

Goldsmith Gulch Sanitation District

2023 RATE ADJUSTMENT FAQs



ABOUT GGSD

Established in 1960, Goldsmith Gulch Sanitation District (District or GGSD) provides customers with critical services that provide for the protection of public health, safety, prosperity, and environmental stewardship.

The District collects wastewater from customers in southeast Denver and parts of the Denver Tech Center and sends it to Metro Water Recovery (formerly Metro Wastewater Reclamation District) in northeast Denver, which charges the District to convey, clean, and safely return water to the environment.



HOW IS GGSD FUNDED?

The District receives funds from two sources - rates customers pay annually for services, supplemented by property taxes. Rates are reviewed annually as part of the District's budgeting process.



HOW ARE RATES SET?

In Colorado, Districts like GGSD are not allowed to operate for profit. Rates must be

set to cover the cost of providing service, which includes things like Operations and Maintenance and Capital Improvements including eventual replacement of existing facilities.

To set rates, the District hired an independent financial consultant, Raftelis, that specializes in helping utilities set rates that are fair and equitable to customers while ensuring the continued financial health of the utility. Raftelis performed a financial analysis and has made recommendations to the GGSD Board of Directors on 2023-2025 rates.

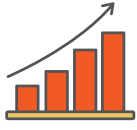


HOW FREQUENTLY DOES GGSD ADJUST ITS RATES?

The GGSD's Board of Directors is focused on ensuring that customers pay rates that are no higher than are necessary to run an efficient District. It has been more than a decade since the District raised rates. The last time the District adjusted rates was in 2015 when the GGSD Board of Directors approved a more than 9.5% reduction in rates.

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WHAT INFLUENCES HIGHER COSTS GGSD IS INCURRING?

There are three main drivers - pass-through costs, inflation, and critical infrastructure maintenance.

First, Metro Water Recovery has notified GGSD that the cost they charge the District to treat wastewater will increase by around 5% each year for at least the next three years. GGSD must, unfortunately, pass these higher costs along to our customers.

Also, labor, spare parts, fuel - nearly everything the District needs to continue delivering the services our customers rely upon is coming with higher costs due to higher-than-normal rates of inflation.

Finally, the District's in-ground infrastructure functions well today and delivers customers a high level of service. Worth millions of dollars, the District's wastewater conveyance infrastructure is similar to any valuable asset like a home or vehicle - all require regular maintenance and investment to keep them in good working condition. To keep things flowing properly, the District plans necessary infrastructure maintenance and replacement of critical components in the coming years.

HOW MUCH DOES GGSD NEED TO SPEND ON CAPITAL IMPROVEMENT PROJECTS IN THE COMING YEARS?

The District plans to spend approximately \$1.4 million on critical capital improvement projects over the next three years.

Major projects intended to maintain the system in good working order include completing slip lining and rehabilitation of the older District pipelines, upgrades to a lift station, and replacement of a force main.



WHEN WILL THE NEW RATES GO INTO EFFECT?

New rates are scheduled to go into effect on January 1, 2023.



HOW IS MY BILL CALCULATED AND WHAT CHANGES CAN I EXPECT ON MY BILL?

Single-Family and Multi-Family Residential customers are charged a flat rate for wastewater services. Currently, this is \$120 per year for Single-Family and \$144 per year for Multi-Family.

Rates in 2023 will be the same for both types at \$151 per dwelling unit.

GGSD anticipates these rates will be in effect through at least 2025.



More information at GGSD's website: www.goldsmithgulchsd.org, or contact District Manager Lisa Johnson at 303-779-5710 or via email at lisa.johnson@claconnacect.com.