

SPECIAL MEETING OF THE BOARD OF DIRECTORS
Groveland Community Services District

AGENDA

December 19, 2016

10:00 a.m.

District Office
Groveland Community Services District
18966 Ferretti Road
Groveland, CA 95321

Call to Order

Pledge of Allegiance

Roll Call of Board Members

Robert Swan, President
Bruce Carter, Vice President
John Armstrong, Director
Maureen Grierfer, Director
Scott Wemmer, Director

1. **Agenda Approval**
2. **Administer Oath of Office for Newly Elected Board Member**

Action Items to be Considered by the Board of Directors

3. **Public Hearing Regarding Adoption of 2015 Urban Water Management Plan**
 - A. **Open Public Hearing**
 - B. **Consider for Approval Adopting 2015 Urban Water Management Plan**
4. **Consider for Approval Purchasing Board Laptops**
5. **Sewer Rate Study Structure Alternatives**
 - A. **Presentation by Bartle Wells Associates Regarding Sewer Rate Study Structure Alternatives**
 - B. **Consider for Approval Directing Staff as to which Rate Structure to Pursue**
6. **Director Comments**
7. **Adjournment**

ALL AGENDA MATERIAL MAY BE INSPECTED IN THE GROVELAND COMMUNITY SERVICES DISTRICT OFFICE AT 18966 FERRETTI ROAD, GROVELAND, CALIFORNIA

Summary of Guidelines for Public Comments at District Board Meetings

(Excerpt from Exhibit B of Policy Manual for the Board of Directors)

1. Persons wishing to speak on any Agenda Item may be asked to complete a Speaker Request Card to be given to the Board Secretary prior to the meeting, all speakers can remain anonymous.
2. The Presiding Officer will:
 - Announce the Agenda Item
 - Staff will provide a report and any associated recommended actions to be considered by the Board of Directors.
 - Members of the public will be identified by the Presiding Officer and asked to present their comments and submittals
 - The Presiding Officer will close the hearing and bring the issue back to the Directors for discussion and possible action.
3. Oral comments will typically be limited to 3 minutes and must be relevant to the Agenda Item.

California Elections Code Section 18340 states: Every person who, by threats, intimidations, or unlawful violence, willfully hinders or prevents electors from assembling in public meetings for the consideration of public questions is guilty of a misdemeanor.

California Penal Code Section 403 states: Every person who, without authority of law, willfully disrupts or breaks up any assembly or meeting that is not unlawful in its character...is guilty of a misdemeanor.

As presiding officer, the President of the Board has the authority to preserve order at all Board of Director meetings, to remove or cause the removal of any person from any such meeting for disorderly conduct, or for making personal, impertinent, or slanderous remarks, using profanity, or becoming boisterous, threatening or personally abusive while addressing said Board, and to enforce the rules of the Board.
(Sec. 6 Policy Manual for the Board of Directors)

Any person who has any questions concerning this agenda may contact the District Secretary.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at 209-962-7161. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting. (28FR35.102-35.104 ADA Title 11)

AGENDA SUBMITTAL

To: GCSB Board of Directors
From: GCSB Staff
Date: December 19, 2016
Subject: Consider for Approval Adopting the 2015 Urban Water Management Plan 2015

Summary:

The Board approved the final revisions to the Draft 2015 Urban Water Management Plan (UWMP) in October. The Board directed staff to publish the required Notice of Public Hearing regarding the Board's intent to consider and adopt the document at a Board meeting held on December 19, 2016. This Notice was published and the document was posted on the web and made available for review at the District Office.

The California Water Code requires all urban water suppliers servicing 3,000 or more connections, or supplying more than 3,000 acre feet (AF) of water annually, to prepare and adopt UWMPs for submission to the California Department of Water Resources (DWR). The UWMPs must be updated every five years and satisfy the requirements of the Urban Water Management Planning Act of 1983 including amendments that have been made to the Act.

Water suppliers must hold a public hearing prior to adopting the 2015 UWMP. The public hearing provides an opportunity for the public to provide input to the plan before it is adopted. The GCSB Board shall consider all public input before the 2015 UWMP Update is adopted.

Recommended Action

Approve Adopting the 2015 Urban Water Management Plan

AGENDA SUBMITTAL

To: GCSD Board of Directors
From: GCSD Staff
Date: December 19, 2016
Subject: Consider for Approval Purchasing Board Laptops

Summary:

Staff presented the idea of purchasing laptops for the Board to use for District business at their December 12th meeting. Some of the benefits that the laptops would provide would be the ability for the Board to receive the Board packets electronically, better viewing of presentations, and universal software for easier document editing.

Attachment:

1. Cost of Five (5) HP Laptops

Recommended Action

Approve Purchase of (5) HP Board Laptops

Checkout (5 items)



1 Shipping address Groveland Community Services District Change
 18966 Ferretti Rd
 Groveland, CA 95321

2 Payment method  Change

Add a gift card or promotion code

3 Review items and shipping

Before you place your order:

Shop with Points allows customers to pay for Amazon.com purchases using credit card rewards. To see if you have rewards available or to change the rewards amount for this purchase, please change your [payment method](#).



Get a \$70 Gift Card instantly

upon approval for the Amazon.com Rewards Visa Card.

Estimated delivery: Dec. 20, 2016 - Dec. 22, 2016

Items shipped from Amazon.com



HP - Pavilion x360 2-in-1
13.3" Touch-Screen Laptop -
Intel Core i3 - 6GB Memory -
500GB Hard Drive - Natural
silver, Ash silver with
horizontal brus...

\$451.91

Sold by: Reutz Deals

Only 5 left in stock.

and see other gift options

Choose your Prime delivery option:

Dec. 20-22

FREE Standard Shipping

Order total: \$2,259.55

By placing your order, you agree to Amazon.com's privacy notice and conditions of use.

Place your order

By placing your order, you agree to Amazon's privacy notice and conditions of use.

Order Summary

Items (5):	\$2,259.55
Shipping & handling:	\$0.00
Total before tax:	\$2,259.55
Estimated tax to be collected:	\$0.00

Order total: \$2,259.55

How are shipping costs calculated?

Prime shipping benefits have been applied to your order.

*Why has sales tax been applied? See tax and seller information.

Need help? Check our Help pages or contact us

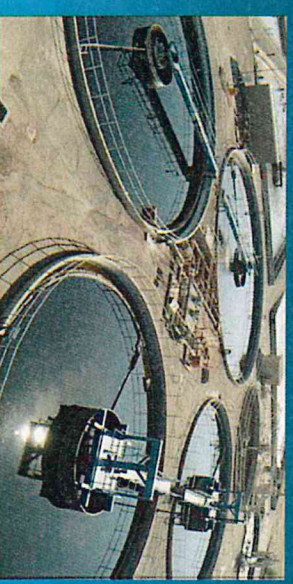
For an item sold by Amazon.com: When you click the "Place your order" button, we'll send you an email message acknowledging receipt of your order. Your contract to purchase an item will not be complete until we send you an email notifying you that the item has been shipped.

Important information about sales tax you may owe in your state

You may return new, unopened merchandise in original condition within 30 days of delivery. Exceptions and restrictions apply. See Amazon.com's Returns Policy.

Need to add more items to your order? Continue shopping on the Amazon.com homepage.

Groveland CSD



Sewer Rate Study Rate Structure Alternatives

December 19, 2016



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Alison Lechowicz
Vice President and Principal

Agenda

- Review current rate structure
- Rate design principles and methodology
- Alternative rate structures
- Preliminary analysis
- Next steps

GOAL: Receive direction from Board on preferred rate structure

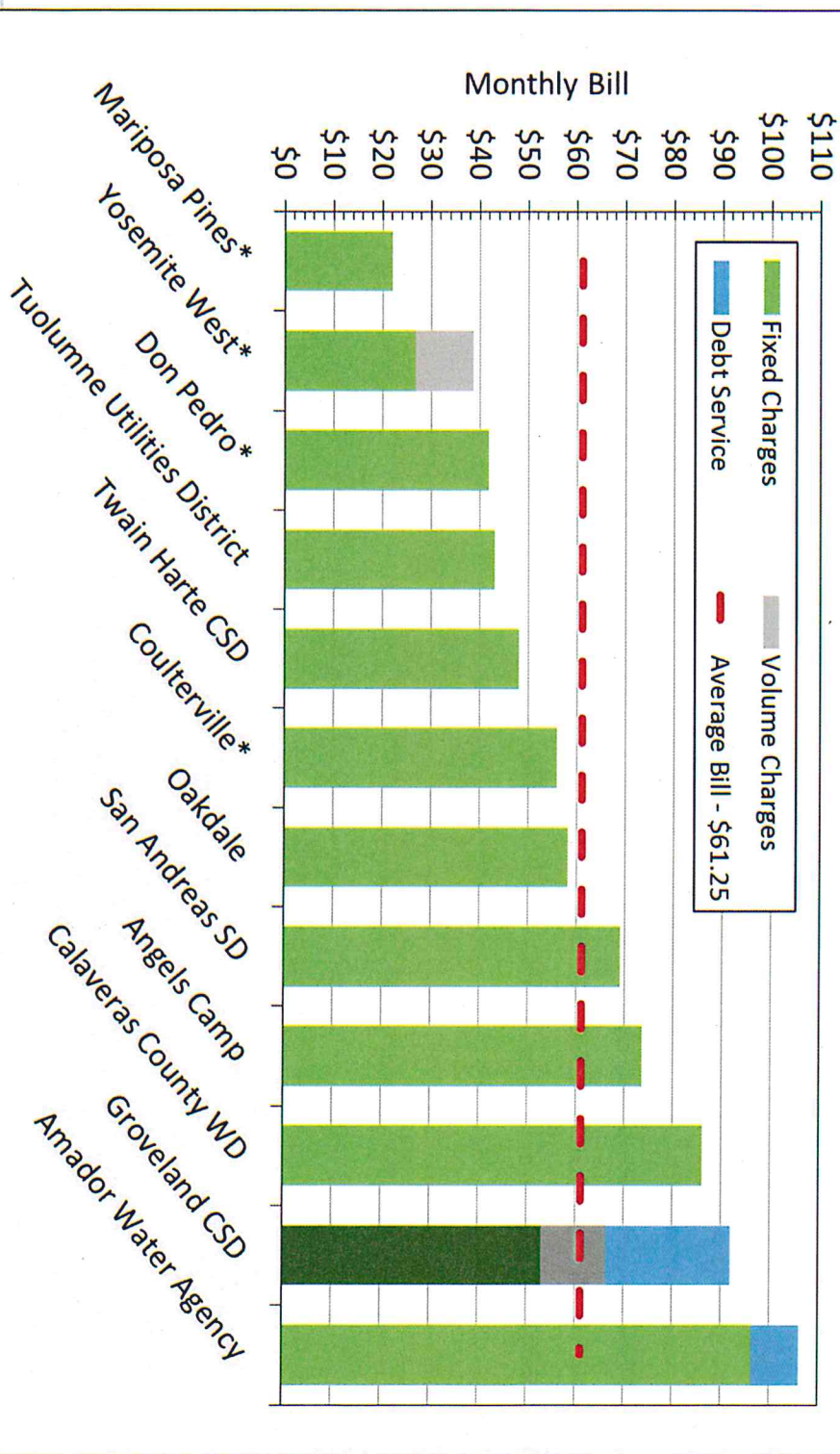
Current Rate Structure

Service Description	Fixed & Usage Charges		% of Revenues
	Residential	Commercial	
Monthly Minimum Charge	\$53.10	\$53.10	57%
Debt Service Charge (2014 Bonds)	\$25.75	\$25.75	23%
Monthly Volume Usage Charge	\$0.00698 per gallon of metered water	\$0.01121 per gallon of metered water	20%



Rate Survey

2016 Single Family Residential Monthly Sewer Bill Survey
 (1,900 gallons per month)



* Mariposa County Service Areas



Rate Design Principles

Proposition 218 Substantive Requirements:

➤ **Cost of Service** - Revenues derived from the fee or charge cannot exceed the funds required to provide the service.

➤ **Intended Purpose** - Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.

➤ **Proportional Cost Recovery** - The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.

➤ **Availability of Service** - No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.

➤ **General Government Services** - No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Methodology

- Financial Plan: determine operating expenses, capital expenses, and prudent reserves => systemwide cost of service
- Cost allocation: determine the proportional share of costs assigned to each customer class
- Rate design: determine how to collect revenues from customers (i.e. fixed charges, volume rates, debt service fees, etc.)

TAKEAWAY: Public agencies have wide authority to set rates and charges based on a reasonable cost of service justification

Rate Structure Alternatives

- Grey water systems
- Lift station fees (i.e. location based fees)
- System-wide rates (i.e. current rate structure)
- Fixed and volume rates
- Customer classes and strength factors

Grey water systems

- Grey water – customers collect grey water and typically reuse it for outdoor use
- Benefits to customer – reduces the customer’s water use and lowers the water and sewer bills
- Benefit to District – lower water use and lower sewer flow
- Disadvantages and concerns
 - Low customer participation in the rebate program
 - How to measure grey water use?
 - Under current rates, customers receive a discount to their utility bills

Lift Station Fees

- Location based charges that recover lift station costs only from the customers who use the lift stations
- Benefits – Customers charged more directly based on facilities used
- Disadvantages
 - BWA and staff would conduct additional analysis to determine the cost of each lift station
 - Could result in cost increases for some customers
 - Rate structure could be confusing for customers
- Policy considerations – location specific charges are not required by Proposition 218

System-wide Rates

- System-wide average rates and/or customer class average rates are legally sound under Proposition 218
- Total cost of the utility is divided by wastewater flow and/or strength to calculate rates
- Easy to implement and easy for customers to understand
- System-wide rates would be inappropriate in situations where customer-specific costs make up a large portion of total infrastructure costs

Fixed and Volume Rates

- Fixed and volume rates are both legally acceptable under Proposition 218
- 100% fixed sewer charges have been upheld by the courts
- Fixed vs. volume sewer rate design is a policy decision



Fixed and Volume Rates

Fixed Charges

- Advantages
- Reflects high fixed cost of infrastructure
 - High revenue stability
 - Easy to bill, easy to understand

Volume Rates

- Perceived to be more fair
 - Reflects customer specific usage patterns
- Disadvantages
- Does not reflect customer specific use of the system (small home vs. large home) (small business vs. large)
 - Revenue volatility for the District
 - Water use may not directly translate into sewer flow
 - Does not reflect the high fixed costs of the sewer system
 - Must have reliable water use data

Preliminary Analysis

- BWA proposes to maintain high fixed charges plus volume rates
- Typically, the underlying cost allocation for sewer is made up of
 - Customer service/administration
 - Flow – measured as gallons conveyed to the treatment plant
 - Strength – measured as pollutants that must be treated (BOD and TSS)
- District may wish to add a strength classes to the rate structure
 - Categorize customers into low, domestic, and high strength
 - Low strength – typically businesses without food prep such as retail businesses and offices
 - Domestic – residences and hotels
 - High strength – restaurants, bakeries, beauty shops

Decision Points

- Grey water
- Lift station charges
- System-wide rates
- Fixed and volume rates
- Customer classes and strength factors

Next Steps

- Draft results to District staff in mid-February
- Refine results February to mid-March
- Informational presentation to the District Board on March 13, 2017
- Present final recommendations and ask for Board approval to initiate Proposition 218 process on April 10, 2017
- Mail rate notices by April 28, 2017
- Proposition 218 rate hearing June 12, 2017 (min 45 days after mailing)
- Rate implementation by July 1, 2017

Questions

