



GARDEN GROVE SANITARY DISTRICT
13802 NEWHOPE STREET, GARDEN GROVE, CALIFORNIA 92843

NOTICE OF PUBLIC HEARING

Adjustment in Sewer Rates and Charges

February 14, 2012 at 6:30 p.m.

Community Meeting Center
11300 Stanford Avenue, Garden Grove

NOTICE is hereby given that at a public meeting on **February 14, 2012, at 6:30 p.m.**, the Garden Grove Sanitary District Board of Directors will hold a public hearing in the City Council Chambers of the Garden Grove Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California, to consider a **proposed Ordinance authorizing future automatic adjustments in sewer rates and charges to account for inflation**. These future adjustments are necessary to continue to account for future increases in the District's costs to operate, maintain, replace and upgrade the District's sewage collection facilities and in order to allow the District to continue to meet its service obligations and the regulatory obligations imposed by the Santa Ana Regional Water Quality Control Board.

Reason for proposed fee adjustments

In 2005, the Garden Grove Sanitary District implemented a new Sewer User Fee structure, based on an updated Financial Analysis and Rate Study developed by the District, which identified the estimated funds necessary to operate, maintain, replace and upgrade the District's sewage collection system to adequate capacity and make repairs mandated through the Waste Discharge Requirements of the Santa Ana Regional Water Quality Control Board. The Sewer User Fee structure implemented in 2005 provided for annual adjustments to the initial Sewer User Fee components for inflation in order to ensure continued funding of the District's capital improvement and maintenance programs. Continuation of these annual inflationary adjustments is necessary to ensure the District can continue to finance the improvements and programs necessary to eliminate existing capacity deficiencies in the system, accommodate projected increased flows, rehabilitate and refurbish existing facilities, and retire debt.

Fees proposed to be adjusted

The owner(s) of each parcel of property connected to the District's sewage collection system is assigned to one or more customer classes, based on property use, and is responsible for the payment of a separate monthly Sewer Service Fee for each portion of the parcel served by a separate metered water service. Each monthly Sewer User Fee consists of a fixed Base Rate (according to customer class), plus a variable Usage Charge, but cannot exceed the Maximum Billing Cap designated for each customer class. The amount of the variable Usage Charge is based on the amount of water used per month during the bi-monthly period of lowest consumption (determined annually, based on analysis of 12 months of water billing data), and is currently \$0.86 per hundred cubic feet ("HCF") of water used. The following table contains the current Base Rates, Usage Charge Rate, and Maximum Billing Caps:

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User Class	Base Rate/Water Meter	Usage Charge Rate (Per HCF of Water Used)	Maximum Billing Cap/ Water Meter
Residential – SFR and Duplex	\$ 3.98	\$0.86	\$ 12.61
Car Wash	\$ 58.78	\$0.86	\$185.86
Church	\$ 14.28	\$0.86	\$ 45.16
Commercial 1*	\$ 3.98	\$0.86	\$ 12.61
Commercial 2*	\$ 7.98	\$0.86	\$ 25.23
Commercial 3*	\$ 15.95	\$0.86	\$ 59.09
Commercial 4*	\$ 31.90	\$0.86	\$118.17
Commercial 5*	\$ 59.83	\$0.86	\$232.37
Commercial 6*	\$ 79.78	\$0.86	\$252.32
Hotels/Motels	\$ 79.78	\$0.86	\$252.32
Private School	\$ 41.29	\$0.86	\$130.58
Hospital	\$223.37	\$0.86	\$706.48
Industrial	\$ 44.11	\$0.86	\$139.52
Laundromat	\$ 54.83	\$0.86	\$173.36
Multi-Unit Residential**	\$ 33.76	\$0.86	\$106.83
Public School	\$ 53.35	\$0.86	\$168.69

**Where individual units are not connected directly to the sewer system, a charge of \$1 per month, per unit will be assessed in addition to the Base Rate and Usage Charge Rate for the Multi-Unit Residential user class.

*Commercial Class Rates are based upon those persons or entities who consume metered water quantities in accordance with the following schedule:

<u>Class #</u>	<u>Per 100 cu. Ft. of Water/Month</u>
1	0 - 10
2	10.1 - 20
3	20.1 - 50
4	50.1 - 100
5	100.1 - 200
6	200 or greater

The District is proposing to provide for the continued implementation of annual automatic adjustments to the Sewer User Fee Base Rates, Usage Charge Rate, and Maximum Billing Caps over a five (5) year period to account for actual inflation. Under the District's proposal, the District's Sewer User Fee Base Rates, Usage Charge Rate, and Maximum Billing Caps would be automatically adjusted for inflation annually on July 1, commencing July 1, 2012 and continuing through July 1, 2016, based on the same percentage as the percentage of increase in construction costs during the one year period (March 1 through February 28) immediately preceding March 1 of the then current calendar year, based on the Engineering News Record Construction Costs Index – Los Angeles Area ("ENR"), up to a maximum of six (6) percent, without further action by the District's Board of Directors. Any rate adjustment over six (6) percent would require approval of the District's Board of Directors. Over the last five (5) years, the average annual inflation rate under the ENR has been between two (2) to three (3) percent.

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Basis upon which the fees are to be adjusted

Government Code Section 53756 expressly authorizes the District to adopt a schedule of fees or charges authorizing adjustments for inflation for a period of five (5) years. The amount of the automatic adjustments for inflation will be the same percentage as the percentage of increase in construction costs during the one year period (March 1 through February 28) immediately preceding March 1 of the then current calendar year, based on the Engineering News Record Construction Costs Index – Los Angeles Area (“ENR”), up to a maximum of six (6) percent. Any rate adjustment over six (6) percent will require approval of the District's Board of Directors. At least 30 days notice will be provided to customers before any such adjustments will take effect.

Proposition 218

Property owners, as defined under Proposition 218, may respond to the proposed fees **in writing** prior to or during the public hearing. Consistent with the provisions of Proposition 218 and Government Code Section 53755, this notice has been mailed to all the record owners of affected property to the addresses as they appear on the latest equalized assessment roll and to all sewer service customers located on the affected parcels at the addresses to which the City customarily mails the billing statements. If you are a property owner as defined under Proposition 218 and object to the proposed fees as described in this Notice, you may file a written protest with the District at or before the time set for the public hearing. Protests can be mailed or personally delivered to the Garden Grove Sanitary District Secretary as follows:

By Mail:	City Clerk / GGSD Secretary City of Garden Grove P.O. Box 3070 Garden Grove, CA 92842	In person:	City Clerk / GGSD Secretary City of Garden Grove 11222 Acacia Parkway Garden Grove, CA 92840
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A valid protest **must** include:

1. The name of the record owner or owners of the property; and
2. Identification of the property by either assessor's parcel number or street address; and
3. A statement of protest (“I/we protest” will suffice); and
4. The original signature of the protesting owner or owners (photocopies will not be accepted).

Please note that each property owner will be counted as a single vote, regardless of the number of owners. If there are two record owners, both must sign the written protest. If there are more than two owners, the protest must be signed by a majority of the owners. Multiple protests returned for a single property will be disallowed and the City Clerk / Secretary will only accept one protest per property.

If you have any questions regarding this Notice or the proposed fee adjustments, or would like even more detailed information, please call the District at (714) 741-5520.