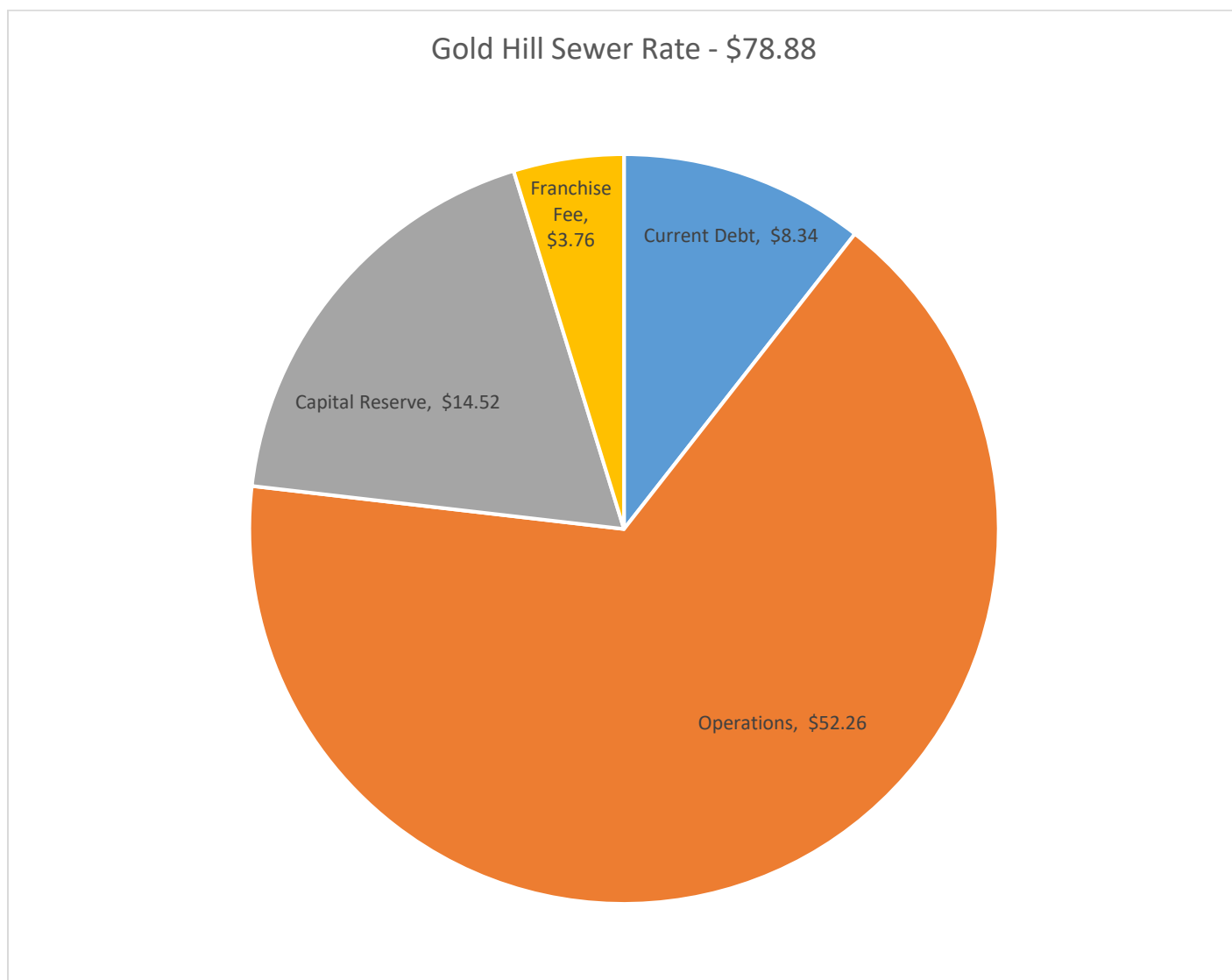


# How is the current sewer bill spent?



The sewer rate can be categorized into four main components: RVSS Operations, Debt Service, Capital Reserves, and a Franchise Fee.

**RVSS Operations:** Gold Hill and RVSS have an inter-governmental agreement whereby RVSS operates and maintains the sewer system for an annual fee of **\$360,000**. This annual fee is subject to maximum 3% annual increase.

**Debt service** covers the principal and interest payments for the City's two outstanding loans that are paid through sewer rates. The City has an outstanding loan balance of approximately \$1.2 million with annual payments of \$57,000. The first of these loans is scheduled to be paid in full in 2041.

**Capital Reserves** is money that is saved to help pay for the proposed regional connection.

**Franchise Fee** is a fee paid back to the City to help cover costs of road maintenance and other expenses. The fee is set at 5% and would generate approximately \$25,000 for the City.