

JAMESTOWN SANITARY DISTRICT

Sewer Rate Study Town Hall



Public Workshop
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LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

Alison Lechowicz
Project Manager
(510) 545-3182

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Background

- The Jamestown Sanitary District (District or JSD) is a special district providing sewer service to about 800 parcels
- As a public agency, the District's financial information is public and the District does not generate profits – all revenues are used for the benefit of ratepayers
- Sewer rates are the primary revenue source to fund operating and capital expenses including:
 - Sewage collection
 - Treatment
 - Disposal costs paid to Tuolumne Utilities District
 - Infrastructure renewal and improvements
 - Paying off debt

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Proposition 218

- Governs how sewer service charges can be calculated and adopted
 - Rates must be based on the reasonable cost of service
 - Rates must proportionally recover costs based on how customers take service
 - 5-year rate plans can be adopted via a single rate study
- To adopt rate adjustments, the District must:
 - Analyze its cost of service
 - Notify property owners via written notice of a public hearing to consider the rates
 - Allow property owners to submit written protest
 - Hold a public hearing at least 45 days after mailing the notices
 - Count the protests – rates cannot be adopted if more than 50% of parcels subject to the rates submit written protests

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Current Rates

- Last rate study was conducted in 2016
- Most recent rate increase July 1, 2022
- Fixed monthly bill for all customers
 - \$81.55 per equivalent single-family residence (ESFR)
 - Commercial customers are billed multiple ESFRs proportional to their sewer flow

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Current Financial Status

July 1, 2024 reserves of \$3.2M

Current Annual Revenues	
Sewer Rates	\$1,551,400
Property Taxes	\$156,800
Interest Earnings	\$67,200
Miscellaneous	<u>\$2,000</u>
Total Revenues	\$1,777,400

Current Annual Costs	
Operating Costs	\$1,765,100
Debt Service for 2018 Loan	<u>\$501,000</u>
Total Costs	\$2,266,100

Deficit of \$488,700

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Upcoming Cost Increases

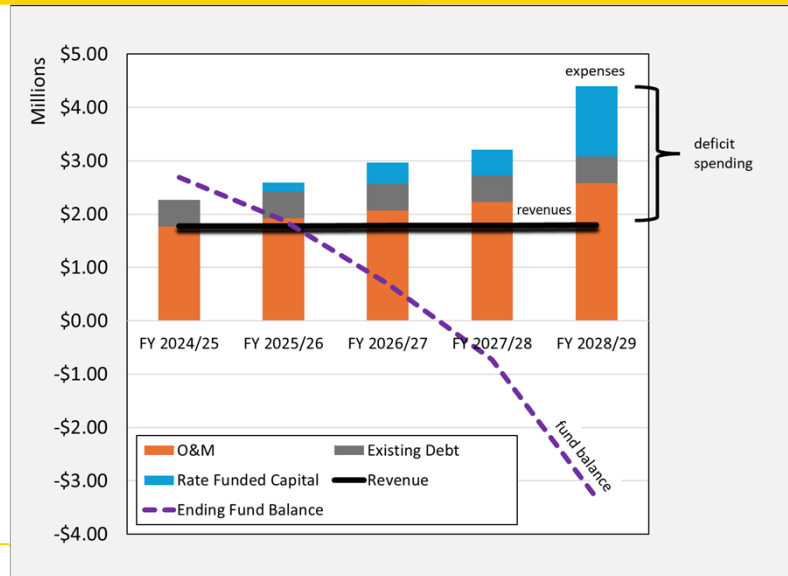
- +5%/year inflationary cost increases to most operating expenses
- Over the next five years, about \$2.3 million in project costs need to be funded by rates:
 - Replacement of 5 vehicles that are at the end of their service lives
 - Pipe replacement along 6th Avenue Alley
 - Cleanout replacements in Hwy 108 between Wigwam Road and Chabroullian Road
 - Pipe replacement and new manholes along Shady Dawn Lane
 - Replace approximately 4,000 linear feet of existing force main with a new 8-inch forcemain
 - **Absent these improvements, the District will likely face costly emergency repairs**

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Financial Impact of No Rate Change



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Required Treatment Upgrades

- JSD contracts with the Tuolumne Utilities District (TUD) for disposal of treated wastewater
- Current cost of disposal paid to TUD is \$125,000/year
- TUD is requiring JSD to increase its treatment standard from secondary treatment to tertiary treatment
 - This requires \$15.1 million in treatment plant upgrades
 - This will result in an estimated NEW debt service fee of \$49.22/month per dwelling unit beginning in 2028
 - Tertiary treatment will also add an estimated \$250,000/year in operating costs

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Proposed Financial Plan

- Fund existing operating costs, future inflationary cost increases, and the operations of the new treatment plant upgrades (when complete)
- Pay down existing debt
- Maintain reserves
- Fund capital projects
- Rate increases needed to meet these goals:

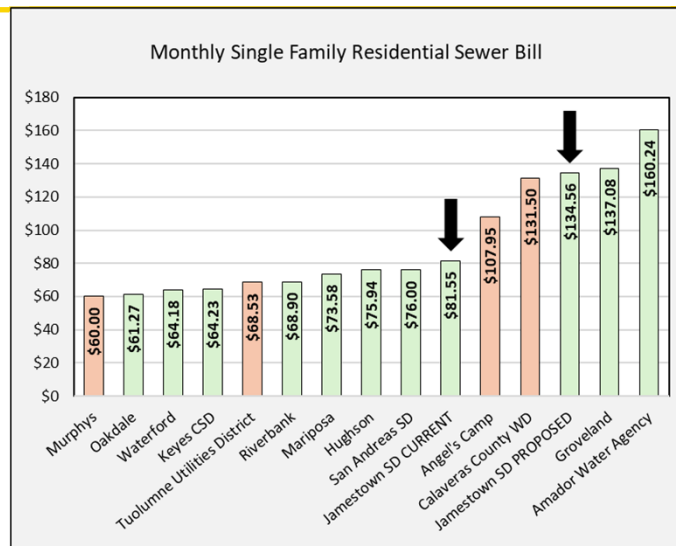
	Current	1-Jan-25	1-Jul-25	1-Jul-26	1-Jul-27	1-Jul-28
Service Fee	\$81.55	\$134.56	\$134.56	\$148.02	\$162.82	\$179.10
Debt Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49.22
Total Fee	\$81.55	\$134.56	\$134.56	\$148.02	\$162.82	\$228.32

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Rate Survey



Red shaded entries are agencies currently undergoing rate studies

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Public Hearing Procedure (Dec. 11)

- Board of Directors will open the public hearing and receive public comment
- Validate and tally written protest of property owners; protest requirements:
 - 1) Statement against the rate
 - 2) Service address of parcel or APN
 - 3) Printed property owner name
 - 4) Property owner signature
- The rates cannot be adopted if a majority of parcels subject to the rates submit protests (at least 419 parcels)
- Absent a majority protest, the first rate adjustment can go into effect January 1, 2025
- Each year thereafter, the Board will review its financial status and implement the rates shown in the public notice

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Questions?



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