



Sewer Rate Study

DRAFT
4/10/2025



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Table 1
Granada CSD - Sewer Rate Study DRAFT
Approved Rates

Customer Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Flat Rate Per Residence	\$580	\$660	\$755	\$860
Commercial [1]	(\$ / hcf)	(\$ / hcf)	(\$ / hcf)	(\$ / hcf)
Restaurant	\$10.76	\$12.30	\$14.02	\$15.98
Motel/Hotel	\$8.54	\$9.71	\$11.07	\$12.62
Office	\$4.79	\$5.47	\$6.24	\$7.11
Schools	\$4.86	\$5.56	\$6.34	\$7.23
Medical	\$5.17	\$5.81	\$6.62	\$7.55
Other Non-Residential	\$5.60	\$6.38	\$7.27	\$8.29

[1] Commercial users rate is per hundred cubic feet of annual water usage

Table 2
Granada CSD - Sewer Rate Study DRAFT
Current Sewer Service Charges Summary

Class	# of ERUs	Assessed FY 2024-25
Residential	2,622	\$2,254,705
Commercial		
Restaurant	197	\$169,056
Hotel/Motel	196	\$168,407
Office	4	\$3,440
Schools	4	\$3,796
Medical	0	\$0
Other Non-Residential	<u>186</u>	<u>\$159,802</u>
Total Commercial	587	\$504,501
Total	3,208	\$2,759,206

[1] ERU stands for Equivalent Residential Dwelling Unit

Table 3
Granada CSD - Sewer Rate Study DRAFT
Sewer Revenue and Expenses

Escalation Factors		FY 25-26		
General		4.00%		
SAM Ops		6.00%		
Interest		3.50%		
None		0.00%		

	Escalation	FY 2023-24 <i>Est. Actual</i>	FY 2024-25 <i>Budget</i>	FY 25-26 <i>Projected</i>
SEWER REVENUES				
SEWER - OPERATING REVENUES				
1 . Annual Sewer Service Charges	None	\$2,439,000	\$2,759,206	\$2,759,206
2 . Reim. from A.D. - Salary and Overhead	General	36,000	36,000	37,440
3 . Recology of the Coast Franchise Fee	General	42,000	46,000	46,000
4 . 480 Ave Alhambra Rent	General	60,000	45,000	54,000
5 . Miscellaneous	None	<u>1,000</u>	<u>5,000</u>	<u>5,000</u>
Total Operating Revenues		2,578,000	2,891,206	2,901,646
Sewer - Non-Operating Revenues				
1 . Interest on Reserves	Interest	101,000	127,000	131,720
2 . Connection Fees	None	16,000	18,800	18,800
3 . SAM Refund from Prior Year Allocation	None	0	1,000	1,000
4 . Repayment from Assessment District-Current FY	None	0	0	0
5 . ERAF Refund from Prior Year		<u>207,000</u>	<u>200,000</u>	<u>100,000</u>
Total Non-Operating Revenues		324,000	346,800	251,520
		2,902,000	3,238,006	3,153,166

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Escalation Factors		FY 25-26		
General			4.00%	
SAM Ops			6.00%	
Interest			3.50%	
None			0.00%	

	Escalation	FY 2023-24 <i>Est. Actual</i>	FY 2024-25 <i>Budget</i>	FY 25-26 <i>Projected</i>
SEWER - EXPENDITURES				
Sewer - Sam Operating Expenses				
1 . SAM General - Treatment	SAM Ops	731,476	797,439	821,671
2 . SAM General - Administration	SAM Ops	291,945	356,221	324,784
3 . SAM General - Environmental Compliance	SAM Ops	45,224	47,459	39,943
4 . SAM - Infrastructure Budget	None	582,852	565,217	686,718
5 . SAM Contract Collections Services	SAM Ops	<u>217,767</u>	<u>174,761</u>	<u>192,431</u>
Sub-Total SAM Operations Expenditures		1,869,264	1,941,097	2,065,547
Sewer - GCSD Administrative Expenses				
1 . Accounting	General	47,000	48,000	49,920
2 . Auditing	General	18,000	18,000	18,720
3 . Copier Lease	General	3,800	4,500	4,680
4 . Directors' Compensation	None	10,000	15,000	15,000
5 . Education & Travel Reimbursement	General	2,300	2,000	2,080
6 . Employee Salaries	General	238,000	248,000	257,920
7 . Employee Medical, Payroll Taxes, and Retirement	General	126,000	133,000	138,320
8 . Engineering Services (General)	General	46,000	35,000	36,400
9 . Insurance	General	59,400	65,000	67,600
10 . Legal Services - General	General	38,000	40,000	41,600
11 . Legal Services - Project/Case Related	General	34,000	90,000	93,600
12 . Memberships	General	9,000	10,000	10,400
13 . Office Lease	General	59,000	62,000	64,480
14 . Office Maintenance and Supplies	General	11,000	3,500	3,640
15 . Professional Services	General	78,000	82,000	85,280
16 . Publications & Notices	General	5,500	9,000	9,360
17 . Utilities	General	15,000	16,000	16,640
18 . Video Taping of Board Meetings	General	4,800	5,000	5,200
19 . Computers/IT Services	General	7,600	5,000	5,200
20 . Lateral Repairs	General	1,000	10,000	10,400
21 . CCTV	General	2,000	15,000	30,000
22 . Miscellaneous	General	<u>9,000</u>	<u>1,000</u>	<u>1,040</u>
Sub-Total GCSD Administration Expenditures		824,400	917,000	967,480
(Less) Parks and Rec Share of District Administration Costs [1]			<u>(185,000)</u>	<u>(241,870)</u>
GCSD Administration Costs - Sewer			732,000	725,610
SEWER - TOTAL OPERATING & ADMINISTRATION EXPENDITURES		2,693,664	2,673,097	2,791,157
SEWER - OPERATING NET TO/(FROM) RESERVES		208,336	564,909	362,009
Sewer - Capital Projects				
1 . General Sewer Mainline System Repairs	None	3,500	10,000	10,000
2 . 6 Year Sewer Mainline Replacement Program		<u>8,000</u>	<u>65,000</u>	<u>450,000</u>
Total Capital Improvement Projects		11,500	75,000	460,000

[1] 25% of GCSD Admin Expenditures beginning in FY 25-26.

Table 4
Granada CSD - Sewer Rate Study DRAFT
CIP Program

	2024-25 <i>Budget</i>	2025-26 <i>Projected</i>	2026-27 <i>Projected</i>	2027-28 <i>Projected</i>	2028-29 <i>Projected</i>	2029-30 <i>Projected</i>
Capital Improvement Projects [1]						
1. General Mainline System Repairs	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
2. 6 Year Sewer Mainline Replacement Program	65,000	450,000	65,000	400,000	65,000	400,000
3. SAM - Capital Maintenance/Infrastructure Budget [2]	<u>565,217</u>	<u>686,718</u>	<u>720,000</u>	<u>720,000</u>	<u>720,000</u>	<u>720,000</u>
Total Capital Improvement Projects	\$640,217	\$1,146,718	\$795,000	\$1,130,000	\$795,000	\$1,130,000

[1] Projected based on GCSD Capital Improvement Plan Draft (April 2025).

[2] Member agency contributions for SAM capital projects based 1.) SAM infrastructure costs, approximately \$3.6M annually, and 2.) GCSD wastewater flows, approximately 20% since 2020.

Table 5
Granada CSD - Sewer Rate Study DRAFT
Cash Balances

FY 2024-25
Budget

SEWER RESERVES

1 . Beginning Balance on July 1, 2024 [1]	\$3,273,516
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[1] GCSD Budgetary Reserve Balance Roll-Forward Schedule (Unaudited).

Table 6
Granada CSD - Sewer Rate Study DRAFT
Sewer Enterprise Financial Projections

	Budget 2024-25	Projected				
		2025-26	2026-27	2027-28	2028-29	2029-30
Beginning Cash Balance	\$3,273,516	\$3,763,425	\$3,813,431	\$4,217,464	\$4,291,237	\$4,749,964
Rate Adjustments, %		5.0%	5.0%	5.0%	5.0%	5.0%
Flat Rate per Residence, Effective July 1st	\$860	\$905	\$950	\$998	\$1,048	\$1,100
Estimated ERUs	3,208	3,212	3,216	3,220	3,224	3,228
SEWER REVENUES						
1 . Sewer Service Charge	\$2,759,206	\$2,907,203	\$3,055,560	\$3,213,938	\$3,379,149	\$3,551,217
2 . Miscellaneous Operating Revenue	132,000	142,440	147,938	95,249	98,859	102,613
3 . Miscellaneous Non-Operating Revenue	146,800	151,520	153,270	167,411	169,993	186,049
4 . ERAF	<u>200,000</u>	<u>100,000</u>	<u>0</u>			
TOTAL SEWER REVENUES	3,238,006	3,301,163	3,356,768	3,476,598	3,648,001	3,839,879
SEWER - EXPENDITURES						
Operating Expenses						
1 . SAM General & Contract Services	1,375,880	1,378,829	1,461,559	1,549,252	1,642,207	1,740,740
2 . GCSD Administration Expenditures	<u>732,000</u>	<u>725,610</u>	<u>696,176</u>	<u>723,573</u>	<u>752,066</u>	<u>781,699</u>
Sub-Total Sewer - Total Operating & Admin Expenditures	2,107,880	2,104,439	2,157,735	2,272,826	2,394,274	2,522,439
Sewer - Capital Projects						
1 . General Sewer Mainline System Repairs	10,000	10,000	10,000	10,000	10,000	10,000
2 . 6 Year Sewer Mainline Replacement Program	65,000	450,000	65,000	400,000	65,000	400,000
3 . SAM - Infrastructure Budget	<u>565,217</u>	<u>686,718</u>	<u>720,000</u>	<u>720,000</u>	<u>720,000</u>	<u>720,000</u>
Sub-Total Capital Improvement Expenditures	640,217	1,146,718	795,000	1,130,000	795,000	1,130,000
TOTAL SEWER EXPENDITURES	2,748,097	3,251,157	2,952,735	3,402,826	3,189,274	3,652,439
Net Revenue(Loss)	489,909	50,006	404,033	73,773	458,728	187,440
Ending Balance	\$3,763,425	\$3,813,431	\$4,217,464	\$4,291,237	\$4,749,964	\$4,937,404
<i>Days O&M in Reserve</i>		661	713	689	724	714
<i>Operating Target Met</i>		yes	yes	yes	yes	yes
<i>Emergency Repair Reserves</i>		300,000	300,000	300,000	300,000	300,000
<i>Capital Reserves</i>		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<i>Reserve Target Met</i>		yes	yes	yes	yes	yes

Table 7
Granada CSD - Sewer Rate Study DRAFT
Assumed Wastewater Strength Factors

<u>Strength Class [1]</u>	<u>Cost Allocation [2]</u>	<u>Residential</u>	<u>Restaurant</u>	<u>Motel/Hotel</u>	<u>Office</u>	<u>Schools</u>	<u>Medical</u>	<u>Other Non-Residential</u>
Flow (l)	1/3	1	1	1	1	1	1	1
BOD (mg/l)	1/3	250	650	500	210	215	250	270
TSS (mg/l)	1/3	250	600	435	210	215	210	260
Rate Factor [3]		1.000	2.000	1.580	0.893	0.907	0.947	1.040

[1] WW flows and strengths based on State Water Resources Control Board's Revenue Program Guidelines

[2] Allocation between flow, Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS) based on input from Staff.

[3] Rate Factor Formula $RF = ((1/3)Flow) + ((1/3)*BOD(mg/l)/250) + ((1/3)*TSS(mg/l)/250)$

Table 8
Granada CSD - Sewer Rate Study DRAFT
Rate Calculation

Customer Class	ERUs		ADWF Flow [1] (gal/day)	Current Est. ERU x Flow ADWF Flow (gal/day)	BOD (mg/l)	TSS (mg/l)	Strength Factor	Calculated Current Rate
Residential	2,622		200	524,350	250	250	1.00	\$862.00
Commercial	ERUs	Use (gal/day)	Flow Factor	ADWF Flow (gal/day)	BOD (mg/l)	TSS (mg/l)	Strength Factor	Calculated Current Rate
Restaurant	13	21,682	100%	21,682	650	600	2.000	\$15.99
Motel/Hotel	74	27,349	100%	27,349	500	435	1.580	\$12.63
Office	4	992	100%	992	210	210	0.893	\$7.14
Schools	2	1,076	100%	1,076	215	215	0.907	\$7.25
Medical	0	0	100%	0	250	210	0.947	\$7.57
Other Non-Residential	<u>107</u>	<u>39,506</u>	100%	<u>39,506</u>	270	260	1.040	\$8.31
Subtotal Commercial Flow:	200	90,604		90,604				
Total System Flow:				614,954				

[1] ADWF stands for Average Dry Weather Flow

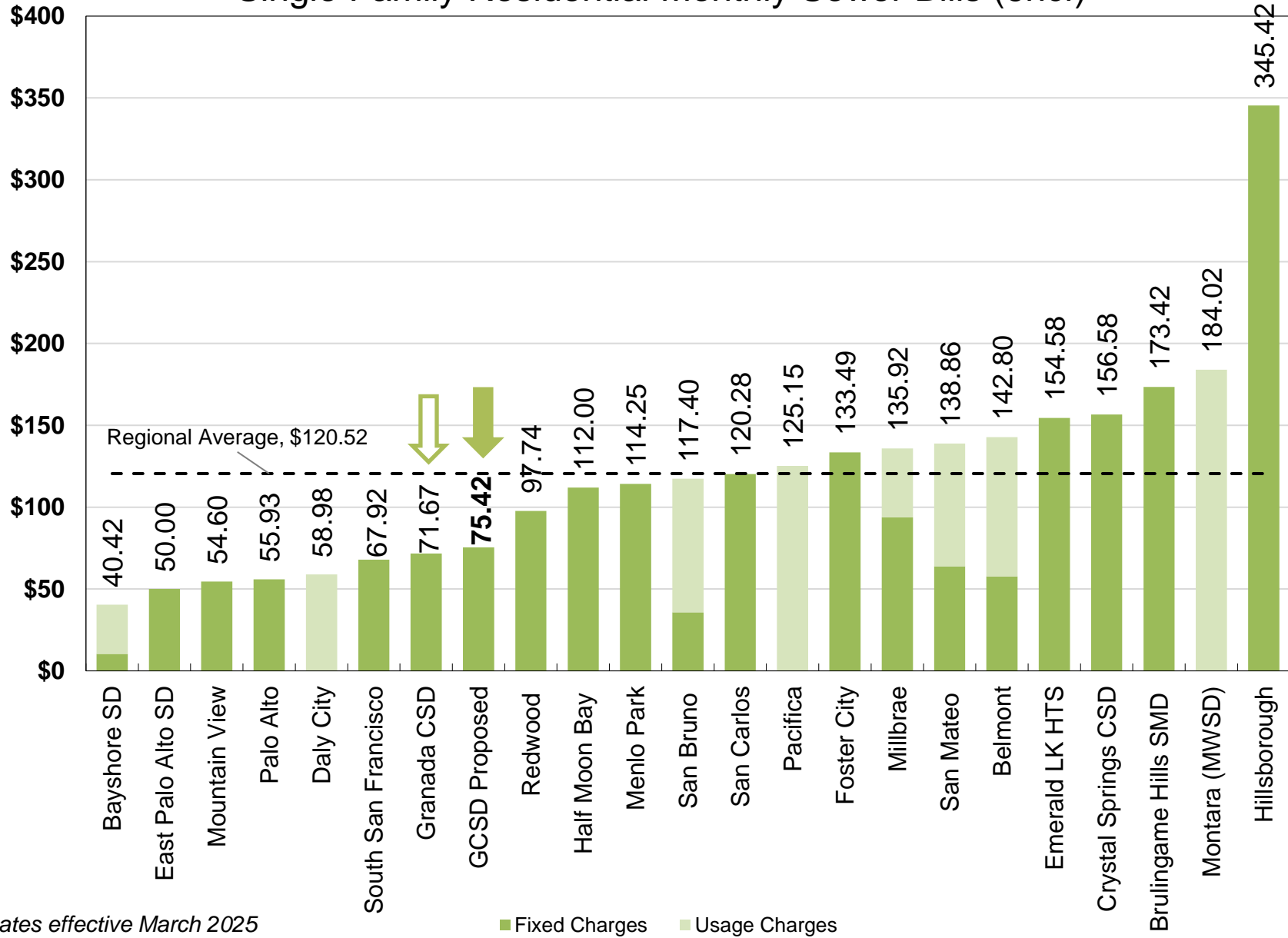
Table 9
Granada CSD - Sewer Rate Study DRAFT
Current and Proposed Rates

Recalculated Rates % Increase 5.0% 5.0% 5.0% 5.0% 5.0%

Residential Rate	Current	Recalculated Rate	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Flat Rate Per Residence	\$860.00	\$862.00	\$905.00	\$950.00	\$998.00	\$1,048.00	\$1,100.00

Commercial User Rate	Current	Recalculated Rate	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Rate per Hundred Cubic Feet (HCF) of Yearly Water Usage							
Commercial Category	Rate (per HCF)	Rate (per HCF)	Rate (per HCF)	Rate (per HCF)	Rate (per HCF)	Rate (per HCF)	Rate (per HCF)
Restaurant	\$15.98	\$15.99	\$16.79	\$17.63	\$18.51	\$19.44	\$20.41
Motel/Hotel	\$12.62	\$12.63	\$13.26	\$13.92	\$14.62	\$15.35	\$16.12
Office	\$7.11	\$7.14	\$7.50	\$7.88	\$8.27	\$8.68	\$9.11
Schools	\$7.23	\$7.25	\$7.61	\$7.99	\$8.39	\$8.81	\$9.25
Medical	\$7.55	\$7.57	\$7.95	\$8.35	\$8.77	\$9.21	\$9.67
Other Non-Residential	\$8.29	\$8.31	\$8.73	\$9.17	\$9.63	\$10.11	\$10.62

Single Family Residential Monthly Sewer Bills (6hcf)



Rates effective March 2025