,659.88	3,714.78	3,770.50
5085 · Outside Services	4,285.19	4,325.00	4,389.88	4,455.73	4,522.57	4,590.41	4,659.27
5090 · Payroll Taxes	13,551.42	15,543.98	16,088.02	16,651.10	17,233.89	17,837.08	18,461.38
5100 · Postage	1,292.51	1,400.00	1,421.00	1,442.32	1,463.95	1,485.91	1,508.20
5110 · Professional Fees	26,578.31	37,600.00	38,164.00	38,736.46	39,317.51	39,907.27	40,505.88
5120 · Property Taxes	10.24	25.00	25.38	25.76	26.15	26.54	26.94
5125 · Repairs and Maintenance	118.51	250.00	253.75	257.56	261.42	265.34	269.32
5130 · Rents	5,203.00	5,010.00	5,185.35	5,366.84	5,554.68	5,749.09	5,950.31
5135 · Retirement	4,054.32	4,069.80	4,313.99	4,572.83	4,847.20	5,138.03	5,446.31
5137 · Supplies	580.89	600.00	609.00	618.14	627.41	636.82	646.37
5140 · Telephone	3,305.02	5,562.50	5,645.94	5,730.63	5,816.59	5,903.84	5,992.40
5145 · Tools	1,998.63	1,000.00	1,015.00	1,030.23	1,045.68	1,061.37	1,077.29
5150 · Travel and Meetings	634.51	500.00	507.50	515.11	522.84	530.68	538.64
5155 · Utilities	1,119.08	1,500.00	1,590.00	1,685.40	1,786.52	1,893.71	2,007.33
5160 · Wages							
5165 · Wages - Overtime	980.33	1,000.00	1,035.00	1,071.23	1,108.72	1,147.53	1,187.69
5160 · Wages - Other	64,070.37	80,610.00	87,751.35	90,822.65	94,001.44	97,291.49	100,696.69
Total 5160 · Wages	65,050.70	81,610.00	88,786.35	91,893.88	95,110.16	98,439.02	101,884.38
5170 · Vacation Accrual Adjustmer	2,918.13	2,000.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Total Administrative and General	178,671.66	212,573.36	224,455.12	231,957.10	239,766.91	247,898.99	256,368.50
Water Trans and Distribution							
7075 · Fuel	2,497.00	2,821.25	2,990.53	3,169.96	3,360.16	3,561.77	3,775.48
7080 · Pumping	0.00		0.00	0.00	0.00	0.00	0.00
7090 · Repairs and Maintenance	16,268.78	15,000.00	15,000.00	15,225.00	15,453.38	15,685.18	15,920.46
7100 · Supplies	6,109.89	12,000.00	12,180.00	12,362.70	12,548.14	12,736.36	12,927.41

Revenue and Expenditures
5-year Projections

	5-YEAR AVERAGE	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
7110 · Utilities	7,633.82	9,200.00	9,752.00	10,337.12	10,957.35	11,614.79	12,311.68
7120 · Wages							
7125 · Wages - Overtime Water	4,525.93	5,000.00	5,175.00	5,356.13	5,543.59	5,737.62	5,938.44
7120 · Wages - Other	36,224.40	30,000.00	31,050.00	32,136.75	33,261.54	34,425.69	35,630.59
Total 7120 · Wages	40,750.33	35,000.00	36,225.00	37,492.88	38,805.13	40,163.31	41,569.03
Total Water Trans and Distribution	73,259.82	74,021.25	76,147.53	78,587.66	81,124.16	83,761.41	86,504.06
Water Treatment							
7020 · Fuel	2,501.37	2,821.25	2,990.53	3,169.96	3,360.16	3,561.77	3,775.48
7010 · Monitoring	4,852.95	3,500.00	3,552.50	3,605.79	3,659.88	3,714.78	3,770.50
7015 · Outside Services	35.00	0.00	0.00	0.00	0.00	0.00	0.00
7030 · Repairs and Maintenance	12,507.37	15,000.00	20,000.00	20,300.00	20,604.50	20,913.57	21,227.27
7040 · Supplies	14,273.78	14,000.00	14,210.00	14,423.15	14,639.50	14,859.09	15,081.98
7050 · Utilities	38,562.77	46,000.00	48,760.00	51,685.60	54,786.74	58,073.94	61,558.38
7060 · Wages							
7065 · Wages - Overtime Water	7,000.97	6,000.00	6,210.00	6,427.35	6,652.31	6,885.14	7,126.12
7060 · Wages - Other	42,638.26	40,200.00	41,607.00	43,063.25	44,570.46	46,130.43	47,745.00
Total 7060 · Wages	49,639.23	46,200.00	47,817.00	49,490.60	51,222.77	53,015.57	54,871.12
Total Water Treatment	122,372.46	127,521.25	137,330.03	142,675.10	148,273.55	154,138.72	160,284.73
Total Expense	374,303.94	414,115.86	437,932.68	453,219.86	469,164.62	485,799.12	503,157.29
Net Ordinary Income	155,223.05	113,134.14	153,717.32	229,930.14	284,085.38	325,150.88	307,792.71
Other Income/Expense							
Other Income							
Gain on Asset Disposal	1,089.14	0.00	0.00	0.00	0.00	0.00	0.00
Gain/(Loss) on Asset Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8053 · Water Capital Grant Income	149,438.39	0.00	0.00	0.00	0.00	0.00	0.00
8060 · Interest Income	2,460.96	4,500.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
8070 · Other Non-Operating Revenue	166.85						
Total Other Income	153,155.34	4,500.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Other Expense							
Loss on Asset Disposal	2,032.00	0.00	0.00	0.00	0.00	0.00	0.00
9010 · Other Expenses	546.00	0.00	0.00	0.00	0.00	0.00	0.00

Revenue and Expenditures
5-year Projections

	5-YEAR AVERAGE	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
9040 · Depreciation	302,395.01	328,000.00	328,000.00	328,000.00	328,000.00	328,000.00	328,000.00
9050 · Interest Expense	6,883.06	5,734.02	8,000.00	8,000.00	0.00	0.00	0.00
Total Other Expense	311,856.06	333,734.02	336,000.00	336,000.00	328,000.00	328,000.00	328,000.00
Net Other Income	(158,700.72)	(329,234.02)	(333,000.00)	(333,000.00)	(325,000.00)	(325,000.00)	(325,000.00)
Net Income	(3,477.67)	(216,099.88)	(179,282.68)	(103,069.86)	(40,914.62)	150.88	(17,207.29)
Remove Grant Income & Depreciation	152,956.61	328,000.00	328,000.00	328,000.00	328,000.00	328,000.00	328,000.00
Net Revenue Available for Debt & Asset Repla	149,478.94	111,900.12	148,717.32	224,930.14	287,085.38	328,150.88	310,792.71



GARBERVILLE SANITARY DISTRICT

P.O. BOX 211 • GARBERVILLE, CA 95542 • (707) 923-9566

RESOLUTION NO. 21-004

AUTHORIZING RESOLUTION/ORDINANCE

A RESOLUTION OF THE GARBERVILLE SANITARY DISTRICT AUTHORIZING THE CHAIR OF THE BOARD TO SIGN APPLICATIONS, FUNDING AGREEMENT, AMENDMENTS, AND CERTIFICATIONS FOR FUNDING FOR THE
HURLBUTT TANK REPLACEMENT PROJECT

WHEREAS, the Garberville Sanitary District operates a public water system that includes treatment, distribution, and storage facilities; and

WHEREAS, the **Hurlbutt Tank** is the main treated water storage tank for the District, was built in 1940, does not meet the current Drinking Water Standards, and is a partially in-ground concrete tank that has been leaking for many years; and

WHEREAS, the SWRCB-DDW District staff has indicated that the tank should be replaced during the February 23, 2021, Field Inspection.

IT IS, THEREFORE, RESOLVED BY THE BOARD OF DIRECTORS OF THE GARBERVILLE SANITARY DISTRICT (the "Entity"), AS FOLLOWS:

The CHAIR OF THE BOARD OF DIRECTORS (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the HURLBUTT TANK REPLACEMENT PROJECT (the "Project").

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

Passed and adopted by the Garberville Sanitary District's Board of Directors on March 23, 2021 during a regular business meeting, by the following vote:

AYES: Directors _____

NOES: Directors _____

EXCUSED: Directors _____

Chair of the Board of Directors

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the GARBERVILLE SANITARY DISTRICT held on March 23, 2021.

_____, SEAL
Ralph Emerson
Clerk of Board of Directors

2020 WATER AND SEWER RATE STUDY

Prepared for:
Garberville Sanitary District
Board of Directors

Approved at January 28, 2020 Meeting

Prepared by:
Jennie Short
Consultant Project Manager

Garberville Sanitary District
P.O. Box 211
Garberville, CA 95542
(707)923-9566



January 2020

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APPENDICES

	DESCRIPTION
A	Last 10-years of Audited Revenue and Expenditures (Water and Sewer)
B	Multi-Family and Mixed Use Customer Information
C	Commercial Customer Information
D	ERU and CSM Table

GEOGRAPHICAL LOCATION AND OVERVIEW OF SERVICES

The Garberville Sanitary District (GSD) encompasses and surrounds the unincorporated community of Garberville, located in the southern portion of Humboldt County, approximately 70 miles south of the City of Eureka and approximately 200 miles north of the City of San Francisco. The Southern Humboldt area has a population of about 4,000 people.

The District was formed by “Order of” the Humboldt County Board of Supervisors on April 12, 1932. The District is an independent sanitary district governed by a locally elected, 5 member Board of Directors, each of whom serve a 2 or 4 year term. There is four full time District staff. The District provides both water and sewer services. In 2004, the District purchased the Garberville Water Company from the Hurlbutt family. The Garberville Water Company was a combination of three water systems from the early 1900s.

The District is responsible for collection, treatment, and disposal of the community’s sewer. Existing facilities consist of collection and transmission lines including two headworks stations, two pumping stations, and a treatment plant. There are approximately 380 sewer service connections and 456 water service connections. The District serves an existing population of 3,000 including seasonal inhabitants.

The District uses several naturally occurring processes to treat its sewer. Shallow lagoons and constructed wetlands are the predominant sewer treatment process. In 2011, the District completed a major sewer treatment plant upgrade. The \$3.5 million project included: three oxidation ponds, four wetland treatment ponds, chlorination via an onsite chlorine generation system, improved percolation ponds, and an on-site operation and maintenance building. Since then the chlorine generation system has been replaced with a liquid sodium hypochlorite system.

The water system consists of two water sources, a treatment plant, four water tanks, three booster stations, and a waterline distribution network. The District has completed a \$5 million water improvement project which includes reconstruction of the water intake, a new drinking water treatment plant, and transmission lines. The existing water system has adequate production, treatment, and storage capacities for the average peak daily demand. The maximum daily demand is 427,780 gpd recorded during the month of July in 1999. The total storage capacity for the system is approximately 500,000 gallons which is the sum of the four storage tanks in the system. This is sufficient to meet the average dry day water demand. The water treatment facility produces water that meets or exceeds the State regulations for drinking water and the Surface Water Treatment Regulations. The turbidity and residual free chlorine levels comply with the maximum allowable levels. The existing system provides four pressure zones with adequate pressure throughout the District.

BACKGROUND AND OBJECTIVE OF RATE STUDY

The objective of the rate study is to restructure the methodology for charging water and sewer rates so that it is straight forward and equitable to all the customers while increasing the rates to meet the financial needs of the operations, the capital improvement, and asset replacement costs into the future. Garberville is a severely disadvantaged community and a balance between raising rates to meet asset replacement needs and the affordability of the rates for this low income community must be considered throughout this analysis.

This cost of service analysis based upon the ratemaking principles developed by the American Water Works Association in "*Developing Rates for Small Systems M54*" and the Water Environment Federation in "*Financing and Charges for Wastewater Systems, WEF Manual of Practice No. 27.*"

Wise financial management obliges the District to maintain adequate reserve balances to meet working capital requirements, meet unexpected increases in costs and provide for emergencies. Currently, the District maintains two types of reserve funds: legally restricted funds and Board designated funds. The legally restricted funds include the Water Enterprise Fund at Umpqua Bank that is held in trust with the State of California for the SWRCB-SRF water project loan starting in 2016. The Board designated funds include O&M Operating Reserve, O&M Emergency Reserve, and Unrestricted Reserves. These funds are held in accounts with the County of Humboldt Treasurer and at Umpqua Bank.

The target total reserve amount for the Board designated funds is set at \$1.2 million. The District estimates a reserve balance at the end of CY 2019 to be \$750,000. The reserve alert level is set at \$800,000. This alert level provides an amount at which additional annual expenditures (expenses or CIPs) will not be planned for deduction from the reserve account. The \$400,000 difference between the target and the alert level will be used as a cushion for asset replacement and CIP projects to move forward in an efficient manner while utilizing this cushion as funds that vary by a given year's variation in actual to budgeted operational expenses and revenues.

This Rate Study is presented with an analysis of existing conditions and then evaluates whether the existing rates are capable of providing the needed revenue to meet the inflated operating expenses and existing debt service (i.e. loan payments) over the next five years. It then provides an overview of the capital improvement plan (CIP) projects that are needed and evaluates whether they are likely to be eligible for grant and low-interest loan financing. The portion that would be paid for by the District is then scheduled into 1-year, 2-year, 5-year, 10-year, and 20-year time periods for completion or new debt service. The same evaluation is completed for assets that need to be replaced with a specific frequency. For example, an automobile purchased today will need to be replaced in ten to fifteen years. A computer will last for three to five years, etc. The information is presented in a series of tables in this report.

If the existing rates cannot pay for the operational expenses and existing debt service over the next five years, then a rate adjustment must be considered. If the amount available after operational expenses and debt service is deducted is insufficient to undertake the critical CIPs and asset replacements then a rate adjustment must be considered.

WATER

EXISTING WATER RATES

Water charges for both residential and commercial customers are set based upon the meter size and the consumption charge is for the actual monthly water usage.

Table 1. Water Rates for Residential and Commercial Customers

Description	Rate/mo.
Base Rate by meter size (\$/mo.)	
5/8" and 3/4"	60.22
1"	120.43
1.5"	240.87
2"	361.30
Upper Zone Surcharge -Meadows (\$/mo.)	7.00
Upper Zone Variable Surcharge (\$/hcf)	0.56
Consumption Charges:	
Residential Tier 1: 0-500 cu ft. (\$/hcf)	0.70
Residential Tier 2: Over 500 cu ft. (\$/hcf)	3.85
Commercial & Non-Single Family (\$/hcf)	2.67

Table 2. Charges for Residential and Commercial Customers - Water or Sewer

Description	Rate/mo.
Connection fee per ERU for each service	\$8,000
Discontinuance Fee - Annual	\$500
Late Fee per month	\$15
Reconnection Fee - per occurrence	\$100
After Hours Reconnection Charge - per occurrence	\$100

SUMMARY OF WATER CUSTOMERS

Table 3. Type and Number of Water Customer Accounts

Customer Type	Number of Accounts
Residential	282
Commercial	110
Other	8
Irrigation	5
Multi-family/Mixed Use	43
Discontinued	3
Vacant/Inactive	5
Total	456

"Other" accounts consist of master meters and GSD premises that do not pay a water charge.

Appendix B is a list of each of the multi-family or mixed use accounts by account number with additional information on the number of ERUs and rates.

Appendix C is a list of each of the commercial accounts by account number with additional information on the number of ERUs and rates.

Table 4. Capital Improvement Plan Projects - WATER

The following table lists the various Capital Improvement Plan (CIP) projects that are currently identified for completion in the next 20 years. The amounts shown are estimates and actual costs and fiscal years may vary depending upon the needs of the District, and are intended to be used to evaluate the sufficiency of the existing rates to support the needed improvement in the District. Should the cost of a project be less than shown, the additional funds can be used to complete another project sooner or to cover overages that might be experienced on another project.

Project Name	Estimated Total Project Cost	Grant Portion	GSD to Fund	FY 20/21 Cost	FY 21/22 Cost	FY 22/23 Cost	FY 23/24 Cost	FY 24/25 Cost	FY 25 - 29 Cost	FY 29-39 Cost	FY 40-50 Cost
Meadows Aerial Waterline Reroute Planning Phase (0% - 5 yrs)	\$300,000	\$240,000	\$60,000	\$12,000	\$12,000	\$12,000	\$12,000				
Meadows Aerial Waterline Reroute Construction Phase (0% - 20 yrs)	\$2,000,000	\$1,600,000	\$400,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000	\$200,000	
Arthur Road PS Renovation	\$70,000	\$56,000	\$14,000					\$14,000			
Robertson Tank Replacement Planning Phase (0% - 5 yrs)	\$175,000	\$140,000	\$35,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000			
Robertson Tank Replacement Construction Phase (0% - 20 yrs)	\$500,000	\$400,000	\$100,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000	\$50,000	
Robertson Valve Cluster Renovation	\$25,000	\$20,000	\$5,000					\$5,000			
Wallen Road Tank Replacement Planning Phase (0% - 5 yrs)	\$175,000	\$140,000	\$35,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000			
Wallen Road Tank Replacement Construction Phase (0% - 20 yrs)	\$825,000	\$660,000	\$165,000	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250	\$41,250	\$82,500	
Wallen Road PS Renovation	\$45,000	\$36,000	\$9,000					\$9,000			
Downtown Hydrant Replace (4)	\$80,000		\$80,000						\$80,000		
Miller Street Well Testing & Engineering	\$50,000		\$50,000						\$50,000		
Storage Tank for South Side of Water System (500,000 gallon)	\$750,000	\$600,000	\$150,000	\$10,000	\$10,000	\$10,000	\$30,000			\$90,000	
Maple Lane/Oak St BP Waterlines	\$125,000		\$125,000						\$125,000		

Project Name	Estimated Total Project Cost	Grant Portion	GSD to Fund	FY 20/21 Cost	FY 21/22 Cost	FY 22/23 Cost	FY 23/24 Cost	FY 24/25 Cost	FY 25 - 29 Cost	FY 29-39 Cost	FY 40-50 Cost
RW Intake Controls & Generator shelter	\$50,000		\$50,000		\$50,000						
SCADA Tanks/PS/SWTP Upgrades/Replacements	\$270,000		\$270,000		\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$202,500	
Heat/AC at SWTP for Equipment	\$15,000		\$15,000		\$15,000						
Replace 300 Defective & Aging Water Meters	\$120,000		\$120,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000		
Replace SWTP Operating System	\$75,000		\$75,000							\$75,000	
Alderpoint Road Waterline Replacement (PS -> Tank) 3545 LF	\$1,050,000	\$840,000	\$210,000								\$210,000
Redwood Drive Waterline Replacement (SCR -> Red. OC) 1400 LF	\$437,500	\$100,000	\$337,500			\$67,500	\$67,500	\$67,500	\$135,000		
Downtown Waterline Replace 11,000 LF	\$2,750,000	\$2,200,000	\$550,000								\$550,000
Meadows Waterline Replace 14,000 LF	\$3,150,000	\$2,520,000	\$630,000								\$630,000
Backup Raw Water Pump & Motor	\$15,000	\$0	\$15,000		\$15,000						
Backup SWTP FW Pump & Motor	\$25,000	\$0	\$25,000		\$25,000						
Leino Ln Waterline Replacement	\$75,000	\$0	\$75,000			\$75,000					
Total	\$13,152,500	\$9,552,000	\$3,600,500	\$81,250	\$199,750	\$237,250	\$182,250	\$168,250	\$629,750	\$700,000	\$1,390,000
\$ Per Year to Save				\$81,250	\$199,750	\$237,250	\$182,250	\$168,250	\$125,950	\$70,000	\$139,000
\$ / Year / Ratepayer				\$178	\$437	\$519	\$399	\$368	\$276	\$153	\$304
\$ / mo / Ratepayer				\$14.82	\$36.42	\$43.26	\$33.23	\$30.68	\$22.97	\$12.76	\$25.35

Table 5. Fixed Assets to Acquire (Split between Water & Sewer evenly)

The amounts shown in the following table are estimates and actual costs and fiscal years may vary depending upon the needs of the District.

Description	Estimated Total Project Cost	Grant Portion @ 80%	GSD to Fund	FY 20/21 Cost	FY 21/22 Cost	FY 22/23 Cost	FY 23/24 Cost	FY 24/25 Cost	FY 25 - 29 Cost	FY 29-39 Cost	FY 40-50 Cost
MSR & CIP	\$10,000	\$0	\$10,000		\$10,000						
* Emergency Preparedness Plan	\$3,000	\$0	\$3,000			\$3,000					
* Operations Manual	\$3,000	\$0	\$3,000		\$3,000						
* Grease Trap Inspection Plan & Reporting	\$3,000	\$0	\$3,000	\$3,000							
* Sanitary Sewer Overflow Reporting Plan	\$3,000	\$0	\$3,000		\$3,000						
* Cross Connection Device Testing Plan	\$3,000	\$0	\$3,000			\$3,000					
* Fats Oils Grease Program	\$3,000	\$0	\$3,000	\$3,000							
GIS/GPS of all infrastructure	\$20,000	\$0	\$20,000					\$10,000	\$10,000		
Replace Vehicles	\$100,000	\$0	\$100,000						\$50,000	\$50,000	
Computer/Printer/Copier Replacements	\$20,000		\$20,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000			
* These projects will be completed in house utilizing staff. Costs are based upon employee wages.											
Total	\$168,000	\$0	\$168,000	\$10,000	\$20,000	\$10,000	\$4,000	\$14,000	\$60,000	\$50,000	\$-
\$ Per Year to Save				\$10,000	\$20,000	\$10,000	\$4,000	\$4,667	\$12,000	\$5,000	\$0
\$ Per Year Per Ratepayer				\$22	\$44	\$22	\$9	\$10	\$26	\$11	\$0
\$/Ratepayer/Mo				\$1.82	\$3.65	\$1.82	\$0.73	\$0.85	\$2.19	\$0.91	\$0.00

CURRENT FINANCIAL CONDITION WITHOUT REVENUE ADJUSTMENTS- WATER

The itemized O&M expenses were carefully reviewed by the District and also forecasted for the 5-year study period using Escalation Factors, which were computed and analyzed for various expense categories. Escalation Factors were calculated for three categories using historical Consumer Price Index (CPI) data and historical District expenditure information. Appendix A contains the past 10 years of audited detail revenue and expenditure information. It is the basis of the 5-year average shown below and has been used to make projections for the next 5 years of expenditures. The revenue shown is based upon NO change to the existing rates and is presented to determine if existing rates are sufficient to cover projected expenditures over the next five years.

The Escalation Factor for most expenses was set at 1.5% based upon the CPI. The Escalation Factor for Insurance, Fuel, and Utilities was set at 6% based upon the District's historic expenditures and the forecasted changes in PG&E rates. The Escalation Factor for Wages (and all expenses directly related to payroll such as worker's comp insurance, retirement, and payroll taxes) was based upon the District's historic changes and projected raises anticipated by the existing personnel.

Table 6. Revenue and Expenditures Report for previous 5-year Average, Adopted Budget, and 5-years of Projections

	5-YEAR AVERAGE	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
Ordinary Income/Expense							
Income							
Water Charges			Revenue Based Upon Existing Rates				
4100 · Residential	283,172.14	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
4110 · Commercial	216,895.34	220,000.00	220,000.00	220,000.00	220,000.00	220,000.00	220,000.00
4150 · Bulk Water Sales	8,104.80	0.00	0.00	0.00	0.00	0.00	0.00
Total Water Charges	508,172.28	520,000.00	520,000.00	520,000.00	520,000.00	520,000.00	520,000.00
4300 · Connection Fees	12,940.00	0.00	0.00	0.00	0.00	0.00	0.00
4650 · Late Charges	3,750.93	4,750.00	4,750.00	4,750.00	4,750.00	4,750.00	4,750.00
4700 · Other Operating Revenue	4,350.28	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
49900 · Uncategorized Income	313.50	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	529,526.99	527,250.00	527,250.00	527,250.00	527,250.00	527,250.00	527,250.00
Gross Profit	529,526.99	527,250.00	527,250.00	527,250.00	527,250.00	527,250.00	527,250.00
Expense							
Administrative and General			+ 1.5% CPI for all but + 6% Insurance, Fuel, & Utilities + 3.5% wages				
5000 · Advertising	105.13	175.00	177.63	180.29	182.99	185.73	188.52
5005 · Bad Debts	1,512.31	1,750.00	1,776.25	1,802.89	1,829.93	1,857.38	1,885.24

	5-YEAR AVERAGE	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
5010 · Bank Charges							
5012 · Merchant Account Fees	906.72	1,300.00	1,319.50	1,339.29	1,359.38	1,379.77	1,400.47
5010 · Bank Charges - Other	685.93	950.00	964.25	978.71	993.39	1,008.29	1,023.41
Total 5010 · Bank Charges	1,592.65	2,250.00	2,283.75	2,318.00	2,352.77	2,388.06	2,423.88
5020 · Directors Fees	997.50	1,000.00	1,015.00	1,030.23	1,045.68	1,061.37	1,077.29
5030 · Dues and Memberships	1,826.15	1,925.00	1,953.88	1,983.19	2,012.94	2,043.13	2,073.78
5035 · Education and Training	1,680.48	1,500.00	1,522.50	1,545.34	1,568.52	1,592.05	1,615.93
5036 · Education and Training - B.O.D.	57.85	150.00	152.25	154.53	156.85	159.20	161.59
Insurance							
5040 · Liability	8,299.51	13,477.48	14,286.13	15,143.30	16,051.90	17,015.01	18,035.91
5050 · Workers' Comp	9,324.78	4,282.60	4,539.56	4,811.93	5,100.65	5,406.69	5,731.09
5055 · Health							
5037 · Employee Benefits	196.47	0.00	0.00	0.00	0.00	0.00	0.00
5055.1 · Employee Portion	(5,272.45)	(3,900.00)	(4,134.00)	(4,382.04)	(4,644.96)	(4,923.66)	(5,219.08)
5055 · Health - Other	19,638.20	21,900.00	23,214.00	24,606.84	26,083.25	27,648.25	29,307.15
Total 5055 · Health	14,562.23	18,000.00	19,080.00	20,224.80	21,438.29	22,724.59	24,088.07
Total Insurance	32,186.51	35,760.08	37,905.69	40,180.03	42,590.84	45,146.29	47,855.07
5060 · Licenses, Permits, and Fees	3,432.37	2,267.00	2,301.01	2,335.53	2,370.56	2,406.12	2,442.21
5065 · Auto	1,141.91	1,250.00	1,268.75	1,287.78	1,307.10	1,326.71	1,346.61
5070 · Miscellaneous	100.13	50.00	50.75	51.51	52.28	53.06	53.86
5080 · Office Expense	3,338.21	3,500.00	3,552.50	3,605.79	3,659.88	3,714.78	3,770.50
5085 · Outside Services	4,285.19	4,325.00	4,389.88	4,455.73	4,522.57	4,590.41	4,659.27
5090 · Payroll Taxes	13,551.42	15,543.98	16,088.02	16,651.10	17,233.89	17,837.08	18,461.38
5100 · Postage	1,292.51	1,400.00	1,421.00	1,442.32	1,463.95	1,485.91	1,508.20
5110 · Professional Fees	26,578.31	37,600.00	38,164.00	38,736.46	39,317.51	39,907.27	40,505.88
5120 · Property Taxes	10.24	25.00	25.38	25.76	26.15	26.54	26.94
5125 · Repairs and Maintenance	118.51	250.00	253.75	257.56	261.42	265.34	269.32
5130 · Rents	5,203.00	5,010.00	5,185.35	5,366.84	5,554.68	5,749.09	5,950.31
5135 · Retirement	4,054.32	4,069.80	4,313.99	4,572.83	4,847.20	5,138.03	5,446.31
5137 · Supplies	580.89	600.00	609.00	618.14	627.41	636.82	646.37
5140 · Telephone	3,305.02	5,562.50	5,645.94	5,730.63	5,816.59	5,903.84	5,992.40

	5-YEAR AVERAGE	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
5145 · Tools	1,998.63	1,000.00	1,015.00	1,030.23	1,045.68	1,061.37	1,077.29
5150 · Travel and Meetings	634.51	500.00	507.50	515.11	522.84	530.68	538.64
5155 · Utilities	1,119.08	1,500.00	1,590.00	1,685.40	1,786.52	1,893.71	2,007.33
5160 · Wages							
5165 · Wages - Overtime	980.33	1,000.00	1,035.00	1,071.23	1,108.72	1,147.53	1,187.69
5160 · Wages - Other	64,070.37	80,610.00	87,751.35	90,822.65	94,001.44	97,291.49	100,696.69
Total 5160 · Wages	65,050.70	81,610.00	88,786.35	91,893.88	95,110.16	98,439.02	101,884.38
5170 · Vacation Accrual Adjustment	2,918.13	2,000.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Total Administrative and General	178,671.66	212,573.36	224,455.12	231,957.10	239,766.91	247,898.99	256,368.50
Water Trans and Distribution							
7075 · Fuel	2,497.00	2,821.25	2,990.53	3,169.96	3,360.16	3,561.77	3,775.48
7080 · Pumping	0.00		0.00	0.00	0.00	0.00	0.00
7090 · Repairs and Maintenance	16,268.78	15,000.00	15,000.00	15,225.00	15,453.38	15,685.18	15,920.46
7100 · Supplies	6,109.89	12,000.00	12,180.00	12,362.70	12,548.14	12,736.36	12,927.41
7110 · Utilities	7,633.82	9,200.00	9,752.00	10,337.12	10,957.35	11,614.79	12,311.68
7120 · Wages							
7125 · Wages - Overtime Water Trans &	4,525.93	5,000.00	5,175.00	5,356.13	5,543.59	5,737.62	5,938.44
7120 · Wages - Other	36,224.40	30,000.00	31,050.00	32,136.75	33,261.54	34,425.69	35,630.59
Total 7120 · Wages	40,750.33	35,000.00	36,225.00	37,492.88	38,805.13	40,163.31	41,569.03
Total Water Trans and Distribution	73,259.82	74,021.25	76,147.53	78,587.66	81,124.16	83,761.41	86,504.06
Water Treatment							
7020 · Fuel	2,501.37	2,821.25	2,990.53	3,169.96	3,360.16	3,561.77	3,775.48
7010 · Monitoring	4,852.95	3,500.00	3,552.50	3,605.79	3,659.88	3,714.78	3,770.50
7015 · Outside Services	35.00	0.00	0.00	0.00	0.00	0.00	0.00
7030 · Repairs and Maintenance	12,507.37	15,000.00	20,000.00	20,300.00	20,604.50	20,913.57	21,227.27
7040 · Supplies	14,273.78	14,000.00	14,210.00	14,423.15	14,639.50	14,859.09	15,081.98
7050 · Utilities	38,562.77	46,000.00	48,760.00	51,685.60	54,786.74	58,073.94	61,558.38
7060 · Wages							
7065 · Wages - Overtime Water Treatment	7,000.97	6,000.00	6,210.00	6,427.35	6,652.31	6,885.14	7,126.12

	5-YEAR AVERAGE	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
7060 · Wages - Other	42,638.26	40,200.00	41,607.00	43,063.25	44,570.46	46,130.43	47,745.00
Total 7060 · Wages	49,639.23	46,200.00	47,817.00	49,490.60	51,222.77	53,015.57	54,871.12
Total Water Treatment	122,372.46	127,521.25	137,330.03	142,675.10	148,273.55	154,138.72	160,284.73
Total Expense	374,303.94	414,115.86	437,932.68	453,219.86	469,164.62	485,799.12	503,157.29
Net Ordinary Income	155,223.05	113,134.14	89,317.32	74,030.14	58,085.38	41,450.88	24,092.71
Other Income/Expense							
Other Income							
Gain on Asset Disposal	1,089.14	0.00	0.00	0.00	0.00	0.00	0.00
8053 · Water Capital Grant Income	149,438.39	0.00	0.00	0.00	0.00	0.00	0.00
8060 · Interest Income	2,460.96	4,500.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
8070 · Other Non-Operating Revenue	166.85						
Total Other Income	153,155.34	4,500.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Other Expense							
Loss on Asset Disposal	2,032.00	0.00	0.00	0.00	0.00	0.00	0.00
9010 · Other Expenses	546.00	0.00	0.00	0.00	0.00	0.00	0.00
9040 · Depreciation	302,395.01	328,000.00	328,000.00	328,000.00	328,000.00	328,000.00	328,000.00
9050 · Interest Expense	6,883.06	5,734.02	8,000.00	8,000.00	0.00	0.00	0.00
Total Other Expense	311,856.06	333,734.02	336,000.00	336,000.00	328,000.00	328,000.00	328,000.00
Net Other Income	(158,700.72)	(329,234.02)	(333,000.00)	(333,000.00)	(325,000.00)	(325,000.00)	(325,000.00)
Net Income	(3,477.67)	(216,099.88)	(243,682.68)	(258,969.86)	(266,914.62)	(283,549.12)	(300,907.29)
Remove Grant Income & Depreciation	152,956.61	328,000.00	328,000.00	328,000.00	328,000.00	328,000.00	328,000.00
Net Revenue Available for Debt & Asset Replacement	149,478.94	111,900.12	84,317.32	69,030.14	61,085.38	44,450.88	27,092.71

This “bottom line” number provides the starting point for evaluating the revenue available under existing rates to make payments on existing debt service, and pay for planned capital improvement projects and asset replacements.

The District has existing loans for which the debt service load is known. Since the backhoe purchase is planned for fiscal year 2019/20, it is considered “existing” for the 5-year planning period.

The following table details those loans and their principle payment amounts by fiscal year.

Table 7. Summary of Principle Payments for Existing Water Loans

LOAN DESCRIPTION	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
RCAC - ALDERPOINT TANK CONST. (until 11/2020, 5%, \$250,000)	53,976	23,297				
SWRCB-DDW DWIP 2016 (until 01/2046, 0%, \$1,379,471)	45,982	45,982	45,982	45,982	45,982	45,982
Backhoe (until 06/2024, 4.95%, \$135,000)	12,226	12,845	13,496	14,179	14,892	
Copier	431					
SWRCB-Planning (5-year, 0%, \$80,000)	16,000	16,000	16,000	16,000	16,000	
Total:	128,615	98,124	75,478	76,161	76,874	45,982

Table 8. Summary of Projected Cash Flow after Existing Debt Service and CIPs

	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
Net Revenue Available for Debt & Asset Replacement	111,900	84,317	69,030	61,085	44,451	27,093
Loan Principal Payments	128,615	98,124	75,478	76,161	76,874	45,982
Funds available or (Needed) for CIPs after Operational Expenses and Debt Service	(16,715)	(13,807)	(6,448)	(15,076)	(32,423)	(18,890)
Since these are all negative, a rate adjustment is necessary						
CIP Project Costs by F/Y (Water + ½ Assets)	28,500	86,250	209,750	242,250	189,250	175,250
Available or (Needed) Revenue Remaining by FY	(45,215)	(100,057)	(216,198)	(257,326)	(221,673)	(194,140)
Since these are all negative, a rate adjustment is necessary						

PROPOSED CHANGES TO WATER RATE STRUCTURE & PROPOSED RATES

Since the existing rates will not meet the projected operational expenses, existing debt service, projected CIPs and asset replacement costs, a rate adjustment will be needed. As part of the evaluation of the existing rates, there are elements of the methodology for commercial water customers that are resulting in similar types and customers with similar useage not paying similar water base rates. Hotels and restaurants are especially susceptible to this inequity in existing methodology. The rate committee kept the goal of correcting these inequities as part of the rate adjustment process, so a change in base rate calculation methodology is included in these proposed changes to the water rates.

The existing rate structure for all classes of customers includes an upper zone surcharge and base rate to recoup the additional costs associated with pumping and storage of water for the higher elevation pressure zones. Some of the additional fixed expenses for these accounts include pumping stations, replacement of upper zone water tanks, and the staff time to keep the records associated with these pumping stations and water tanks. Some of the additional variable expenses for these accounts include utilities for the pumps and staff time in maintain and servicing the pumps and tanks. The new rates are structured using this same methodology.

RESIDENTIAL CUSTOMERS:

The existing water base rate for a residential account is charged according to the size of the meter for the premise. This is a common way to charge for accounts and assumes that a larger meter has been installed for customers that use larger quantities of water. In Garberville's system, there is only one account that is larger than ¾" and it does not consume more water per month that the other smaller metered accounts. The recommendation is to charge the same base rate for every residential customer.

Water useage charges will continue to be tiered, but instead of only two tiers (0-5 units and 6 units and over) there will now be three tiers. "To improve water conservation and drought planning the California legislature and governor passed Senate Bill 606 (Hertzberg) and Assembly Bill 1668 (Friedman) into law in 2018. Collectively, these efforts provide a road map for all Californians to work together to ensure that we will have enough water now and in the future, as described in the Primer of 2018 Legislation of Water Conservation and Drought Planning". This document is still in the process of being finalized and is not yet available as a final draft, but even though the District is not an urban water supplier, it is proposing three tiers to be more closely in compliance with these upcoming water conservation laws. The first tier will be for essential consumption for indoor residential uses, the second tier for efficient consumption including outdoor residential consumption, and tier 3 for excessive residential consumption.

SINGLE FAMILY RESIDENTIAL WATER CUSTOMERS:

- Will all be charged the same base rate regardless of meter size
- There will continue be an upper zone base rate surcharge
- There will be three tiers for water use charges:
 - Tier 1 is 0 - 8 units (hcf) per month - Essential Consumption
 - Tier 2 is 9 - 20 units per month - Efficient Consumption
 - Tier 3 is 21 units and over per month - Excessive Consumption

There will continue to be an upper zone surcharge for each unit of use

Table 9. Proposed Residential Water Rates

Description	RATE PER MONTH STARTING				
	June 2020	July 2021	July 2022	July 2023	July 2024
Base Rate - all meter sizes (\$/mo.)	65.00	70.00	75.00	79.00	79.00
Upper Zone Surcharge -Meadows (\$/mo.)	8.00	9.50	11.00	12.00	12.00
Consumption Charges:					
Residential Tier 1: 0-8 units (\$/hcf)	1.00	1.75	2.50	3.00	3.00
Residential Tier 2: 9-20 units (\$/hcf)	3.00	3.75	4.50	5.00	5.00
Residential Tier 3: 21 + units (\$/hcf)	11.00	11.50	12.00	13.00	13.00
Upper Zone Variable Surcharge (\$/hcf)	1.00	1.00	1.00	1.00	1.00
Estimated Additional Revenue with Proposed Residential Rate by FY:	53,500	92,500	131,500	163,500	163,500

MULTI FAMILY/MIXED USE ACCOUNTS:

In the past, accounts that have multiple single family units served from a single meter have not been clearly identified and billed as a multifamily account. Installing additional meters for each unit and re-plumbing the uses behind the meter to be in accordance with GSD ordinances is not practical.

Instead, each of these accounts will be evaluated and/or inventoried and the ERUs will be calculated for each account. The ERUs will be used for both sewer and water base rate calculations. The consumption for these accounts will be billed using commercial water and sewer rates.

The proposed change in structure and methodology for calculating the base rates affects these accounts the most. Appendix B is a table containing the accounts that have been identified as multifamily or mixed use accounts. The table lists the existing base rates and the proposed base rates for each of these accounts.

COMMERCIAL ACCOUNTS:

The existing water base rate for a commercial account is charged according to the size of the meter for the premise. This is a common way to charge for accounts and assumes that a larger meter has been installed for customers that use larger quantities of water. In Garberville’s system, one restaurant or hotel will have a ¾” meter and another a 1 ½” meter and they will both use the same amount of water each month. The customer with the 1 ½” meter is paying a base rate that is four times as much as the customer with the ¾” meter.

In an effort to equalize the water base rates for commercial customers, a tiered base rate is being proposed. Instead of the meter size determining which base rate tier the customer pays, their average annual consumption will determine the tier. Three tiers are recommended:

- the first being for accounts that use one ERU of water; or 0 - 8 units on average per month.
- the second being for accounts that are mid-range user; or 9 to 40 units on average per month
- the third and final tier being for accounts that use significant amounts of water; 41 or more units on average each month.

Each commercial account has been evaluated to determine generally what the average units per month are. Appendix C is a table of the commercial accounts showing the existing water base rate and proposed water base rate by account number. For most accounts this change in structure does not have a significant effect on the base rates paid by the customers. For the accounts that do experience a change, the change results in the customer paying a more equitable amount with other accounts of similar use and consumption.

For the water usage component of the commercial water charges, instead of one tier there will now be two tiers.

COMMERCIAL, MULTIFAMILY RESIDENTIAL, AND MIXED-USE WATER CUSTOMERS:

- Base rates will be determined by average annual consumption and separated into three tiers:
 - Tier 1 is 0-8 units per month annual average
 - Tier 2 is 9 - 40 units per month annual average
 - Tier 3 is 40 or more units per month annual average
- If the account has more than one apartment, residence, or commercial unit on it, the minimum water tier to be set for the account will be tier 2.
- There will continue to be an upper zone base rate surcharge
- There will be two tiers for water use charges:
 - Tier 1 is 0 - 40 units (hcf) per month
 - Tier 2 is 41 units and over per month (this tier is proposed to cost less per unit than tier 2 in the commercial rate structure)
- There will continue to be an upper zone surcharge for each unit of use

Table 10. Proposed Commercial Water Rates

Description	RATE PER MONTH STARTING				
	June 2020	July 2021	July 2022	July 2023	July 2024
Base Rate (\$/mo.)					
Tier 1 - 0-8 units annual average	65.00	70.00	75.00	79.00	79.00
Tier 2 - 9-40 units annual average	120.00	130.00	140.00	150.00	150.00
Tier 3 - 41 + units annual average	240.00	260.00	280.00	300.00	300.00
Upper Zone Surcharge -Meadows (\$/mo.)	8.00	9.50	11.00	12.00	12.00
Consumption Charges					
Commercial Tier 1: 0-40 units (\$/hcf)	3.00	3.75	4.50	5.00	5.00
Commercial Tier 2: 41 + units (\$/hcf)	2.75	3.25	3.75	4.25	4.25
Upper Zone Variable Surcharge (\$/hcf)	1.00	1.00	1.00	1.00	1.00
Estimated Additional Revenue with Proposed Commercial Rate by FY:	23,500	54,500	85,500	111,000	111,000

The average consumption for all accounts has been calculated based upon the previous calendar year’s data and can be recalculated no more frequently than once a year, and will only be recalculated as needed. Once a water base rate tier is determined for a customer, it will not be changed unless circumstances change. If tenants or ownership changes and the water consumption changes within the first 6 months of occupancy, re-averaging can be completed more frequently as the General Manager deems necessary.

FINANCIAL IMPACT OF PROPOSED WATER RATES & CASH FLOW PROJECTIONS

Table 11. Summary of needed cash and projected increases in revenue due to proposed rates.

	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
Net Revenue Available for Debt & Asset Replacement	111,900	84,317	69,030	61,085	44,451	27,093
Loan Principal Payments	128,615	98,124	75,478	76,161	76,874	45,982
Funds available or (Needed) for CIPs after Operational and Debt Service	(16,715)	(13,807)	(6,448)	(15,076)	(32,423)	(18,890)
Since these are all negative, a rate adjustment is necessary						
CIP Project Costs by F/Y (Water + ½ Assets)	28,500	86,250	209,750	242,250	189,250	175,250
Available or (Needed) Revenue Remaining by FY	(45,215)	(100,057)	(216,198)	(257,326)	(221,673)	(194,140)
Since these are all negative, a rate adjustment is necessary						
Estimated Increase in Revenue with Proposed Rates		77,000	147,000	217,000	274,500	274,500
(Deficit) / Overage Revenue by FY after Debt Service and CIPs		(23,057)	(69,198)	(40,326)	52,827	80,360
Cumulative funds coming from reserves for projects		(23,057)	(92,255)	(132,581)	(79,755)	606

As can be seen in this table, the proposed water rates will not generate enough revenue to meet the needs for operations, debt service, capital improvement projects, and asset replacements for the first three years, but by the end of the fifth year the effect on the reserve account basically nets out to zero. For the first three years funds must be taken from reserves to cover the debt service and CIP project costs, in year four and five the surplus should replenish the reserve account balance back to the current level, which is still less than the target reserve account balance set by the GSD Board.

WATER RATE SURVEY

A rate survey for residential customers of the surrounding area shows that the District's existing water rates fall towards the top of the range. After implementing the proposed rates in 2020, the District's rate will remain towards the top but the rate for the mid-level consumption accounts will be lowered.

Table 12. Rates for Monthly Single Family Residential (5/8" or 3/4" meter) Water Bill

Name of Agency	Cost for 5 units (HCF)	Cost for 10 units (HCF)	Cost for 20 units (HCF)
Miranda	15.00	18.75	37.50
City of Fortuna	23.04	32.54	51.54
McKinleyville CSD	30.08	42.65	81.95
City of Eureka	39.40	51.20	74.80
Ferndale	46.35	70.40	118.50
City of Arcata	48.15	86.15	158.45
Humboldt Bay Municipal WD	48.26	69.26	90.26
Willow Creek CSD	49.25	57.50	74.00
Fieldbrook CSD	51.02	61.97	83.87
Redway CSD	52.25	72.00	136.50
Humboldt CSD	55.08	74.13	112.23
City of Rio Dell	61.83	77.03	107.43
Phillipsville	62.60	77.20	135.80
Garberville Sanitary District - EXISTING	63.72	82.97	121.47
City of Trinidad	69.01	91.66	136.96
Garberville Sanitary District - PROPOSED	70.00	79.00	109.00
Benbow	82.08	88.53	101.43

SEWER

EXISTING SEWER RATES

The commercial and residential sewer base rate is based upon an average of previous periods' consumption. Each year the District staff re-averages the customers' accounts so that this base rate is adjusted for the next 12 months.

Since the residential sewer base rate is based upon the consumption during January, February and March, this re-averaging has historically been completed shortly after April.

Table 13. Sewer Rates for **Residential** Customers

Description	Rate/mo.
Base Monthly Charge	34.99
Consumption Charge (\$/hcf)	2.90

For all sewer base rates, the minimum per month is \$34.99. The residential monthly consumption charge is calculated once a year using an average of the consumption during the months of January, February and March times the consumption charge rate (\$2.90/hcf) and that charge is then used for a 12 month period until the next time January, February and March usage is known and the accounts are re-averaged.

Table 14. Sewer Rates for **Commercial** Customers

Description	Rate/mo.
Base Monthly Charge = Average Usage X 0.9 X \$5.35	varies
Consumption Charge (\$/hcf)	
Low:	2.13
Domestic	2.66
Medium	3.98
High	5.31

The strength of the sewer discharge is based on California State Water Resources Control Board Sewer Strength Guidelines:

Waste Strength	Typical Customers
Low	Laundromat, schools, offices
Domestic	Residential, commercial, hospital, hotel
Medium	Mixed use with restaurant
High	Restaurant, bakery, mortuary

The non-single family residential and commercial sewer base rate calculation is more complicated than the residential. The average of the usage for a 12 month period is used to determine the base rate for the next 12 months. This usage average is multiplied by 90% and then multiplied by \$5.35. This amount is brought up to the minimum of \$34.99 should it be less when calculated. The consumption charge for non-single family residential and commercial customers is calculated by taking the month's usage, times 90%, times the rate for the strength of the sewer for the customer.

Commercial Customer Example: A bakery with a 1" water meter uses 10, 12, 12, 9, 14, 13, 12, 12, 10, 11, 14, 15 units for the months January through December.

The sewer base rate would be calculated as:

$$\frac{(10 + 12 + 12 + 9 + 14 + 13 + 12 + 12 + 10 + 11 + 14 + 15)}{12 \text{ months}} \times 0.90 \times \$5.35 = \$57.78 \text{ per month}$$

The sewer consumption charge for January would be: 10 units X .9 X \$5.31/unit = \$47.79

The charge for water would be: \$120.43 + 10 units X \$2.67/unit = \$147.13

So the total January bill would be: \$57.78 + \$47.79 + \$147.13 = \$252.70

Residential Customer Example: A single family residence with a 5/8" water meter uses 7, 5, 6, 8, 7, 12, 18, 17, 10, 11, 8, 6 units for the months January through December.

The sewer base rate would be calculated as:

$$\frac{(7 + 5 + 6)}{3 \text{ months}} \times \$2.90 + \$34.99 = \$47.55 \text{ per month}$$

The sewer consumption charge for January would be: \$0 - residential consumption is charged within the base rate.

The charge for water in January would be:

$$\$60.22 + 5 \text{ units} \times \$0.70/\text{unit} + 2 \text{ units} \times \$3.85/\text{unit} = \$71.42$$

So the total January bill would be: \$47.55 + \$71.42 = \$118.97

SUMMARY OF SEWER CUSTOMERS

Table 15. Type and Number of Sewer Customer Accounts

Customer Type	Number of Accounts
Residential	234
Commercial	95
Other	0
Multi-family/Mixed Use	45
Discontinued	3
Vacant/Inactive	3
Total:	380

Appendix B is a list of each of the multi-family or mixed use accounts by account number with additional information on the number of ERUs and rates.

Appendix C is a list of each of the commercial accounts by account number with additional information on the number of ERUs and rates.

CAPITAL IMPROVEMENT PROJECTS FINANCIAL NEEDS

The following table lists the various Capital Improvement Plan (CIP) projects that are currently identified for completion in the next 20 years. The amounts shown are estimates and actual costs and fiscal years may vary depending upon the needs of the District, and are intended to be used to evaluate the sufficiency of the existing rates to support the needed improvement in the District. Should the cost of a project be less than shown, the additional funds can be used to complete another project sooner or to cover overages that might be experienced on another project.

Table 16. Overview of CIP Projects - SEWER

Project Name	Estimated Total Project Cost	Grant Portion @ 80%	GSD to Fund	FY 20/21 Cost	FY 21/22 Cost	FY 22/23 Cost	FY 23/24 Cost	FY 24/25 Cost	FY 25 - 29 Cost	FY 29-39 Cost	FY 40-50 Cost
Sunnybank Lane PS Replacement	\$75,000		\$75,000					\$75,000			
Sunnybank Lane PS Telemetry	\$7,500		\$7,500	\$7,500							
Meredith Lane Sewerline Aerial Reroute	\$2,000,000	\$1,600,000	\$400,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000	\$200,000	
Add Manholes as Needed	\$75,000		\$75,000							\$75,000	
Meadows Subdivision Distribution Line Replacement 17,500 LF	\$4,375,000	\$3,500,000	\$875,000	\$43,750	\$43,750	\$43,750	\$43,750	\$43,750	\$218,750	\$218,750	
Redwood Drive Sewerline Replacement	\$437,500	\$100,000	\$337,500				\$67,500	\$67,500	\$202,500		
Downtown Waterline Replace 9,000 LF	\$2,250,000	\$1,800,000	\$450,000	\$43,750	\$43,750	\$43,750	\$43,750	\$43,750	\$218,750	\$218,750	
SCADA Upgrades/Replacements	\$80,000		\$80,000							\$80,000	
New Operating System @ WW Plant	\$50,000		\$50,000						\$50,000		
Pave around WW Plant ponds	\$50,000		\$50,000							\$50,000	
Aeriation in WW Primary Pond	\$85,000		\$85,000							\$85,000	
Video & smoke test collection lines	\$10,000		\$10,000		\$10,000						
Sludge Drying Bed @ WW Plant	\$15,000		\$15,000					\$15,000			
Lumber Yard Reroute	\$250,000		\$250,000							\$250,000	
Total	\$9,760,000	\$7,000,000	\$2,760,000	\$115,000	\$117,500	\$107,500	\$175,000	\$265,000	\$790,000	\$1,177,500	\$0
\$ Per Year to Save				\$115,000	\$117,500	\$107,500	\$175,000	\$265,000	\$158,000	\$117,750	\$0
\$ Per Year Per Ratepayer				\$288	\$294	\$269	\$438	\$663	\$395	\$294	\$0
\$/Ratepayer/Mo				\$23.96	\$24.48	\$22.40	\$36.46	\$55.21	\$32.92	\$24.53	\$0.00

CURRENT FINANCIAL CONDITION WITHOUT REVENUE ADJUSTMENTS - SEWER

The itemized O&M expenses were carefully reviewed by the District and also forecasted for the 5-year study period using escalation factors, which were computed and analyzed for various expense categories. Escalation Factors were calculated for three categories using historical Consumer Price Index (CPI) data and historical District expenditure information. Appendix A contains the past 10 years of audited detail revenue and expenditure information. It is the basis of the 5-year average shown below and has been used to make projections for the next 5 years of expenditures. The revenue shown is based upon NO change to the existing rates and is presented to determine if existing rates are sufficient to cover projected expenditures over the next five years.

The Escalation Factor for most expenses was set at 1.5% based upon the CPI. The Escalation Factor for Insurance, Fuel, and Utilities was set at 6% based upon the District's historic expenditures and the forecasted changes in PG&E rates. The Escalation Factor for Wages (and all expenses directly related to payroll such as worker's comp insurance, retirement, and payroll taxes) was based upon the District's historic changes and projected raises anticipated by the existing personnel.

Table 17. Revenue and Expenditures Report for previous 5-year Average, Adopted Budget, and 5-years of Projections

Description	5-YEAR AVERAGE	19/20	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
		Adopted Budget					
Ordinary Income/Expense							
Income			Revenue Based Upon Existing Rates				
4200 · Sewer Charges	360,882.21	365,000.00	365,000.00	365,000.00	365,000.00	365,000.00	365,000.00
4300 · Connection Fees	9,140.00						
4650 · Late Charges	3,764.93	4,750.00	4,750.00	4,750.00	4,750.00	4,750.00	4,750.00
4700 · Other Operating Revenue	1,144.09	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
49900 · Uncategorized Income	13.50						
Total Income	374,944.74	372,250.00	372,250.00	372,250.00	372,250.00	372,250.00	372,250.00
Expense							
Administrative and General			+ 1.5% CPI for all but + 6% Insurance, Fuel, & Utilities + 3.5% wages				
5000 · Advertising	105.13	175.00	177.63	180.29	182.99	185.73	188.52
5005 · Bad Debts	1,168.57	1,750.00	1,776.25	1,802.89	1,829.93	1,857.38	1,885.24
5010 · Bank Charges							
5012 · Merchant Account Fees	906.75	1,300.00	1,319.50	1,339.29	1,359.38	1,379.77	1,400.47
5010 · Bank Charges - Other	685.88	950.00	964.25	978.71	993.39	1,008.29	1,023.41
Total 5010 · Bank Charges	1,592.63	2,250.00	2,283.75	2,318.00	2,352.77	2,388.06	2,423.88
5020 · Directors Fees	997.50	1,000.00	1,015.00	1,030.23	1,045.68	1,061.37	1,077.29
5030 · Dues and Memberships	1,730.95	1,925.00	1,953.88	1,983.19	2,012.94	2,043.13	2,073.78

Description	19/20						
	5-YEAR AVERAGE	Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
5035 · Education and Training	1,596.75	1,500.00	1,522.50	1,545.34	1,568.52	1,592.05	1,615.93
5036 · Education and Training - B.O.D.	104.79	150.00	152.25	154.53	156.85	159.20	161.59
Insurance							
5040 · Liability	8,309.41	13,477.48	14,286.13	15,143.30	16,051.90	17,015.01	18,035.91
5050 · Workers' Comp	7,809.22	3,767.40	3,993.44	4,233.05	4,487.03	4,756.25	5,041.63
5055 · Health							
5037 · Employee Benefits	118.48						
5055.1 · Employee Portion	(4,596.93)	(3,900.00)	(4,134.00)	(4,382.04)	(4,644.96)	(4,923.66)	(5,219.08)
5055 · Health - Other	19,638.17	21,900.00	23,214.00	24,606.84	26,083.25	27,648.25	29,307.15
Total 5055 · Health	15,159.71	18,000.00	19,080.00	20,224.80	21,438.29	22,724.59	24,088.07
Total Insurance	31,278.34	35,244.88	37,359.57	39,601.15	41,977.22	44,495.85	47,165.61
5060 · Licenses, Permits, and Fees	18,210.22	17,733.00	17,999.00	18,268.99	18,543.02	18,821.17	19,103.49
5065 · Auto	1,141.61	1,250.00	1,268.75	1,287.78	1,307.10	1,326.71	1,346.61
5070 · Miscellaneous	42.83	50.00	50.75	51.51	52.28	53.06	53.86
5080 · Office Expense	3,424.48	3,500.00	3,552.50	3,605.79	3,659.88	3,714.78	3,770.50
5085 · Outside Services	3,729.88	4,325.00	4,389.88	4,455.73	4,522.57	4,590.41	4,659.27
5090 · Payroll Taxes	10,433.61	13,674.02	14,152.61	14,647.95	15,160.63	15,691.25	16,240.44
5100 · Postage	1,290.59	1,400.00	1,421.00	1,442.32	1,463.95	1,485.91	1,508.20
5110 · Professional Fees	23,596.99	37,600.00	38,164.00	38,736.46	39,317.51	39,907.27	40,505.88
5120 · Property Taxes	3.04	25.00	25.38	25.76	26.15	26.54	26.94
5125 · Repairs and Maintenance	133.70	250.00	253.75	257.56	261.42	265.34	269.32
5130 · Rents	4,963.00	5,010.00	5,085.15	5,161.43	5,238.85	5,317.43	5,397.19
5135 · Retirement	3,076.57	3,580.20	3,705.51	3,835.20	3,969.43	4,108.36	4,252.15
5137 · Supplies	654.55	600.00	609.00	618.14	627.41	636.82	646.37
5140 · Telephone	3,250.87	5,562.50	5,645.94	5,730.63	5,816.59	5,903.84	5,992.40
5145 · Tools	1,791.53	1,000.00	1,015.00	1,030.23	1,045.68	1,061.37	1,077.29
5150 · Travel and Meetings	434.83	500.00	507.50	515.11	522.84	530.68	538.64
5155 · Utilities	1,119.07	1,500.00	1,590.00	1,685.40	1,786.52	1,893.71	2,007.33
5160 · Wages							
5165 · Wages - Overtime	371.88	1,000.00	1,035.00	1,071.23	1,108.72	1,147.53	1,187.69
5160 · Wages - Other	60,967.53	80,610.00	87,751.35	90,822.65	94,001.44	97,291.49	100,696.69

Description	19/20						
	5-YEAR AVERAGE	Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
Total 5160 · Wages	61,339.42	81,610.00	88,786.35	91,893.88	95,110.16	98,439.02	101,884.38
5170 · Vacation Accrual Adjustment	2,121.80	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Total Administrative and General	179,332.60	225,164.60	236,462.90	243,865.49	251,558.89	259,556.44	267,872.10
Sewage Collection							
6010 · Fuel	2,618.78	2,821.25	2,990.53	3,169.96	3,360.16	3,561.77	3,775.48
6020 · Pumping	687.29	0.00	0.00	0.00	0.00	0.00	0.00
6030 · Repairs and Maintenance	9,078.03	8,000.00	9,500.00	9,642.50	9,787.14	9,933.95	10,082.96
6040 · Supplies	2,019.44	3,000.00	3,045.00	3,090.68	3,137.04	3,184.10	3,231.86
6050 · Utilities	4,430.48	5,000.00	5,300.00	5,618.00	5,955.08	6,312.38	6,691.12
6060 · Wages							
6065 · Wages - Overtime Sewer Collect	1,959.72	2,000.00	2,070.00	2,142.45	2,217.44	2,295.05	2,375.38
6060 · Wages - Other	24,529.22	30,000.00	31,050.00	32,136.75	33,261.54	34,425.69	35,630.59
Total 6060 · Wages	26,488.94	32,000.00	33,120.00	34,279.20	35,478.98	36,720.74	38,005.97
Total Sewage Collection	45,322.96	50,821.25	53,955.53	55,800.34	57,718.40	59,712.94	61,787.39
Sewage Treatment							
6075 · Fuel	2,498.65	2,821.25	2,990.53	3,169.96	3,360.16	3,561.77	3,775.48
6080 · Monitoring	7,611.16	7,000.00	7,105.00	7,211.58	7,319.75	7,429.55	7,540.99
6085 · Outside Services	160.00	0.00	0.00	0.00	0.00	0.00	0.00
6100 · Repairs and Maintenance	10,516.55	10,000.00	10,500.00	10,657.50	10,817.36	10,979.62	11,144.31
6110 · Supplies	6,762.54	9,500.00	9,642.50	9,787.14	9,933.95	10,082.96	10,234.20
6120 · Utilities	9,921.62	9,200.00	9,752.00	10,337.12	10,957.35	11,614.79	12,311.68
6130 · Wages							
6135 · Wages - Overtime Sewer Treat	1,345.01	1,000.00	1,035.00	1,071.23	1,108.72	1,147.53	1,187.69
6130 · Wages - Other	30,967.19	25,000.00	25,875.00	26,780.63	27,717.95	28,688.08	29,692.16
Total 6130 · Wages	32,312.20	26,000.00	26,910.00	27,851.86	28,826.67	29,835.61	30,879.85
Total Sewage Treatment	69,782.71	64,521.25	66,900.03	69,015.16	71,215.24	73,504.30	75,886.51
Total Expense	294,438.27	340,507.10	357,318.46	368,680.99	380,492.53	392,773.68	405,546.00
Net Ordinary Income	80,506.46	31,742.90	14,931.54	3,569.01	(8,242.53)	(20,523.68)	(33,296.00)
Other Income/Expense							
Other Income							
Gain on Asset Disposal	1,089.14	0.00	0.00	0.00	0.00	0.00	0.00

Description	19/20						
	5-YEAR AVERAGE	Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
Property Tax Revenue							
8010 · Secured	24,059.48	25,500.00	25,882.50	26,270.74	26,664.80	27,064.77	27,470.74
8020 · Unsecured	919.45	1,900.00	1,928.50	1,957.43	1,986.79	2,016.59	2,046.84
8025 · Prior Years	10.08	10.00	10.15	10.30	10.45	10.61	10.77
8030 · Supplemental - Current	295.07	250.00	253.75	257.56	261.42	265.34	269.32
8035 · Supplemental - Prior Years	45.45	50.00	50.75	51.51	52.28	53.06	53.86
Total Property Tax Revenue	25,329.53	27,710.00	28,125.65	28,547.54	28,975.74	29,410.37	29,851.53
8055 · Operating Grant Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8060 · Interest Income	4,350.33	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
8070 · Other Non-Operating Revenue	356.85						
9030 · Homeowners' Tax Relief	317.27	310.00	314.65	319.37	324.16	329.02	333.96
Total Other Income	31,443.12	32,520.00	32,940.30	33,366.91	33,799.90	34,239.39	34,685.49
Other Expense							
9010 · Other Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9040 · Depreciation	168,974.21	177,000.00	176,115.00	175,234.43	174,358.26	173,486.47	172,619.04
9050 · Interest Expense	4,724.26	5,734.02	9,000.00	8,500.00	500.00		
Total Other Expense	173,698.46	182,734.02	185,115.00	183,734.43	174,858.26	173,486.47	172,619.04
Net Other Income	(142,255.35)	(150,214.02)	(152,174.70)	(150,367.52)	(141,058.36)	(139,247.08)	(137,933.55)
Net Income	(61,748.89)	(118,471.12)	(137,243.16)	(146,798.51)	(149,300.89)	(159,770.76)	(171,229.55)
Remove Grant Income & Depreciation	168,974.21	177,000.00	176,115.00	175,234.43	174,358.26	173,486.47	172,619.04
Net Revenue Available for Debt & Asset Replacement	107,225.32	58,528.88	38,871.84	28,435.92	25,057.37	13,715.71	1,389.49

This bottom line number provides the starting point for evaluating the revenue available under existing rates for existing debt service, planned capital improvement projects, future debt service, and asset replacements. This table shows the effect of inflation on the operating expenses with revenues remaining the same with existing rates. Of concern is that in FY 24/25, the Net Revenue available for debt service and asset replacement in the budget is only \$1,389. This means that the rates must be increased just to be able to cover operational costs beyond the 5-year planning period.

The District has existing loans for which the debt service load is known. Since the backhoe purchase is planned for fiscal year 2019/20, it is considered “existing” for the 5-year planning period.

The following table details those loans and their principle payment amounts by fiscal year.

Table 18. Summary of Principle Payments for Existing Sewer Loans

LOAN DESCRIPTION	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
SWRCB IP 2000 Project (until 8/2023, 2%)	23,631	24,103	24,585	25,077	25,578	
Copier	431					
Backhoe (until 06/2024, 4.95%, \$135,000)	12,226	12,845	13,496	14,179	14,892	
Total:	36,288	36,948	38,081	39,256	40,470	0

Table 19. Summary of Projected Cash Flow after Existing Debt Service and CIPs

	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
Net Revenue Available for Debt & Asset Replacement	58,529	38,872	28,436	25,057	13,716	1,389
Loan Principal Payments	36,288	36,948	38,081	39,256	40,470	0
Funds available or (Needed) for CIPs after Operational and Debt Service	22,241	1,924	(9,645)	(14,199)	(26,755)	1,389
Since the sum of these are negative, a rate adjustment is necessary						
CIP Project Costs by F/Y (Water + ½ Assets)	23,500	120,000	127,500	112,500	177,000	272,000
Available or (Needed) Revenue Remaining by FY	(1,259)	(118,076)	(137,145)	(126,699)	(203,755)	(270,611)
Since these are all negative, a rate adjustment is necessary						

PROPOSED CHANGES TO SEWER RATE STRUCTURE AND PROPOSED RATES

Since the existing rates will not meet the projected operational expenses, existing debt service, projected CIPs and asset replacement costs, a rate adjustment will be needed. As part of the evaluation of the existing rates, there are elements of the methodology for residential customers that are resulting in similar types and customers with similar annual useage not paying similar sewer base rates nor were the residential and commercial customers utilizing an equal portion of the sewer system fixed expenses. The rate committee kept the goal of correcting these inequities as part of the rate adjustment process, so a change in base rate calculation methodology is included in these proposed changes to the sewer rates.

The biggest change to the proposed rates is that regardless of whether an account is residential, commercial, multi family, or multi-use, they will all be charged the same base rate for each ERU. The ERU used to compute the base sewer rate will not be recalculated each year unless some change is made to the conditions at the premise. For example: a store becomes a restaurant, the ownership or tenancy changes and the use of water and or sewer at the premise changes. It will be at the General Manager's discretion to make these changes. Any owner can appeal the General Manager's decision to the Board of Directors of the District.

Appendix D is a table titled SEWER EQUIVALENT RESIDENTIAL UNIT (ERU) DETERMINATION that explains how ERUs are calculated and the consumption strength multiplier (CSM) for each type of establishment. A table of every commercial sewer account can be found in Appendix C showing the ERU and CSM for each account. ERUs will initially be calculated utilizing the past 12 months of consumption records. Single family residential is 1.0 ERU and a CSM of 1.0.

In the past, accounts that have multiple single family units served on a single meter has not been clearly identified or accurately billed as a multifamily account. Installing additional meters for each unit and re-plumbing the uses behind the meter to be in accordance with GSD ordinances is not practical. Instead each of these locations has been inventoried and the ERUs for sewer will be used for sewer base rate calculations. The consumption for these accounts will be billed as commercial accounts.

Residential multifamily uses will be billed at a CSM of 1.0 and multiuse locations will have a blended CSM determined by the General Manager based upon the approximate % of use for each type of use. Appendix B lists each of these locations by account number with an analysis of the existing and proposed base and consumption rates for each account. These accounts will see the largest increase in their base rates as they will now be paying a portion of a base rate for each unit connected to the meter instead of a single base rate for the combined units. This will correct the inequitable way that they have been billed in the past.

RESIDENTIAL AND COMMERCIAL SEWER RATES

- Sewer rates will include a base rate fee and a consumption fee for single family residential, multifamily residential, and commercial customers
- Every account will be coded an ERU based upon the use calculated for it. (see tables) and based upon the average consumption for the past two years
- Sewer base rates will be set as the same \$ per ERU for commercial, residential, and multi-family/multi-use accounts.
- There will be a residential consumption fee per unit of water used
- There will be a commercial consumption fee per unit of water used
- Each account will be coded with a consumption strength multiplier (based upon the uses within the property) and that will be multiplied times the commercial consumption fee for calculating the consumption portion of the bill

Table 20. Proposed Residential and Commercial Sewer Rates

Description	RATE PER MONTH STARTING				
	June 2020	July 2021	July 2022	July 2023	July 2024
Base Rate - per ERU (\$/mo.)	45.00	47.00	49.00	51.00	53.00
Residential and Commercial Consumption (\$/hcf) X consumption strength multiplier SFR CSM = 1.0	3.50	4.00	4.50	5.00	5.50
Estimated Additional Revenue with Proposed Rate	107,500	144,000	180,000	217,000	253,000

FINANCIAL IMPACT OF PROPOSED SEWER RATES & CASH FLOW PROJECTIONS

Table 21. Summary of needed cash and projected increases in revenue due to proposed rates.

	19/20 Adopted Budget	20/21 Projected	21/22 Projected	22/23 Projected	23/24 Projected	24/25 Projected
Net Revenue Available for Debt & Asset Replacement	58,529	38,872	28,436	25,057	13,716	1,389
Loan Principal Payments	36,288	36,948	38,081	39,256	40,470	0
Funds available or (Needed) for CIPs after Operational and Debt Service	22,241	1,924	(9,645)	(14,199)	(26,755)	1,389
Since the sum of these are negative, a rate adjustment is necessary						
CIP Project Costs by F/Y (Water + ½ Assets)	23,500	120,000	127,500	112,500	177,000	272,000
Available or (Needed) Revenue Remaining by FY	(1,259)	(118,076)	(137,145)	(126,699)	(203,755)	(270,611)
Since these are all negative, a rate adjustment is necessary						
Estimated Increase in Revenue with Proposed Rates		107,500	144,000	180,000	217,000	253,000
(Deficit) / Overage Revenue by FY after Debt Service and CIPs		(10,576)	6,855	53,301	13,245	(17,611)
Cumulative Funds coming from reserves for projects		(10,576)	(3,722)	49,580	62,825	45,214

As can be seen in this table, with the exception of FY 20/21 and FY 24/25, the proposed sewer rates will generate enough revenue to meet the needs for operations, debt service, capital improvement projects, and asset replacements over the next five years. At the end of the fifth year with the full rate increase implemented, the net effect on the reserve account is a \$45K surplus that can be added to the reserve account to begin increasing the balance to the Board's target reserve balance.

SEWER RATE SURVEY

A rate survey for residential customers of the surrounding area shows that the District's existing sewer rates fall in the middle of the range. After implementing the proposed rates in 2020, the District's rate will remain in the middle.

Table 22. Rates for Monthly Single Family Residential sewer Bill

Name of Agency	Cost for 5 units (HCF)	Cost for 10 units (HCF)	Cost for 20 units (HCF)
City of Trinidad	N/A	N/A	N/A
Willow Creek CSD	N/A	N/A	N/A
Benbow	N/A	N/A	N/A
Phillipsville	N/A	N/A	N/A
Miranda	24.00	24.00	24.00
Garberville Sanitary District - Existing	34.99	49.49	78.49
City of Fortuna	38.75	81.80	167.90
McKinleyville CSD	43.22	55.97	81.47
Humboldt CSD	45.92	73.99	129.99
Humboldt Bay Municipal WD	46.33		
Redway CSD	57.00	61.00	69.00
Ferndale	58.08	61.70	123.40
Garberville Sanitary District - Proposed	62.50	80.00	115.00
City of Arcata	63.62	103.02	207.18
City of Eureka	66.17	107.67	190.67
City of Rio Dell	69.63		
Fieldbrook CSD	103.20	137.00	204.60

EXAMPLES FOR RATE CALCULATIONS

GARBERVILLE SANITARY DISTRICT
P.O. BOX 211
GARBERVILLE, CA 95542
(707) 923-9566

SRVC	PRESENT RDG	PREVIOUS RDG	USED
WAT	2156	2151	5

READ DATE: 12/19/19

SERVICE	AMOUNT	SERVICE	AMOUNT
WATER	63.72	Res Sewer	49.49

\$60.22 + 5x0.70

The Office Will Be Closed January 20, 2020*

ACCOUNT #	ROUTE
[REDACTED]	01

DUE DATE	NOW DUE
01/25/20	113.21

PAY EARLY SAVE THIS	REMIT AFTER DUE DATE
15.00	128.21

SRVC ADDR [REDACTED]

RETURN THIS PORTION WITH PAYMENT

ACCOUNT #
[REDACTED]

SRVC ADDR	NOW DUE	DUE DATE	REMIT AFTER DUE DATE
[REDACTED]	113.21	01/25/20	128.21

Residential Customer; Downtown, uses an average of 7 units per month

Table 23. Existing Rates:

Description	Rate/mo.
Sewer Base Rate (\$/mo.) - minimum	34.99
Sewer Consumption \$2.90/unit (\$/mo.) x 7 units	20.30
Water Base Rate - ¾" meter (\$/mo.)	60.22
Water Consumption Tier 1: 0-5 units; \$0.70/unit x 5 units	3.50
Water Consumption Tier 2: 6 + units; \$3.85/unit x 2 units	7.70
Total Monthly Bill	126.71

Table 24. Proposed Rates:

Description	Rate/mo.
Sewer Base Rate (\$45.00/mo.) x 1 ERU	45.00
Sewer Consumption \$3.50/unit (\$/mo.) x 7 units	24.50
Water Base Rate - Residential (\$/mo.)	65.00
Water Consumption Rate 0-8 units; \$1.00/unit x 7 units	7.00
Total Monthly Bill	141.50

Δ Water = (\$0.58)
Δ Sewer = \$14.21

Commercial Office Customer; Downtown, 1.0 CSM uses an average of 7 units per month

Table 25. Existing Rates:

Description	Rate/mo.
Sewer Base Rate (\$/mo.)	34.99
Sewer Consumption \$2.13/unit (\$/mo.) x 7 units	14.91
Water Base Rate - ¾" meter (\$/mo.)	60.22
Water Consumption, \$2.67/unit x 7 units	18.69
Total Monthly Bill	128.81

Table 26. Proposed Rates:

Description	Rate/mo.
Sewer Base Rate (\$45/mo.) x 1 ERU	45.00
Sewer Consumption \$3.50/unit (\$/mo.) x 1.0 CSM x 7 units	24.50
Water Base Rate - Tier 1 (\$65/mo.)	65.00
Water Consumption Rate 0-40 units, \$3.00/unit x 7 units	21.00
Total Monthly Bill	155.50

Δ Water = \$7.90
 Δ Sewer = \$19.60

Commercial Hotel; Downtown, 1.2 CSM uses an average of 100 units per month (12.5 ERU)

Table 27. Existing Rates:

Description	Rate/mo.
Sewer Base Rate (\$/mo.)	481.50
Sewer Consumption, \$ 2.66/unit (\$/mo.) x 100 units	266.00
Water Base Rate - 2" meter (\$/mo.)	361.30
Water Consumption, \$2.67/unit x 100 units	267.00
Total Monthly Bill	1,375.80

Table 28. Proposed Rates:

Description	Rate/mo.
Sewer Base Rate (\$/mo.) x 12.5 ERU	562.50
Sewer Consumption \$3.50/unit (\$/mo.) x 1.2 CSM x 100 units	420.00
Water Base Rate - Tier 3 (\$/mo.)	240.00
Water Consumption Rate 0-40 units, \$3.00/unit x 40 units	120.00
Water Consumption Rate 41 + units, \$2.65/unit x 60 units	159.00
Total Monthly Bill	1,501.50

Δ Water = (\$109.30)
 Δ Sewer = \$235.00

Commercial Restaurant; Downtown, 1.4 CSM uses an average of 25 units per month (2.6 ERU)

Table 29. Existing Rates:

Description	Rate/mo.
Sewer Base Rate (\$/mo.)	120.37
Sewer Consumption, \$ 5.31 per unit (\$/mo.) x 25 units	132.75
Water Base Rate - 1" meter (\$/mo.)	120.43
Water Consumption, \$2.67/unit x 25 units	66.75
Total Monthly Bill	440.30

Table 30. Proposed Rates:

Description	Rate/mo.
Sewer Base Rate (\$45/mo.) x 2.6 ERU	117.00
Sewer Consumption \$3.50/unit/mo. x 1.4 CSM x 25 units	122.50
Water Base Rate - Tier 2 (\$/mo.)	120.00
Water Consumption Rate 0-40 units, \$3.00/unit x 25 units	75.00
Total Monthly Bill	434.50

Δ Water = \$7.82
 Δ Sewer = (\$13.62)

APPENDIX A

Last 10-years of Audited Revenue and Expenditures

WATER AND SEWER

Revenue Expense - Compare Fiscal Years WATER

July 2009 through June 2019

	Jul '09 - Jun 10	Jul '10 - Jun 11	Jul '11 - Jun 12	Jul '12 - Jun 13	Jul '13 - Jun 14	Jul '14 - Jun 15	Jul '15 - Jun 16	Jul '16 - Jun 17	Jul '17 - Jun 18	Jul '18 - Jun 19	5-YEAR AVERAGE
Ordinary Income/Expense											
Income											
Water Charges											
4100 · Residential	157,705.76	200,442.91	202,080.79	253,787.29	291,071.84	276,002.07	269,615.99	289,325.25	289,248.02	291,669.37	283,172.14
4110 · Commercial	116,411.41	164,196.25	173,038.17	198,763.26	219,760.88	214,530.47	211,605.34	220,736.64	219,252.76	218,351.47	216,895.34
4120 · System Reserve Fee	5,677.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4125 · Employee Discounts	(275.40)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4150 · Bulk Water Sales	5,819.39	10,755.84	21,098.40	23,407.08	48.00	0.00	0.00	0.00	25,500.00	15,024.00	8,104.80
Total Water Charges	285,338.66	375,395.00	396,217.36	475,957.63	510,880.72	490,532.54	481,221.33	510,061.89	534,000.78	525,044.84	508,172.28
4300 · Connection Fees	0.00	0.00	1,200.00	100.00	1,350.00	16,100.00	8,600.00	0.00	16,000.00	24,000.00	12,940.00
4650 · Late Charges	3,340.98	2,020.49	3,259.71	2,959.86	3,299.87	3,317.50	2,272.50	3,142.17	2,977.50	7,045.00	3,750.93
4700 · Other Operating Revenue	1,988.68	3,895.02	1,726.00	1,574.44	785.00	2,985.82	3,781.82	4,683.01	3,780.75	6,520.00	4,350.28
4710 · Document Preparation Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49900 · Uncategorized Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	67.50	1,500.00	313.50
Total Income	290,668.32	381,310.51	402,403.07	480,591.93	516,315.59	512,935.86	495,875.65	517,887.07	556,826.53	564,109.84	529,526.99
Gross Profit	290,668.32	381,310.51	402,403.07	480,591.93	516,315.59	512,935.86	495,875.65	517,887.07	556,826.53	564,109.84	529,526.99
Expense											
Administrative and General											
5000 · Advertising	97.34	54.98	55.00	115.25	107.50	390.66	0.00	135.00	0.00	0.00	105.13
5005 · Bad Debts	119.30	230.92	0.00	501.78	2,989.48	2,707.97	1,500.00	0.00	927.71	2,425.87	1,512.31
5010 · Bank Charges											
5012 · Merchant Account Fees	0.00	0.00	0.00	90.54	308.23	489.48	724.93	841.94	1,200.74	1,276.49	906.72
5010 · Bank Charges - Other	(3.75)	175.00	267.00	335.36	900.39	322.48	604.85	805.43	870.85	826.05	685.93
Total 5010 · Bank Charges	(3.75)	175.00	267.00	425.90	1,208.62	811.96	1,329.78	1,647.37	2,071.59	2,102.54	1,592.65
5015 · Conservation	288.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5020 · Directors Fees	599.71	550.00	1,002.50	709.44	787.50	650.00	475.00	662.50	1,950.00	1,250.00	997.50
5030 · Dues and Memberships	778.50	1,391.22	1,013.50	1,040.50	825.47	1,562.22	1,536.82	1,739.56	2,180.13	2,112.00	1,826.15
5035 · Education and Training	254.50	439.00	65.00	1,384.31	758.91	1,597.32	2,045.94	982.37	1,181.22	2,595.56	1,680.48
5036 · Education and Training - B.O.D.	30.13	129.09	55.00	0.00	0.00	0.00	0.00	0.00	364.25	(75.00)	57.85
Insurance											
5040 · Liability	4,133.35	4,844.10	4,533.70	4,902.06	5,149.46	5,675.74	6,165.28	8,107.00	10,322.55	11,226.98	8,299.51
5050 · Workers' Comp	5,359.13	8,091.12	2,930.06	2,665.93	10,299.30	13,653.04	15,174.39	7,701.00	5,701.02	4,394.44	9,324.78
5055 · Health											
5037 · Employee Benefits	0.00	0.00	0.00	72.00	1,076.14	982.37	0.00	0.00	0.00	0.00	196.47
5055.1 · Employee Portion	(3,210.00)	(2,831.90)	(2,974.09)	(4,669.64)	(3,890.55)	(4,097.10)	(6,465.23)	(7,583.10)	(4,227.53)	(3,989.27)	(5,272.45)
5055 · Health - Other	5,758.51	6,683.99	9,436.18	11,269.56	15,401.16	16,882.02	21,645.96	22,683.72	17,178.33	19,800.96	19,638.20
Total 5055 · Health	2,548.51	3,852.09	6,462.09	6,671.92	12,586.75	13,767.29	15,180.73	15,100.62	12,950.80	15,811.69	14,562.23
Total Insurance	12,040.99	16,787.31	13,925.85	14,239.91	28,035.51	33,096.07	36,520.40	30,908.62	28,974.37	31,433.11	32,186.51
5060 · Licenses, Permits, and Fees	3,015.01	3,068.67	3,166.11	3,152.11	3,137.82	3,492.64	3,736.31	3,741.99	3,930.99	2,259.90	3,432.37
5065 · Auto	740.40	1,563.84	9,005.78	749.01	1,837.36	1,719.44	1,597.53	1,477.29	269.52	645.79	1,141.91
5070 · Miscellaneous	16.56	4.13	35.50	4.01	25.00	286.59	0.00	68.94	57.44	87.68	100.13
5080 · Office Expense	2,049.02	2,057.81	2,136.10	2,658.61	1,911.52	2,820.60	3,076.55	3,255.51	3,460.00	4,078.37	3,338.21
5085 · Outside Services	5,649.87	8,582.44	3,957.14	4,695.99	3,505.48	6,176.17	3,731.47	3,949.10	4,082.62	3,486.61	4,285.19

Revenue Expense - Compare Fiscal Years WATER

July 2009 through June 2019

	Jul '09 - Jun 10	Jul '10 - Jun 11	Jul '11 - Jun 12	Jul '12 - Jun 13	Jul '13 - Jun 14	Jul '14 - Jun 15	Jul '15 - Jun 16	Jul '16 - Jun 17	Jul '17 - Jun 18	Jul '18 - Jun 19	5-YEAR AVERAGE
5090 · Payroll Taxes	7,054.76	6,453.12	9,192.69	9,660.05	10,491.40	11,309.03	14,288.14	14,326.92	13,531.36	14,301.66	13,551.42
5100 · Postage	1,016.68	903.16	920.42	1,599.39	1,205.56	1,158.12	1,622.52	1,134.54	1,356.83	1,190.56	1,292.51
5110 · Professional Fees	9,584.16	6,368.24	10,246.11	15,326.99	9,808.14	11,428.83	20,816.65	26,577.50	37,369.37	36,699.18	26,578.31
5120 · Property Taxes	6.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	0.00	15.21	10.24
5125 · Repairs and Maintenance	0.00	132.87	706.57	2,603.27	174.22	0.00	134.23	446.74	0.00	11.57	118.51
5130 · Rents	5,400.00	5,400.00	5,400.00	5,400.00	5,410.00	5,400.00	5,575.00	5,010.00	5,427.50	4,602.50	5,203.00
5135 · Retirement	903.08	1,218.81	1,823.02	2,928.76	2,835.36	2,625.24	4,369.01	4,786.60	4,164.71	4,326.04	4,054.32
5137 · Supplies	236.75	1,247.64	1,045.66	440.58	448.03	233.00	1,048.94	143.61	503.21	975.69	580.89
5140 · Telephone	2,762.41	2,428.94	2,304.72	2,106.26	2,960.67	4,052.25	2,112.06	1,438.04	3,613.80	5,308.93	3,305.02
5145 · Tools	0.00	0.00	0.00	0.00	1,084.44	3,023.56	3,133.35	3,538.08	298.17	0.00	1,998.63
5150 · Travel and Meetings	485.28	237.98	1,154.01	440.47	560.64	370.64	851.39	1,218.62	632.79	99.12	634.51
5155 · Utilities	692.56	1,004.62	704.37	834.02	872.07	942.74	1,143.98	1,126.66	1,204.19	1,177.82	1,119.08
5160 · Wages											
5165 · Wages - Overtime	0.00	0.00	0.00	0.00	881.67	23.29	0.00	226.28	1,639.15	3,012.91	980.33
5160 · Wages - Other	55,316.65	47,612.44	54,847.99	55,997.82	37,969.51	48,365.90	69,282.27	73,247.58	59,973.76	69,482.34	64,070.37
Total 5160 · Wages	55,316.65	47,612.44	54,847.99	55,997.82	38,851.18	48,389.19	69,282.27	73,473.86	61,612.91	72,495.25	65,050.70
5170 · Vacation Accrual Adjustment	7,502.02	1,257.48	(4,671.59)	1,334.57	164.50	1,501.94	3,880.14	4,303.99	2,308.78	2,595.80	2,918.13
Total Administrative and General	116,636.60	109,311.71	118,370.45	128,361.00	120,008.38	145,758.18	183,819.48	186,105.41	181,473.46	196,201.76	178,671.66
Water Trans and Distribution											
7075 · Fuel	0.00	0.00	0.00	0.00	0.00	2,191.81	2,812.29	2,533.15	2,301.87	2,645.87	2,497.00
7080 · Pumping	2,467.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7090 · Repairs and Maintenance	19,618.78	16,130.06	18,132.08	8,970.17	39,392.92	14,867.20	13,919.61	13,453.63	23,171.26	15,932.19	16,268.78
7100 · Supplies	1,035.60	235.91	3,139.19	3,906.91	6,004.30	10,256.68	2,295.00	3,113.24	2,164.44	12,720.11	6,109.89
7110 · Utilities	5,892.86	6,734.88	8,569.00	8,815.54	9,445.31	10,615.39	6,915.82	8,204.78	6,382.65	6,050.47	7,633.82
7120 · Wages											
7125 · Wages - Overtime Water Trar	0.00	0.00	0.00	0.00	2,559.02	4,246.26	3,922.50	4,187.50	5,518.38	4,755.00	4,525.93
7120 · Wages - Other	13,632.29	12,026.39	16,729.80	20,276.02	26,508.26	25,516.73	33,533.00	38,544.66	45,176.02	38,351.60	36,224.40
Total 7120 · Wages	13,632.29	12,026.39	16,729.80	20,276.02	29,067.28	29,762.99	37,455.50	42,732.16	50,694.40	43,106.60	40,750.33
Total Water Trans and Distribution	42,647.32	35,127.24	46,570.07	41,968.64	83,909.81	67,694.07	63,398.22	70,036.96	84,714.62	80,455.24	73,259.82
Water Treatment											
7020 · Fuel	0.00	0.00	0.00	0.00	0.00	3,409.93	2,668.23	2,533.22	1,249.56	2,645.89	2,501.37
7010 · Monitoring	3,106.13	1,115.10	1,320.05	1,548.88	2,337.95	2,705.18	2,932.47	5,114.20	6,281.87	7,231.03	4,852.95
7015 · Outside Services	8,927.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	175.00	35.00
7030 · Repairs and Maintenance	2,845.69	2,166.46	6,559.18	17,901.20	2,143.14	5,741.73	6,269.73	13,571.75	17,885.31	19,068.32	12,507.37
7040 · Supplies	9,563.47	13,391.13	9,978.18	11,973.21	11,546.36	16,382.29	13,361.19	14,241.89	11,896.45	15,487.08	14,273.78
7050 · Utilities	29,502.40	34,605.37	32,334.45	29,575.39	33,851.89	37,310.99	34,839.89	39,516.44	38,402.56	42,743.97	38,562.77
7060 · Wages											
7065 · Wages - Overtime Water Trea	0.00	0.00	0.00	0.00	3,191.33	5,053.95	5,513.00	5,523.00	7,230.13	11,684.75	7,000.97
7060 · Wages - Other	15,248.92	15,339.61	15,308.49	19,655.97	31,711.96	41,669.78	52,299.66	37,667.70	39,980.74	41,573.43	42,638.26
Total 7060 · Wages	15,248.92	15,339.61	15,308.49	19,655.97	34,903.29	46,723.73	57,812.66	43,190.70	47,210.87	53,258.18	49,639.23
Total Water Treatment	69,194.11	66,617.67	65,500.35	80,654.65	84,782.63	112,273.85	117,884.17	118,168.20	122,926.62	140,609.47	122,372.46
Total Expense	228,478.03	211,056.62	230,440.87	250,984.29	288,700.82	325,726.10	365,101.87	374,310.57	389,114.70	417,266.47	374,303.94
Net Ordinary Income	62,190.29	170,253.89	171,962.20	229,607.64	227,614.77	187,209.76	130,773.78	143,576.50	167,711.83	146,843.37	155,223.05

Revenue Expense - Compare Fiscal Years WATER

July 2009 through June 2019

	Jul '09 - Jun 10	Jul '10 - Jun 11	Jul '11 - Jun 12	Jul '12 - Jun 13	Jul '13 - Jun 14	Jul '14 - Jun 15	Jul '15 - Jun 16	Jul '16 - Jun 17	Jul '17 - Jun 18	Jul '18 - Jun 19	5-YEAR AVERAGE
Other Income/Expense											
Other Income											
Gain on Asset Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,445.69	0.00	0.00	1,089.14
Gain/(Loss) on Asset Disposals	0.00	0.00	0.00	(3,997.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8053 · Water Capital Grant Income	0.00	174,636.21	225,367.80	579,027.24	1,739,281.03	687,191.97	0.00	0.00	60,000.00	0.00	149,438.39
8060 · Interest Income	154.65	899.20	996.09	183.11	157.78	236.67	1,169.06	3,036.99	3,599.44	4,262.63	2,460.96
8070 · Other Non-Operating Revenue	75.00	0.00	0.00	0.00	707.52	0.00	0.00	3.50	0.55	830.22	166.85
Total Other Income	229.65	175,535.41	226,363.89	575,213.35	1,740,146.33	687,428.64	1,169.06	8,486.18	63,599.99	5,092.85	153,155.34
Other Expense											
Loss on Asset Disposal	0.00	0.00	0.00	0.00	0.00	10,160.00	0.00	0.00	0.00	0.00	2,032.00
9010 · Other Expenses	0.00	0.00	0.00	0.00	2,022.61	0.00	1,500.00	0.00	0.00	1,230.00	546.00
9040 · Depreciation	31,448.00	33,332.00	32,411.00	66,456.26	70,957.00	155,607.00	317,263.00	355,832.00	349,249.00	334,024.04	302,395.01
9050 · Interest Expense	2,417.38	821.71	4,570.19	372.77	2.37	3,120.03	8,230.74	10,223.23	8,712.50	4,128.78	6,883.06
Total Other Expense	33,865.38	34,153.71	36,981.19	66,829.03	72,981.98	168,887.03	326,993.74	366,055.23	357,961.50	339,382.82	311,856.06
Net Other Income	(33,635.73)	141,381.70	189,382.70	508,384.32	1,667,164.35	518,541.61	(325,824.68)	(357,569.05)	(294,361.51)	(334,289.97)	(158,700.72)
Net Income	28,554.56	311,635.59	361,344.90	737,991.96	1,894,779.12	705,751.37	(195,050.90)	(213,992.55)	(126,649.68)	(187,446.60)	(3,477.67)
Remove Grant Income & Depreciation	31,448.00	(141,304.21)	(192,956.80)	(512,570.98)	(1,668,324.03)	(531,584.97)	317,263.00	355,832.00	289,249.00	334,024.04	152,956.61
Net Revenue Available for Debt & Asset Replacement	60,002.56	170,331.38	168,388.10	225,420.98	226,455.09	174,166.40	122,212.10	141,839.45	162,599.32	146,577.44	149,478.94

Revenue Expense - Compare Fiscal Years SEWER

July 2009 through June 2019

	Jul '09 - Jun 10	Jul '10 - Jun 11	Jul '11 - Jun 12	Jul '12 - Jun 13	Jul '13 - Jun 14	Jul '14 - Jun 15	Jul '15 - Jun 16	Jul '16 - Jun 17	Jul '17 - Jun 18	Jul '18 - Jun 19	5-YEAR AVERAGE
Ordinary Income/Expense											
Income											
4200 · Sewer Charges	283,207.26	321,367.77	310,079.74	334,164.39	368,250.27	365,127.60	365,409.09	362,192.21	359,797.67	351,884.48	360,882.21
4250 · System Reserve Fees	5,754.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4300 · Connection Fees	0.00	0.00	0.00	0.00	150.00	22,500.00	7,200.00	0.00	16,000.00	0.00	9,140.00
4650 · Late Charges	3,360.99	2,015.49	3,259.71	2,959.87	3,299.87	3,317.50	2,272.50	3,142.17	3,047.50	7,045.00	3,764.93
4700 · Other Operating Revenue	649.67	(67.50)	1,103.50	110.10	20.00	69.70	147.01	273.00	4,430.75	800.00	1,144.09
49900 · Uncategorized Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	67.50	0.00	13.50
Total Income	292,972.80	323,315.76	314,442.95	337,234.36	371,720.14	391,014.80	375,028.60	365,607.38	383,343.42	359,729.48	374,944.74
Gross Profit	292,972.80	323,315.76	314,442.95	337,234.36	371,720.14	391,014.80	375,028.60	365,607.38	383,343.42	359,729.48	374,944.74
Expense											
Administrative and General											
5000 · Advertising	97.66	54.99	55.00	103.50	107.50	390.64	0.00	135.00	0.00	0.00	105.13
5005 · Bad Debts	119.30	81.68	0.00	245.37	1,784.94	3,384.68	1,500.00	0.00	927.71	30.47	1,168.57
5010 · Bank Charges											
5012 · Merchant Account Fees	0.00	0.00	0.00	90.46	308.23	489.46	725.07	842.02	1,200.72	1,276.48	906.75
5010 · Bank Charges - Other	11.25	117.50	143.00	327.40	900.27	322.47	604.66	805.43	870.83	826.03	685.88
Total 5010 · Bank Charges	11.25	117.50	143.00	417.86	1,208.50	811.93	1,329.73	1,647.45	2,071.55	2,102.51	1,592.63
5015 · Conservation	288.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5020 · Directors Fees	674.72	550.00	1,002.50	709.45	787.50	650.00	475.00	662.50	1,950.00	1,250.00	997.50
5030 · Dues and Memberships	779.50	820.00	1,013.50	1,040.50	825.47	1,250.22	1,372.83	1,739.56	2,180.14	2,112.00	1,730.95
5035 · Education and Training	254.50	439.00	65.00	255.85	633.90	1,238.34	1,689.94	1,693.47	1,001.22	2,360.77	1,596.75
5036 · Education and Training - B.O.C	30.13	129.09	55.00	0.00	0.00	0.00	0.00	0.00	364.25	159.72	104.79
Insurance											
5040 · Liability	4,133.30	4,844.09	4,533.71	4,902.05	5,149.34	5,675.63	6,215.19	8,106.80	10,322.44	11,226.98	8,309.41
5050 · Workers' Comp	5,020.88	9,222.41	4,048.26	2,698.32	10,740.47	11,488.80	13,304.87	6,076.96	4,434.99	3,740.49	7,809.22
5055 · Health											
5037 · Employee Benefits	0.00	0.00	0.00	0.00	28.88	592.39	0.00	0.00	0.00	0.00	118.48
5055.1 · Employee Portion	(3,210.00)	(2,882.53)	(2,995.14)	(4,548.96)	(3,722.67)	(3,845.63)	(6,089.97)	(6,379.17)	(3,367.72)	(3,302.17)	(4,596.93)
5055 · Health - Other	4,840.16	5,731.55	9,436.18	11,269.56	15,401.16	16,882.02	21,645.90	22,683.69	17,178.33	19,800.90	19,638.17
Total 5055 · Health	1,630.16	2,849.02	6,441.04	6,720.60	11,707.37	13,628.78	15,555.93	16,304.52	13,810.61	16,498.73	15,159.71
Total Insurance	10,784.34	16,915.52	15,023.01	14,320.97	27,597.18	30,793.21	35,075.99	30,488.28	28,568.04	31,466.20	31,278.34
5060 · Licenses, Permits, and Fees	10,899.00	10,934.00	12,714.00	12,700.00	16,041.85	18,021.35	18,304.00	17,577.60	18,078.70	19,069.47	18,210.22
5065 · Auto	740.70	1,341.19	9,005.91	754.26	1,842.11	1,717.91	1,597.57	1,477.28	269.51	645.77	1,141.61
5070 · Miscellaneous	16.56	5.00	35.50	0.00	25.00	0.00	0.00	68.98	57.44	87.72	42.83
5080 · Office Expense	2,048.94	2,063.80	2,238.36	2,606.17	1,911.47	2,605.45	3,096.70	3,255.46	3,459.83	4,704.97	3,424.48
5085 · Outside Services	6,495.24	4,723.01	3,658.11	5,568.88	3,505.43	3,322.04	3,675.81	3,765.87	4,000.60	3,885.08	3,729.88
5090 · Payroll Taxes	6,246.94	7,247.14	8,565.97	7,105.47	8,447.60	8,076.49	10,144.95	10,977.86	10,715.47	12,253.29	10,433.61
5100 · Postage	1,006.17	901.96	915.54	1,613.77	1,205.58	1,158.09	1,609.74	1,134.56	1,356.72	1,193.84	1,290.59
5110 · Professional Fees	9,274.17	6,318.26	10,441.14	10,260.41	8,893.86	12,217.81	18,369.98	22,021.82	32,321.78	33,053.58	23,596.99
5120 · Property Taxes	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.21	3.04
5125 · Repairs and Maintenance	0.00	132.89	433.26	966.20	174.20	23.75	134.23	498.94	0.00	11.57	133.70
5130 · Rents	4,800.00	4,800.00	4,800.00	4,800.00	4,810.00	4,800.00	4,975.00	5,010.00	5,427.50	4,602.50	4,963.00

Revenue Expense - Compare Fiscal Years SEWER

July 2009 through June 2019

	Jul '09 - Jun 10	Jul '10 - Jun 11	Jul '11 - Jun 12	Jul '12 - Jun 13	Jul '13 - Jun 14	Jul '14 - Jun 15	Jul '15 - Jun 16	Jul '16 - Jun 17	Jul '17 - Jun 18	Jul '18 - Jun 19	5-YEAR AVERAGE
5135 · Retirement	881.36	1,408.27	1,919.19	2,053.84	2,301.86	1,888.98	3,112.43	3,672.51	3,123.12	3,585.79	3,076.57
5137 · Supplies	236.98	1,476.58	1,072.91	461.95	448.02	233.06	1,060.34	434.20	503.19	1,041.96	654.55
5140 · Telephone	2,759.38	2,429.04	2,304.76	2,339.38	2,960.76	3,566.28	2,327.65	1,438.07	3,613.71	5,308.66	3,250.87
5145 · Tools	0.00	0.00	0.00	0.00	1,142.44	1,951.71	3,814.25	2,893.54	298.16	0.00	1,791.53
5150 · Travel and Meetings	663.43	236.47	284.77	124.58	434.59	297.83	506.15	638.33	632.76	99.10	434.83
5155 · Utilities	690.93	1,005.07	704.44	834.01	872.10	942.72	1,144.08	1,126.67	1,204.14	1,177.74	1,119.07
5160 · Wages											
5165 · Wages - Overtime	0.00	0.00	0.00	0.00	626.12	31.05	0.00	195.01	833.85	799.50	371.88
5160 · Wages - Other	49,586.60	48,212.08	54,157.10	46,723.68	34,746.88	43,090.13	65,342.62	66,953.60	59,972.28	69,479.04	60,967.53
Total 5160 · Wages	49,586.60	48,212.08	54,157.10	46,723.68	35,373.00	43,121.18	65,342.62	67,148.61	60,806.13	70,278.54	61,339.42
5170 · Vacation Accrual Adjustment	7,502.01	1,257.48	(4,671.58)	966.42	153.36	569.70	2,685.24	3,327.19	1,806.70	2,220.15	2,121.80
Administrative and General - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3.32)	(0.66)
Total Administrative and General	116,894.47	113,600.02	125,936.39	116,972.52	123,488.22	143,033.37	183,344.23	182,833.75	184,738.37	202,713.29	179,332.60
Sewage Collection											
6010 · Fuel	0.00	0.00	0.00	0.00	0.00	2,944.61	2,668.32	2,533.20	2,301.86	2,645.89	2,618.78
6020 · Pumping	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,436.46	0.00	687.29
6030 · Repairs and Maintenance	13,122.88	33,920.62	18,933.77	9,249.29	24,077.66	27,755.80	3,233.79	5,280.01	4,627.40	4,493.17	9,078.03
6040 · Supplies	424.02	420.33	436.37	184.19	186.09	1,472.44	1,313.55	2,176.02	1,985.28	3,149.89	2,019.44
6050 · Utilities	4,152.55	4,270.42	4,370.21	4,861.80	4,886.26	5,131.21	4,625.02	4,794.62	3,937.15	3,664.41	4,430.48
6060 · Wages											
6065 · Wages - Overtime Sewer Co	0.00	0.00	0.00	0.00	1,330.57	1,484.49	1,048.50	3,135.00	1,118.63	3,012.00	1,959.72
6060 · Wages - Other	7,975.07	10,519.55	10,123.47	9,975.82	16,210.25	14,496.80	18,366.00	26,518.60	32,593.43	30,671.27	24,529.22
Total 6060 · Wages	7,975.07	10,519.55	10,123.47	9,975.82	17,540.82	15,981.29	19,414.50	29,653.60	33,712.06	33,683.27	26,488.94
Sewage Collection - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Sewage Collection	25,674.52	49,130.92	33,863.82	24,271.10	46,690.83	53,285.35	31,255.18	44,437.45	50,000.21	47,636.63	45,322.96
Sewage Treatment											
6075 · Fuel	0.00	0.00	0.00	0.00	0.00	2,106.11	2,906.21	2,533.18	2,301.85	2,645.88	2,498.65
6080 · Monitoring	4,952.88	8,030.00	5,752.44	8,475.20	7,951.88	6,631.31	19,924.60	4,241.67	3,233.23	4,025.00	7,611.16
6085 · Outside Services	150.00	(150.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	800.00	160.00
6100 · Repairs and Maintenance	1,953.62	2,874.03	6,720.19	5,511.77	4,348.69	12,174.74	15,223.51	9,182.68	10,966.86	5,034.96	10,516.55
6110 · Supplies	18,268.15	11,608.13	11,484.85	10,267.88	8,986.00	7,448.64	3,435.57	8,789.56	6,568.85	7,570.07	6,762.54
6120 · Utilities	1,126.80	3,249.20	7,995.55	7,722.88	8,728.79	9,058.28	11,558.30	11,833.67	9,505.57	7,652.26	9,921.62
6130 · Wages											
6135 · Wages - Overtime Sewer Tr	0.00	0.00	0.00	0.00	2,922.46	3,120.17	726.00	509.25	1,111.13	1,258.50	1,345.01
6130 · Wages - Other	16,635.37	24,845.24	28,118.44	23,688.46	40,054.66	29,866.99	33,057.84	23,951.57	29,001.95	38,957.58	30,967.19
Total 6130 · Wages	16,635.37	24,845.24	28,118.44	23,688.46	42,977.12	32,987.16	33,783.84	24,460.82	30,113.08	40,216.08	32,312.20
Total Sewage Treatment	43,086.82	50,456.60	60,071.47	55,666.19	72,992.48	70,406.24	86,832.03	61,041.58	62,689.44	67,944.25	69,782.71
Total Expense	185,655.81	213,187.54	219,871.68	196,909.81	243,171.53	266,724.96	301,431.44	288,312.78	297,428.02	318,294.17	294,438.27
Net Ordinary Income	107,316.99	110,128.22	94,571.27	140,324.55	128,548.61	124,289.84	73,597.16	77,294.60	85,915.40	41,435.31	80,506.46
Other Income/Expense											
Other Income											
Gain on Asset Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,445.68	0.00	0.00	1,089.14
Gain on Property Trade	95,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Revenue Expense - Compare Fiscal Years SEWER

July 2009 through June 2019

	Jul '09 - Jun 10	Jul '10 - Jun 11	Jul '11 - Jun 12	Jul '12 - Jun 13	Jul '13 - Jun 14	Jul '14 - Jun 15	Jul '15 - Jun 16	Jul '16 - Jun 17	Jul '17 - Jun 18	Jul '18 - Jun 19	5-YEAR AVERAGE
Property Tax Revenue											
8010 · Secured	18,869.55	20,548.58	21,581.03	21,391.58	21,896.52	22,430.94	23,009.70	23,213.62	25,295.96	26,347.17	24,059.48
8020 · Unsecured	876.02	859.61	829.31	821.83	839.42	868.04	859.08	919.79	889.53	1,060.80	919.45
8025 · Prior Years	17.26	16.53	23.81	1,913.91	13.98	25.81	11.08	7.96	0.00	5.55	10.08
8030 · Supplemental - Current	244.89	109.04	126.29	94.71	170.49	140.96	220.06	406.57	372.64	335.10	295.07
8035 · Supplemental - Prior Years	69.11	54.14	39.86	39.91	39.57	35.86	29.78	36.07	57.45	68.11	45.45
Total Property Tax Revenue	20,076.83	21,587.90	22,600.30	24,261.94	22,959.98	23,501.61	24,129.70	24,584.01	26,615.58	27,816.73	25,329.53
8050 · Sewer Capital Grant Income	501,489.00	1,834,294.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8055 · Operating Grant Income	0.00	0.00	1.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8060 · Interest Income	2,450.77	2,577.36	2,321.84	1,728.39	1,672.99	2,378.75	3,008.79	4,147.40	5,362.58	6,854.13	4,350.33
8070 · Other Non-Operating Revenue	0.00	0.00	0.00	0.00	707.51	950.00	0.00	3.50	0.55	830.20	356.85
9030 · Homeowners' Tax Relief	338.94	341.68	344.40	333.48	349.67	329.38	322.10	306.86	317.12	310.91	317.27
Total Other Income	619,355.54	1,858,800.94	25,268.07	26,323.81	25,690.15	27,159.74	27,460.59	34,487.45	32,295.83	35,811.97	31,443.12
Other Expense											
9010 · Other Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9040 · Depreciation	64,962.00	66,320.00	110,601.04	151,185.00	151,568.00	149,606.00	165,025.00	176,212.00	176,763.00	177,265.04	168,974.21
9050 · Interest Expense	6,704.02	13,742.03	15,026.25	9,384.88	6,854.68	5,755.04	4,625.39	3,903.46	4,324.99	5,012.40	4,724.26
Total Other Expense	71,666.02	80,062.03	125,627.29	160,569.88	158,422.68	155,361.04	169,650.39	180,115.46	181,087.99	182,277.44	173,698.46
Net Other Income	547,689.52	1,778,738.91	(100,359.22)	(134,246.07)	(132,732.53)	(128,201.30)	(142,189.80)	(145,628.01)	(148,792.16)	(146,465.47)	(142,255.35)
Net Income	655,006.51	1,888,867.13	(5,787.95)	6,078.48	(4,183.92)	(3,911.46)	(68,592.64)	(68,333.41)	(62,876.76)	(105,030.16)	(61,748.89)
Remove Grant Income & Depreciation	(501,489.00)	(1,834,294.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	168,974.21
Net Revenue Available for Debt & Asset Replaceme	153,517.51	54,573.13	(5,787.95)	6,078.48	(4,183.92)	(3,911.46)	(68,592.64)	(68,333.41)	(62,876.76)	(105,030.16)	107,225.32

APPENDIX B

Multi-Family And Mixed Use Customer Information

Summary of Multi Family AND Mixed Use Accounts

APPENDIX B

Billed as Commercial Account Rates

Acct #	EXISTING ACCOUNT DETAIL						EXISTING MONTHLY CHARGE				PROPOSED ACT DETAIL			PROPOSED MONTHLY CHARGE			
	No. Mtr	SFU	C or R	C S M	Reave Units*	Annual Units	Sewer Base Rate	Sewer Cnsmpt @*	Water Base	Water Cnsmpt @*	EDUs	CSM	Water Tier (if M)	Sewer Base Rate	Sewer Cnsmpt @*	Water Base	Water Cnsmpt @*
005	1	5	C	1.25	53	308	105.93	127.00	60.22	141.51	4.0	1.0	2	180.00	185.50	120.00	154.45
007	1	1	C	1.87	22	166	34.99	78.87	60.22	58.74	2.8	1.4	2	126.00	107.80	120.00	66.00
014	1	1	C	2.50	13	147	62.60	62.30	60.22	34.71	2.0	1.4	2	90.00	63.70	120.00	39.00
106	SO	1	C	2.50	0	0	34.99	IN 014	SO	SO	3.0	1.4	SO	Consolidate with 014			
031	1	1	C	2.50	21	266	115.56	100.64	60.22	56.07	3.0	1.4	2	135.00	102.90	120.00	63.00
042	1	2	C	1.25	5	78	34.99	11.98	60.22	13.35	1.6	1.0	2	72.00	17.50	120.00	15.00
044	1	2	R	R	1	15	37.89	in Base	60.22	0.70	1.6	1.0	2	72.00	3.50	120.00	3.00
049	1	3	C	1.25	26	294	115.56	62.30	60.22	69.42	3.6	1.4	2	162.00	127.40	120.00	78.00
366	SO	0	C	1.25	0	0	34.99	IN 049	SO	SO	3.0	1.4	SO	Consolidate with 049			
082	1	3	C	1.87	1	73	38.52	3.58	240.87	2.67	5.4	1.4	3	243.00	4.90	240.00	3.00
093	SO	2	R	R	0	0	34.99	in Base	SO	SO				Consolidate with 104			
104	1	2	C	1.25	4	18	34.99	9.59	60.22	10.68	2.6	1.4	2	117.00	19.60	120.00	12.00
099	1	1	C	1.25	5	61	34.99	11.98	60.22	13.35	2.8	1.4	2	126.00	24.50	120.00	15.00
102	1	4	C	1.25	0	1	34.99	-	60.22	-	3.2	1.0	2	144.00	-	120.00	-
103	1	4	C	1.25	8	81	34.99	19.17	60.22	21.36	5.0	1.0	2	225.00	28.00	120.00	24.00
115	1	4	C	1.25	11	113	43.34	26.36	60.22	29.37	3.2	1.0	2	144.00	38.50	120.00	33.00
120	1	4	C	1.25	5	55	34.99	11.98	60.22	13.35	3.2	1.0	2	144.00	17.50	120.00	15.00
335	1	4	C	1.25	41	349	144.45	98.25	240.87	109.47	6.8	1.0	3	306.00	143.50	240.00	122.65
123	1	2	R	R	3	82	49.49	in Base	60.22	2.10	1.6	1.0	2	72.00	10.50	120.00	9.00
144	SO	3	R	R	0	0	145.57	in Base	SO	SO	3.0	1.0	SO	135.00	-	SO	SO
146	1	2	C	1.25	4	29	34.99	9.59	60.22	10.68	1.6	1.0	2	72.00	14.00	120.00	12.00

Summary of Multi Family AND Mixed Use Accounts

APPENDIX B

Billed as Commercial Account Rates

Acct #	EXISTING ACCOUNT DETAIL						EXISTING MONTHLY CHARGE				PROPOSED ACT DETAIL			PROPOSED MONTHLY CHARGE			
	No. Mtr	SFU	C or R	C S M	Reave Units*	Annual Units	Sewer Base Rate	Sewer Cnsmpt @*	Water Base	Water Cnsmpt @*	EDUs	CSM	Water Tier (if M)	Sewer Base Rate	Sewer Cnsmpt @*	Water Base	Water Cnsmpt @*
177	1	2	R	R	4	342	61.09	in Base	60.22	2.80	2.0	1.0	3	90.00	14.00	240.00	12.00
186	1	2	C	1.25	7	82	43.34	16.77	60.22	18.69	1.6	1.0	2	72.00	24.50	120.00	21.00
201	1	4	R	R	12	85	43.69	in Base	60.22	30.45	3.4	1.0	2	153.00	42.00	120.00	36.00
202	1	11	C	1.25	54	537	207.45	129.40	120.43	144.18	8.8	1.0	2	396.00	189.00	120.00	157.10
205	1	2	C	1.00	0	0	62.98	-	SO	SO	2.0	1.0	SO	90.00	-	SO	SO
225	1	2	R	R	2	30	40.79	in Base	60.22	1.40	1.6	1.0	2	72.00	7.00	120.00	6.00
226	1	2	R	R	12	214	84.29	in Base	60.22	32.04	1.6	1.0	2	72.00	42.00	120.00	36.00
241	1	2	R	R	3	31	37.89	in Base	60.22	2.10	1.8	1.4	2	81.00	14.70	120.00	9.00
253	1	2	C	1.25	6	38	34.99	14.38	60.22	16.02	1.6	1.0	2	72.00	21.00	120.00	18.00
259	1	8	C	1.25	28	352	130.38	67.10	60.22	74.76	6.4	1.0	2	288.00	98.00	120.00	84.00
262	1	2	R	R	0	6	34.99	in Base	60.22	-	1.6	1.0	2	72.00	-	120.00	-
273	1	3	R	R	8	178	58.19	in Base	60.22	15.05	2.6	1.0	2	117.00	28.00	120.00	24.00
284	1	1	R	R	3	55	40.79	in Base	60.22	2.10	1.8	1.0	2	81.00	10.50	120.00	9.00
406	0	1	R	R	0	0	40.79	-	SO	SO				Consolidate with 284			
314	1	2	R	R	18	445	WO	WO	60.22	53.55	2.0	1.0	2	WO	WO	120.00	54.00
317	1	3	R	WO	7	75	WO	WO	60.22	11.20	2.6	1.0	2	WO	WO	120.00	21.00
318	1	3	R	WO	4	41	WO	WO	60.22	2.80	2.8	1.0	2	WO	WO	120.00	12.00
331	1	12	C	1.25	111	994	375.57	265.98	60.22	296.37	9.6	1.0	3	432.00	388.50	240.00	308.15
333	1	2	R	R	9	107	52.39	in Base	60.22	18.90	1.6	1.0	2	72.00	31.50	120.00	27.00
342	1	2	R	R	15	405	78.49	in Base	60.22	42.00	1.8	1.0	2	81.00	52.50	120.00	45.00
346	1	2	R	R	27	140	113.29	in Base	60.22	88.20	1.8	1.0	2	81.00	94.50	120.00	81.00

Summary of Multi Family AND Mixed Use Accounts

APPENDIX B

Billed as Commercial Account Rates

Acct #	EXISTING ACCOUNT DETAIL						EXISTING MONTHLY CHARGE				PROPOSED ACT DETAIL			PROPOSED MONTHLY CHARGE			
	No. Mtr	SFU	C or R	C S M	Reave Units*	Annual Units	Sewer Base Rate	Sewer Cnsmt @*	Water Base	Water Cnsmt @*	EDUs	CSM	Water Tier (if M)	Sewer Base Rate	Sewer Cnsmt @*	Water Base	Water Cnsmt @*
355	1	2	R	R	4	50	46.59	in Base	60.22	2.80	2.0	1.0	2	90.00	14.00	120.00	12.00
368	1	10	C	1.25	19	231	86.67	45.53	60.22	50.73	8.8	1.0	2	396.00	66.50	120.00	57.00
382	1	3	C	1.00	7	86	34.99	13.42	60.22	18.69	2.4	1.0	2	108.00	24.50	120.00	21.00
390	1	4	C	1.25	18	216	86.67	43.13	60.22	48.06	5.0	1.0	3	225.00	63.00	240.00	54.00
393	1	2	R	R	11	67	66.89	in Base	60.22	26.60	1.6	1.0	2	72.00	38.50	120.00	33.00
442	1	2	R	R	13	149	WO	WO	60.22	34.30	2.0	WO	2	WO	WO	120.00	39.00
443	1	2	C	1.00	6	76	34.99	11.50	60.22	16.02	1.6	1.0	2	72.00	21.00	120.00	18.00

APPENDIX C

Commercial Customer Information

Summary of Commercial Accounts

APPENDIX C

Acct#	EXISTING MONTHLY CHARGE				PROPOSED ACT DETAIL			PROPOSED MONTHLY CHARGE			
	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*	EDUs	CSM	Water Tier	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*
002	34.99	2.40	60.22	2.67	1.0	2.0	1	45.00	7.00	65.00	3.00
004	34.99	5.75	60.22	8.01	1.0	1.0	1	45.00	10.50	65.00	9.00
008	72.23	71.89	60.22	40.05	1.9	1.4	2	85.50	73.50	120.00	45.00
010	34.99	7.19	60.22	8.01	1.0	1.4	1	45.00	14.70	65.00	9.00
011	34.99	4.79	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
012	34.99	2.40	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
013	34.99	25.09	60.22	18.69	1.0	1.4	1	45.00	34.30	65.00	21.00
018	34.99	9.59	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
019	43.34	43.13	60.22	24.03	2.0	1.4	2	90.00	44.10	120.00	27.00
020			60.22	5.34			1			65.00	6.00
021	2,296.76	1,143.01	361.30	1,273.59	59.6	1.2	3	2,682.00	2,003.40	240.00	1,278.05
025	452.61	336.97	60.22	250.98	9.0	1.4	3	405.00	460.60	240.00	263.10
034	115.56	46.01	60.22	64.08	3.0	1.0	2	135.00	84.00	120.00	72.00
036	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
047	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
062	34.99	4.79	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
064	34.99	14.38	60.22	16.02	1.0	1.0	1	45.00	21.00	65.00	18.00
067	57.78	28.76	60.22	32.04	1.5	1.0	2	67.50	42.00	120.00	36.00
072	34.99	3.83	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
076	207.05	103.04	120.43	114.81	5.4	1.0	3	243.00	150.50	240.00	127.95
078	52.97	21.09	60.22	29.37	1.4	1.0	2	63.00	38.50	120.00	33.00
079	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
080	34.99	3.83	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
083			60.22	-			1			65.00	-
086	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
090	34.99	7.67	60.22	10.68	1.0	1.0	1	45.00	14.00	65.00	12.00
097	77.04			42.72	2.0			90.00			48.00
098	34.99	7.67	60.22	10.68	1.0	1.0	1	45.00	14.00	65.00	12.00

Summary of Commercial Accounts

Acct#	EXISTING MONTHLY CHARGE				PROPOSED ACT DETAIL			PROPOSED MONTHLY CHARGE			
	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*	EDUs	CSM	Water Tier	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*
100			60.22	-			1			65.00	-
104	34.99	9.59	60.22	10.68	1.0	1.0	1	45.00	14.00	65.00	12.00
105	34.99	-	60.22	-	1.0	1.0	1	45.00	-	65.00	-
107	592.25	235.79	361.30	328.41	15.4	2.0	3	693.00	861.00	240.00	339.95
110	34.99	14.38	60.22	16.02	1.0	1.0	1	45.00	21.00	65.00	18.00
113			60.22	2.67			1			65.00	3.00
116	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
118	34.99	2.40	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
119	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
121	105.93	52.72	60.22	58.74	2.0	1.0	2	90.00	77.00	120.00	66.00
125			60.22	-			1			65.00	-
126	34.99	3.83	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
128			60.22	2.67			1			65.00	3.00
129	48.15	23.96	120.43	26.70	1.3	1.0	2	58.50	35.00	120.00	30.00
130	38.52	38.34	60.22	21.36	1.0	1.4	1	45.00	39.20	65.00	24.00
131	72.23	53.77	120.43	40.05	1.9	1.4	2	85.50	73.50	120.00	45.00
132	187.79	186.91	60.22	104.13	3.0	2.0	2	135.00	273.00	120.00	117.00
133	808.92	402.57	240.87	448.56	21.0	1.2	3	945.00	705.60	240.00	459.20
134	34.99	-	60.22	-	1.0	1.4	1	45.00	-	65.00	-
135	173.34	129.05	120.43	96.12	4.5	1.4	2	202.50	176.40	120.00	108.00
137	34.99	4.79	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
138	34.99	4.79	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
139	34.99	9.59	60.22	13.35	1.0	2.0	1	45.00	35.00	65.00	15.00
140	67.41	50.19	60.22	37.38	2.0	1.4	2	90.00	68.60	120.00	42.00
143	34.99	4.79	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
148	125.19	124.61	60.22	69.42	3.3	1.4	2	148.50	127.40	120.00	78.00
149	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
151	34.99	-	60.22	-	1.0	1.4	1	45.00	-	65.00	-

Summary of Commercial Accounts

APPENDIX C

Acct#	EXISTING MONTHLY CHARGE				PROPOSED ACT DETAIL			PROPOSED MONTHLY CHARGE			
	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*	EDUs	CSM	Water Tier	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*
152	134.82	100.37	120.43	74.76	3.5	1.4	2	157.50	137.20	120.00	84.00
153	34.99	4.79	120.43	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
155	34.99	2.40	60.22	2.67	1.0	1.4	1	45.00	4.90	65.00	3.00
156	34.99	2.40	60.22	2.67	1.0	1.4	1	45.00	4.90	65.00	3.00
157			60.22	2.67			1			65.00	3.00
159	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
162	130.01	64.70	120.43	72.09	3.4	1.2	2	153.00	113.40	120.00	81.00
164	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
168	34.99	7.67	240.87	10.68	1.0	1.0	1	45.00	14.00	65.00	12.00
169	34.99	5.75	60.22	8.01	1.0	1.0	1	45.00	10.50	65.00	9.00
174	34.99	9.59	60.22	10.68	1.0	1.0	1	45.00	14.00	65.00	12.00
185	34.99	1.92			1.0	1.0		45.00	3.50		
194	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
195	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
196	38.52	15.34	60.22	21.36	1.0	1.4	1	45.00	39.20	65.00	24.00
197	577.80	287.55	240.87	320.40	15.0	1.2	3	675.00	504.00	240.00	332.00
199	211.86	105.44	120.43	117.48	5.5	1.0	3	247.50	154.00	240.00	130.60
213	34.99	2.40	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
215			60.22	2.67			1			65.00	3.00
239	34.99	4.79	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
252			60.22	5.34			1			65.00	6.00
255	34.99	13.42	60.22	18.69	1.0	1.0	1	45.00	24.50	65.00	21.00
258	308.16	229.43	240.87	170.88	8.0	1.4	3	360.00	313.60	240.00	183.60
261	568.17	282.76	361.30	315.06	14.8	1.0	3	666.00	413.00	240.00	326.70
269			60.22	-			1			65.00	-
271			60.22	16.02			1			65.00	18.00
272	34.99	11.50	60.22	16.02	1.0	1.0	1	45.00	21.00	65.00	18.00
285	385.20	191.70	361.30	213.60	10.0	1.4	3	450.00	392.00	240.00	226.00

Summary of Commercial Accounts

APPENDIX C

Acct#	EXISTING MONTHLY CHARGE				PROPOSED ACT DETAIL			PROPOSED MONTHLY CHARGE			
	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*	EDUs	CSM	Water Tier	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*
287	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
289	67.41	33.55	120.43	37.38	1.8	1.4	2	81.00	68.60	120.00	42.00
296			60.22	-			1	-		65.00	-
308			60.22	-			1	-		65.00	-
309			361.30	165.54			3	-		240.00	178.30
311			60.22	5.34			1	-		65.00	6.00
313			60.22	32.04			2	-		120.00	36.00
324	34.99	7.19	60.22	8.01	1.0	1.0	1	45.00	10.50	65.00	9.00
325	34.99	3.83	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
327			60.22	-			1			65.00	-
329	361.13	179.72	60.22	200.25	9.4	1.2	3	423.00	315.00	240.00	212.75
336			60.22	-			1	-		65.00	-
338	34.99	-	60.22	2.67	1.0		1	45.00	-	65.00	3.00
339			60.22	16.02			1	-		65.00	18.00
340	34.99	11.50	60.22	16.02	1.0	1.0	1	45.00	21.00	65.00	18.00
343	43.34	17.25	60.22	24.03	1.1	1.0	2	49.50	31.50	120.00	27.00
344			60.22	186.90			3			240.00	199.50
349			361.30	8.01			1			65.00	9.00
359	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
362	34.99	-	60.22	-	1.0	1.4	1	45.00	-	65.00	-
364			60.22	-	1.0		1			65.00	-
367	34.99	5.75	60.22	8.01	1.0	1.0	1	45.00	10.50	65.00	9.00
370	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
383	67.41	67.10	120.43	37.38	1.8	1.4	2	81.00	68.60	120.00	42.00
390	91.49	45.53	60.22	50.73	2.4	1.0	2	108.00	66.50	120.00	57.00
398	163.71	81.47	120.43	90.78	4.3	1.4	2	193.50	166.60	120.00	102.00
408	34.99	3.83			1.0	1.0		45.00	7.00		
412	34.99	3.58			1.0	1.4		45.00	4.90		

Summary of Commercial Accounts

APPENDIX C

Acct#	EXISTING MONTHLY CHARGE				PROPOSED ACT DETAIL			PROPOSED MONTHLY CHARGE			
	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*	EDUs	CSM	Water Tier	Sewer Base Rate	Sewer Cnsmptn @*	Water Base	Water Cnsmptn @*
413	38.52	28.68			1.0	1.4		45.00	39.20		
414	34.99	1.92			1.0	1.0		45.00	3.50		
415	34.99	7.67			1.0	1.0		45.00	14.00		
416	67.44	31.15	60.22	69.42	1.8	1.0	2	81.00	91.00	120.00	78.00
441	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
452	34.99	3.83	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
457	34.99	3.83	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
462	34.99	-	60.22	-	1.0	1.0	1	45.00	-	65.00	-
467	34.99	1.92	60.22	2.67	1.0	1.0	1	45.00	3.50	65.00	3.00
469	34.99	4.79	60.22	5.34	1.0	1.0	1	45.00	7.00	65.00	6.00
474			60.22	-	1.0		1			65.00	-
476			60.22	-	1.0		1			65.00	-

APPENDIX D

ERU and CSM Table

WASTEWATER EQUIVALENT RESIDENTIAL UNIT DETERMINATION

Information presented below is subject to revision based upon passage, revision or amendment to any applicable GSD ordinance or resolution. The District will, by ordinance or resolution, specify the current wastewater capital charge per Equivalent Residential Unit (E.R.U.) and the wastewater base rate monthly charge per ERU. For the purpose of calculating and imposing the wastewater capital charge, and for the purpose of calculating the consumption charge for commercial wastewater service, the ERU factor and consumption strength factor for any particular connection shall be calculated and imposed in the following manner:

Establishment	Unit	ERU Factor	Consumption Strength Multiplier
Single Family Residence (includes manufactured homes and mobile homes that are on private lots)	Per Dwelling Unit	1.000	N/A
Multifamily - (0-2 bedrooms per unit) Multifamily - (3 or more bedrooms per unit)	Per Individual Living Unit	0.800 1.000	1.0
Apartments, Condominiums, or accessory units without separate meters	Per Individual Living Unit	0.800	1.0
Mobile home and trailer parks (Any accessory facilities such as laundry, dining, residences, etc. shall be considered separately in addition to trailer spaces as per this table.) Mobile home or trailer park Recreational Vehicle Park (occupied or not)	Space Space	0.800 0.500	1.0 1.4
Hotel, Motel, lodging house, boarding house, or other multiple dwelling designed for sleeping accommodations for one or more individuals (not including food service, dining, meeting rooms, or laundries for boarder's use) Without Cooking Facilities (can include in room fridge) With Cooking Facilities (i.e. stove, microwave, and refrigerator)	Room Room	0.600 1.000	1.2 1.4
Churches, theaters, and Auditoriums (does not include office spaces, school rooms, day care facilities, food prep areas, etc.) See other sections in table to add for those uses.	Seat	0.017	1.0
Barber/Beauty Salon	Opr. Station	0.300	2.0
Theater	Per Seat	0.010	1.0
Theater (Dinner)	Per Seat	0.067	1.4

Establishment	Unit	Factor	Consumption Strength Multiplier
Food Service: Base plus add for: Restaurant/Cafeteria Bar/Cocktail Lounge	Base Seat Seat	2.500 0.050 0.067	1.4
Industrial Building (not including food service; not including industrial waste flows): Without Showers With Showers	Employee Employee	0.050 0.117	1.0
Laundry/Self-Service	Per Machine	1.333	2.0
Office Building (add food service and retail space)	First 1,000 Sq Ft Each addit. 1,000 sq. ft.	1.000 0.500	1.0
Dentist Office	Per Dentist Per Wet Chair	0.833 0.667	1.4
Doctor Office	Per Doctor or Care Provider	0.833	1.4
Veterinarian Office	Per Veterinarian Per Operating Room	0.833 0.667	1.4
Hospital	Per Bed	0.833	1.4
Nursing Home, extended care facilities, other similar uses	Per Bed	0.500	1.4
Warehouse space excluding office space, etc.	Per 1,000 sq. ft.	0.334	1.0
Meeting and/or Banquet Rooms	Per Occupant by Max Fire Code Amt	0.020	1.0
Grocery Store with Deli	Per 1,000 sq. ft.	1.000	1.4
Town Square Vendors	Per Trailer/ Connection Point	1.500	1.4
Automotive Repair & Maintenance	Per Bay	0.250	2.0
Service Station Add: Add:	Per Bay Per Wash Bay Per Toilet Room	1.000 3.200 1.000	2.0
Service Station with Restaurant Add:	Base Per Toilet Room	2.500 1.000	1.4
Retail Store with Self Service Gas Pumps & Restroom	Per Restroom	1.000	1.4
Convenience Store without Gas Pump or Restrooms With Restrooms	Per 1,000 sq. ft. Per Toilet Room	1.000 1.000	1.0 1.4

Establishment	Unit	Factor	Consumption Strength Multiplier
Retail Store without Restrooms	Per 1,000 sq. ft.	1.000	1.0
With Restrooms	Per Toilet Room	1.000	1.4
Bowling Alley	Per Lane	0.333	1.4
Cannabis	Dependent upon Specific Use		2.0
Schools, Middle & High	Per Student	0.050	1.4
Schools, Elementary & Nursery including day care facilities	Per Student	0.025	1.4

GENERAL NOTES

1. ONE (1) equivalent residential unit (ERU) shall, for the purposes of this Section, have an assigned value of 1.000. One (1) ERU is hereby established and determined to be equal to a flow of **two hundred (200) gallons per day (GPD)**. The "total equivalent residential unit value" for an establishment shall be calculated by multiplying the ERU factor listed above times the number of units. A developer may request a calculation in lieu of selecting directly from the list. The District may at it's discretion require additional information as it deems necessary to support any calculations provided.

2. The General Manager shall be responsible for determining the number of equivalent residential units for various building, structures or uses in accordance with the provisions of this section. For proposed new construction, the General Manager shall review the building plans and ascertain the use of the proposed structure and then determine the number of equivalent dwelling units required by an application of the tables listed above. For an existing structure and use, the General Manager shall apply this table to that structure and use. For the alteration, remodeling or expansion of an existing structure or use, the General Manager shall determine the number of equivalent dwelling units being used by the existing structure or use by applying this section. The General Manager shall then determine, in the same manner as new construction, the number of equivalent dwelling units required after completion of the alteration, remodeling or expansion. The equivalent dwelling units in such cases shall be the amount of the increase in such units, if any. The general manager's determinations under this section may be appealed to the board of directors, whose decision shall be final.

3. During initial implementation of this ordinance, the General Manager shall use historical data on actual flows for each commercial customer to determine the initial ERU calculation. Each commercial customer shall be informed of the ERU determined for their property and shall be provided with this table. Each customer may choose to provide to the General Manager data sufficient to recalculate the appropriate ERU for their property. If no data is supplied, then the account will be billed based upon the initial ERU until such time as there is sufficient data to revise the initial ERU calculation.

4. In no event shall the total ERU for any separate establishment be less than 1.000.

5. The Strength Consumption Factor shall be used by multiplying by the commercial sewer unit price to determine the monthly sewer consumption rate.

Example: (Unit price) X (Consumption Strength Multiplier) X (Units Consumed) = Monthly Charge
 \$5.00 X 1.4 X 15 = \$105



GARBERVILLE SANITARY DISTRICT

P.O. BOX 211 • GARBERVILLE, CA 95542 • (707) 923-9566

RESOLUTION NO. 20-007

A RESOLUTION OF THE GARBERVILLE SANITARY DISTRICT BOARD OF DIRECTORS AMENDS THE DISTRICT'S WATER AND SEWER ORDINANCES BY ESTABLISHING NEW WATER AND SEWER RATES, FEES, AND CHARGE METHODOLOGY

WHEREAS, the Garberville Sanitary District is a Special District that was formed by the Humboldt County Board of Supervisors on April 12, 1932, pursuant to the Sanitary District Act of 1923, after a majority vote was cast in a general election; and

WHEREAS, authority for rate increases as defined in Health and Safety Code, sections 6512 and 6520.5 require the Board of Directors to be fiscally responsive to the needs of the community,

WHEREAS, the District Board previously approved a 5-year water and sewer rate plan on July 28, 2009 authorizing annual water and sewer rate adjustments through fiscal year July 2013 - June 2014 in Resolution 09-004; and

WHEREAS, the District has not increased or changed the water or sewer rates since July 1, 2013; and

WHEREAS, the Garberville Sanitary District ("District") Board of Directors received a report for the Water and Sewer Rate Study at their January 28, 2020 meeting; and

WHEREAS, the District has identified additional costs associated with diverting, treating, storing, and delivering water into the District's water supply; and

WHEREAS, the District has identified additional costs associated with collecting, treating, storing, and transmitting sewer from the customers to the District's sewer treatment plant; and

WHEREAS, the District has identified ongoing operational, debt service, capital improvement, and asset replacement needs associated with the District's water and sewer utility systems; and

WHEREAS, District staff has, and will continue to, search for cost saving measures including the active pursuit of grant funding; and

WHEREAS, in order to fund the identified water and sewer system operational, debt service, capital improvement, and asset replacement needs, it will be necessary to make adjustments to the District's current water and sewer service fees; and

WHEREAS, the adoption of this resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA guidelines codified at 14 CCR § 15273 because the resolution pertains to the adoption of charges necessary to maintain services within the District's existing service area; and

WHEREAS, on November 5, 1996, California voters approved Proposition 218 Omnibus Implementation Act; Article XIID of the California State Constitution, requiring specific procedures be followed with regard to "property-related" fee increases, including the need to provide written notice at least 45 days in advance of a public hearing; and

WHEREAS, on July 24, 2006, the California Supreme Court confirmed that charges for water, wastewater, and sewer services are subject to Proposition 218 procedures (*Bighorn- Desert View Water Agency v. Verjil (2006) 39 Cal. 4th 205*).

WHEREAS, the District adopted Resolution 20-001 which set a public hearing on proposed water and sewer rate increases and change in calculation methodology at its regularly scheduled Board Meeting on April 28, 2020;

WHEREAS, GSD sent Proposition 218 Notice for Proposed Water and Sewer Rate Adjustments and Changes to the District's Water and Sewer Rate Calculation Methodology public hearing to all customers and property owners affected by the proposed increase in water and sewer rates;

WHEREAS, the Notice included instructions on how occupants and/or property owners could submit written protests by mail or in person to the Garberville Sanitary District offices prior to the hearing to protest the proposed rate increases and also permitted affected persons to attend the meeting to provide input or register their written protests at the meeting; and

WHEREAS, at the April 28, 2020 Board Meeting the Public Hearing was continued due to COVID-19 shelter in place limitations; and

WHEREAS, the District held the public hearing on June 23, 2020 during a duly noticed regular business meeting, and

WHEREAS, in accordance with GSD RESOLUTION NO. 19-001 - APPROVAL OF GUIDELINES FOR THE SUBMISSION AND TABULATION OF PROTESTS IN CONNECTION WITH RATE HEARINGS CONDUCTED PURSUANT TO ARTICLE XIID, SECTION 6 OF THE CALIFORNIA CONSTITUTION, at the conclusion of the public hearing, the District Clerk tabulated all protests received, including those received during the public hearing, and reported the result to the Board of Directors; and

WHEREAS, the number of protests received is insufficient to constitute a majority protest.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the Garberville Sanitary District Board of Directors does hereby:

1. Amend the Ordinances entitled DISTRICT'S WATER ORDINANCE, ARTICLE #15 and SEWER ORDINANCE NO. 83-1, CHAPTER 7. SECTION 18, to read as set forth in the Table 1. Amended Residential Water Rates, Table 2. Amended Commercial and Multifamily Water Rates, and Table 3. Amended Residential and Commercial Sewer Rates in Attachment #1 of this resolution.
2. Adopt WASTEWATER EQUIVALENT RESIDENTIAL UNIT DETERMINATION and the Consumption Strength Multiplier in Attachment #2 of this resolution.

BE IT FURTHER RESOLVED AND ORDERED, that these amended rates will take effect for water and sewer services starting August 1, 2020.

PASSED, APPROVED AND ADOPTED on the 23rd day of June, 2020 by the following roll call vote:

AYES: Directors Rio Anderson, Linda Brodersen, Doug Bryan, Julie Lyon, Dan Thomas

NOES: Directors Ø

ABSENT: Directors Ø

ABSTAIN: Directors Ø

Ames Broders, Chair of the Board

ATTEST:

Ralph Emerson
Ralph Emerson
Clerk of Board of Directors

Resolution 20-007 – Attachment #1

Table 1. Amended Residential Water Rates

Description	RATE PER MONTH STARTING				
	June 2020	July 2021	July 2022	July 2023	July 2024
Base Rate - all meter sizes (\$/mo.)	65.00	70.00	75.00	79.00	79.00
Upper Zone Surcharge -Meadows (\$/mo.)	8.00	9.50	11.00	12.00	12.00
Consumption Charges:					
Residential Tier 1: 0-8 units (\$/hcf)	1.00	1.75	2.50	3.00	3.00
Residential Tier 2: 9-20 units (\$/hcf)	3.00	3.75	4.50	5.00	5.00
Residential Tier 3: 21 + units (\$/hcf)	11.00	11.50	12.00	13.00	13.00
Upper Zone Variable Surcharge (\$/hcf)	1.00	1.00	1.00	1.00	1.00

Table 2. Amended Commercial and Multifamily Water Rates

Description	RATE PER MONTH STARTING				
	June 2020	July 2021	July 2022	July 2023	July 2024
Base Rate (\$/mo.)					
Tier 1 - 0-8 units annual average	65.00	70.00	75.00	79.00	79.00
Tier 2 - 9-40 units annual average	120.00	130.00	140.00	150.00	150.00
Tier 3 - 41 + units annual average	240.00	260.00	280.00	300.00	300.00
Upper Zone Surcharge -Meadows (\$/mo.)	8.00	9.50	11.00	12.00	12.00
Consumption Charges					
Commercial Tier 1: 0-40 units (\$/hcf)	3.00	3.75	4.50	5.00	5.00
Commercial Tier 2: 41 + units (\$/hcf)	2.75	3.25	3.75	4.25	4.25
Upper Zone Variable Surcharge (\$/hcf)	1.00	1.00	1.00	1.00	1.00

Details for the proposed water tier base rate for each commercial and multifamily residential account is listed in Appendix B and C of the 2020 WATER AND SEWER RATE STUDY which is on file at the GSD office. Water tier base rates for commercial and multifamily residential accounts are determined by the District General Manager. Customers may petition to have their tier determination reviewed if conditions at the property change. The General Manager’s decision can be appealed to the District Board of Directors.

Table 3. Amended Residential and Commercial Sewer Rates

Description	RATE PER MONTH STARTING				
	June 2020	July 2021	July 2022	July 2023	July 2024
Base Rate - per ERU (\$/mo.)	42.00	45.00	48.00	51.00	53.00
Residential and Commercial Consumption (\$/hcf) X consumption strength multiplier SFR CSM = 1.0	2.50	3.00	4.00	5.00	5.50

Details for consumption strength multiplier (CSM) and Equivalent Residential Units (ERU) for each commercial and multifamily customer can be found in Appendix B and C in the 2020 WATER AND SEWER RATE STUDY. The explanation for the changes in charge calculation methodology can be found in the rate study.

Attachment #2 in this Resolution details the WASTEWATER EQUIVALENT RESIDENTIAL UNIT DETERMINATION and the Consumption Strength Multiplier by property utilization.

WASTEWATER EQUIVALENT RESIDENTIAL UNIT DETERMINATION

Information presented below is subject to revision based upon passage, revision or amendment to any applicable GSD ordinance or resolution. The District will, by ordinance or resolution, specify the current wastewater capital charge per Equivalent Residential Unit (E.R.U.) and the wastewater base rate monthly charge per ERU. For the purpose of calculating and imposing the wastewater capital charge, and for the purpose of calculating the consumption charge for commercial wastewater service, the ERU factor and consumption strength factor for any particular connection shall be calculated and imposed in the following manner:

Establishment	Unit	ERU Factor	Consumption Strength Multiplier
Single Family Residence (includes manufactured homes and mobile homes that are on private lots)	Per Dwelling Unit	1.000	N/A
Multifamily - (0-2 bedrooms per unit)	Per Individual Living Unit	0.800	1.0
Multifamily - (3 or more bedrooms per unit)		1.000	
Apartments, Condominiums, or accessory units without separate meters	Per Individual Living Unit	0.800	1.0
Mobile home and trailer parks (Any accessory facilities such as laundry, dining, residences, etc. shall be considered separately in addition to trailer spaces as per this table.)			
Mobile home or trailer park	Space	0.800	1.0
Recreational Vehicle Park (occupied or not)	Space	0.500	1.4
Hotel, Motel, lodging house, boarding house, or other multiple dwelling designed for sleeping accommodations for one or more individuals (not including food service, dining, meeting rooms, or laundries for boarder's use)			
Without Cooking Facilities (can include in room fridge)	Room	0.600	1.2
With Cooking Facilities (i.e. stove, microwave, and refrigerator)	Room	1.000	1.4
Churches, theaters, and Auditoriums (does not include office spaces, school rooms, day care facilities, food prep areas, etc.) See other sections in table to add for those uses.	Seat	0.017	1.0
Barber/Beauty Salon	Opr. Station	0.300	2.0
Theater	Per Seat	0.010	1.0
Theater (Dinner)	Per Seat	0.067	1.4

Resolution 20-007 - Attachment #2

Establishment	Unit	Factor	Consumption Strength Multiplier
Food Service: Base plus add for: Restaurant/Cafeteria Bar/Cocktail Lounge	Base Seat Seat	2.500 0.050 0.067	1.4
Industrial Building (not including food service; not including industrial waste flows): Without Showers With Showers	Employee Employee	0.050 0.117	1.0
Laundry/Self-Service	Per Machine	1.333	1.0
Office Building (add food service and retail space)	First 1,000 Sq Ft Each addit. 1,000 sq. ft.	1.000 0.500	1.0
Dentist Office	Per Dentist Per Wet Chair	0.833 0.667	1.4
Doctor Office	Per Doctor or Care Provider	0.833	1.4
Veterinarian Office	Per Veterinarian Per Operating Room	0.833 0.667	1.4
Hospital	Per Bed	0.833	1.4
Nursing Home, extended care facilities, other similar uses	Per Bed	0.500	1.4
Warehouse space excluding office space, etc.	Per 1,000 sq. ft.	0.334	1.0
Meeting and/or Banquet Rooms	Per Occupant by Max Fire Code Amt	0.020	1.0
Grocery Store with Deli	Per 1,000 sq. ft.	1.000	1.4
Town Square Vendors	Per Trailer/ Connection Point	1.500	1.4
Automotive Repair & Maintenance	Per Bay	0.250	2.0
Service Station Add: Add:	Per Bay Per Wash Bay Per Toilet Room	1.000 3.200 1.000	2.0
Service Station with Restaurant Add:	Base Per Toilet Room	2.500 1.000	1.4
Retail Store with Self Service Gas Pumps & Restroom	Per Restroom	1.000	1.4
Convenience Store without Gas Pump or Restrooms With Restrooms	Per 1,000 sq. ft. Per Toilet Room	1.000 1.000	1.0 1.4

Resolution 20-007 - Attachment #2

Establishment	Unit	Factor	Consumption Strength Multiplier
Retail Store without Restrooms	Per 1,000 sq. ft.	1.000	1.0
With Restrooms	Per Toilet Room	1.000	1.4
Bowling Alley	Per Lane	0.333	1.4
Cannabis	Dependent upon Specific Use		2.0
Schools, Middle & High	Per Student	0.050	1.4
Schools, Elementary & Nursery including day care facilities	Per Student	0.025	1.4

GENERAL NOTES

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SCHEDULE OF SYSTEM OBLIGATIONS

Except for the following and the Obligation evidenced by this Agreement, the Recipient certifies that it has no outstanding System Obligations and that it is in compliance with all applicable additional debt provisions of the following:

The following related debts are senior to the proposed DWSRF financing:

Name of Lender and Title of Debt or Loan Number	Debt Security or Source of Revenue	Debt Service Coverage Requirement	Original Debt Amount	Current Balance	Payment Amount	Interest Rate	Debt Term & Maturity Date
			\$	\$	\$		/
			\$	\$	\$		/
			\$	\$	\$		/

The following related debts are on parity to the proposed Financing Agreement:

Name of Lender and Title of Debt or Loan Number	Debt Security or Source of Revenue	Debt Service Coverage Requirement	Original Debt Amount	Current Balance	Payment Amount	Interest Rate	Debt Term & Maturity Date
SWRCB-DDW	WATER REVENUE		\$ \$ 1,379,471	\$ \$	\$ \$ 22,991	0%	/ 30YR / 2046
			\$	\$	\$		/
			\$	\$	\$		/
			\$	\$	\$		/

The following related debts are subordinate to the proposed Financing Agreement:

Name of Lender and Title of Debt or Loan Number	Debt Security or Source of Revenue	Debt Service Coverage Requirement	Original Debt Amount	Current Balance	Payment Amount	Interest Rate	Debt Term & Maturity Date
SWRCB C-06-4700-110	SEWER REVENUE		\$ 428,907	\$	\$ 26,089	0%	20YR / 2023
			\$	\$	\$		/
			\$	\$	\$		/
			\$	\$	\$		/

Attach copies of the debt documents associated with the above debts.