

Goleta West Sanitary District City of Goleta Detachment Proposal

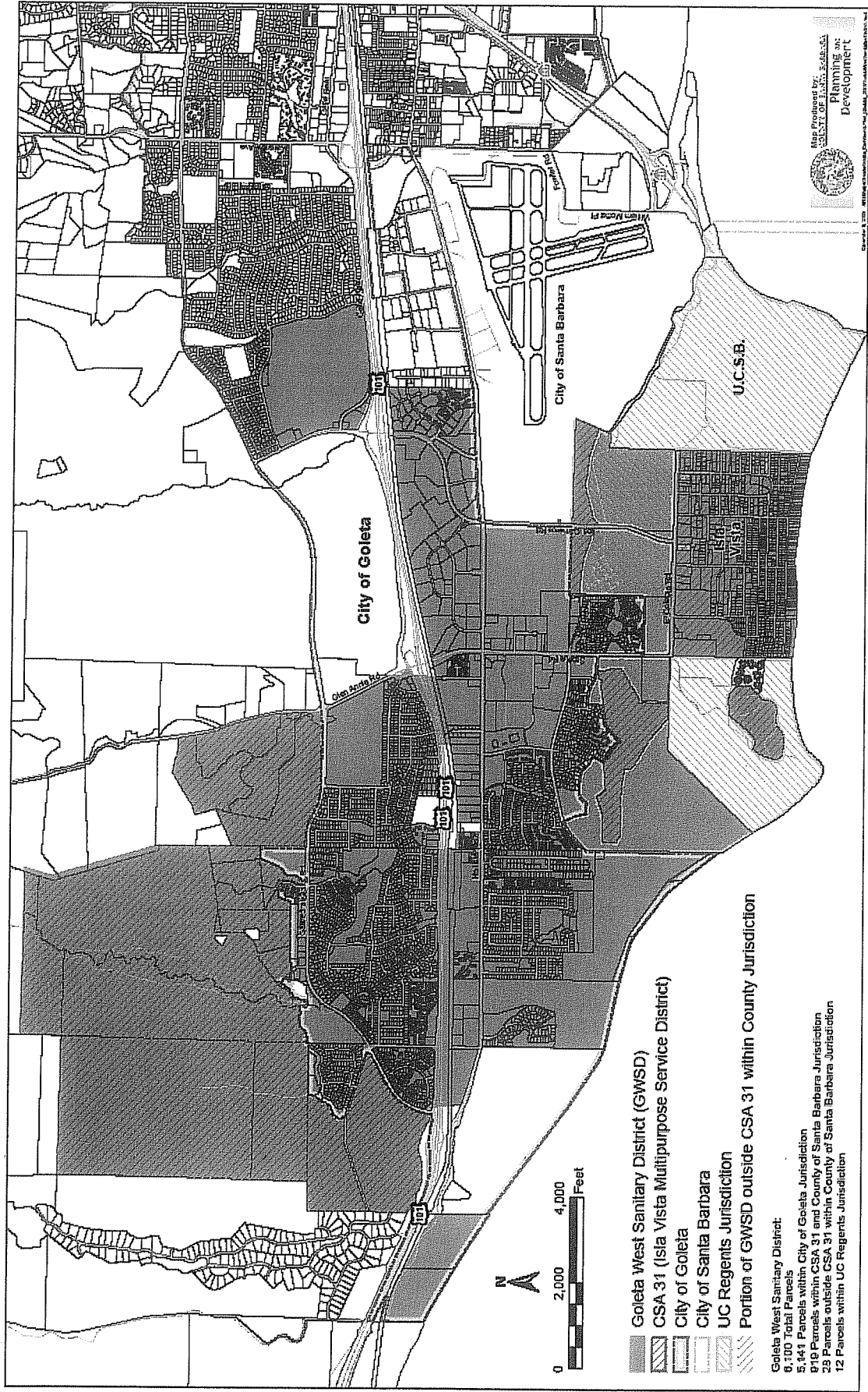
Presented by
County Executive Office
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Summary of the City's Proposal

- City of Goleta proposes to detach territories within its jurisdiction from GWSD
- City proposes to provide street sweeping and sewer services instead of GWSD
 - City assumes ownership of sewer mains within City
 - Future sewer charges paid to City
- Future ad valorem taxes of GWSD reallocated
- Accumulated reserves could be reallocated by LAFCO
- Awaiting hearing at LAFCO

GWSD Map



Impact to Unincorporated Area

- Impact to remaining area with detachment
- Costs (Fiscal Impact)
- Service Delivery
- Infrastructure
- Impact to Special Districts

Fiscal Studies: Different Assumptions

- Use of property tax revenues
- Base budget used for expenses and O&M
- CIP Expenses
- Provision of service to EMID
- Cost of Treatment Plant
- Date used for reserves balances
- Allocation of O&M and capital costs

Fiscal Impacts Summary

- Current sewer fee of \$168
- No Detach: \$189 or \$274
- City Detaches:
 - City rate of \$168 or \$353
 - Unincorporated area rate of \$309, \$361 or \$459

BWA (City Consultant) Summary

- No rate increase for City customers
 - Property taxes from City parcels subsidize rates
- Increase to remaining GWSD customers
 - \$361/yr if treatment plant paid upfront
 - \$459/yr if treatment plant payments ongoing
- Current rate unsustainable even if no detachment
 - No deficit by time of plant being online equates to 13% annual increases thru FY 2015-16 to \$274 in 2015
- Assumes \$960K in savings from detachment
 - \$490K from street sweeping, \$360,000 from professional services and \$110,000 from administrative redundancy
- Assumes no “wheeling” charge for City use of GWSD collection system, but shared use charge of 52% for portion of O&M/replacement costs at pump stations

RFC (GWSD Consultant) Summary

- Rate increase to \$353/yr for City customers
- Rate increase to \$309/yr for GWSD customers
- Rate increase to \$189 if no detachment
- Assumes no detachment savings (-\$48K)
- “Wheeling” charge to City for capital and O&M for pump stations
 - 100% for “Emily” and 52% for Main
- BWA overestimated reserves available to City by \$1.3M
 - Difference between \$4.9M and \$3.6M
 - \$1.9M available to GWSD

Potential Impact to Services

- Street sweeping likely to be curtailed
 - Loss of property taxes
 - Reverse economies of scale
- Sewer rates to increase for some
- Service quality change unknown, but not expected to change
- City as provider, total of 3 providers in Goleta

Infrastructure

- Capital needs thru FY 2028 of \$33 or \$48M
- \$20M for treatment plant upgrade
- Capital and O&M allocation
 - 52% City and 48% GWSD for treatment
 - 64% City and 36% GWSD for collection system
- Hydraulic projects needed for IV growth
- Sewer lines are in good status, but IV lines are the oldest

Special District: EMID

- Independent District so status no changes
- Either serviced by GWSD or the City
 - If City, then City will collect fees, provide transport, treatment cost and O&M for collection system
 - If GWSD, BWA suggests City charge EMID for part of collection system within City limits

Board Considerations

- Wait for outcome at LAFCO
- Oppose City application
- Determine service options to unincorporated area/remaining areas within GWSD
- Pursue one sanitary district
 - Voluntary consolidation/merger of districts
 - LAFCO initiated reorganization
 - BOS initiated reorganization