



Laguna County Sanitation District

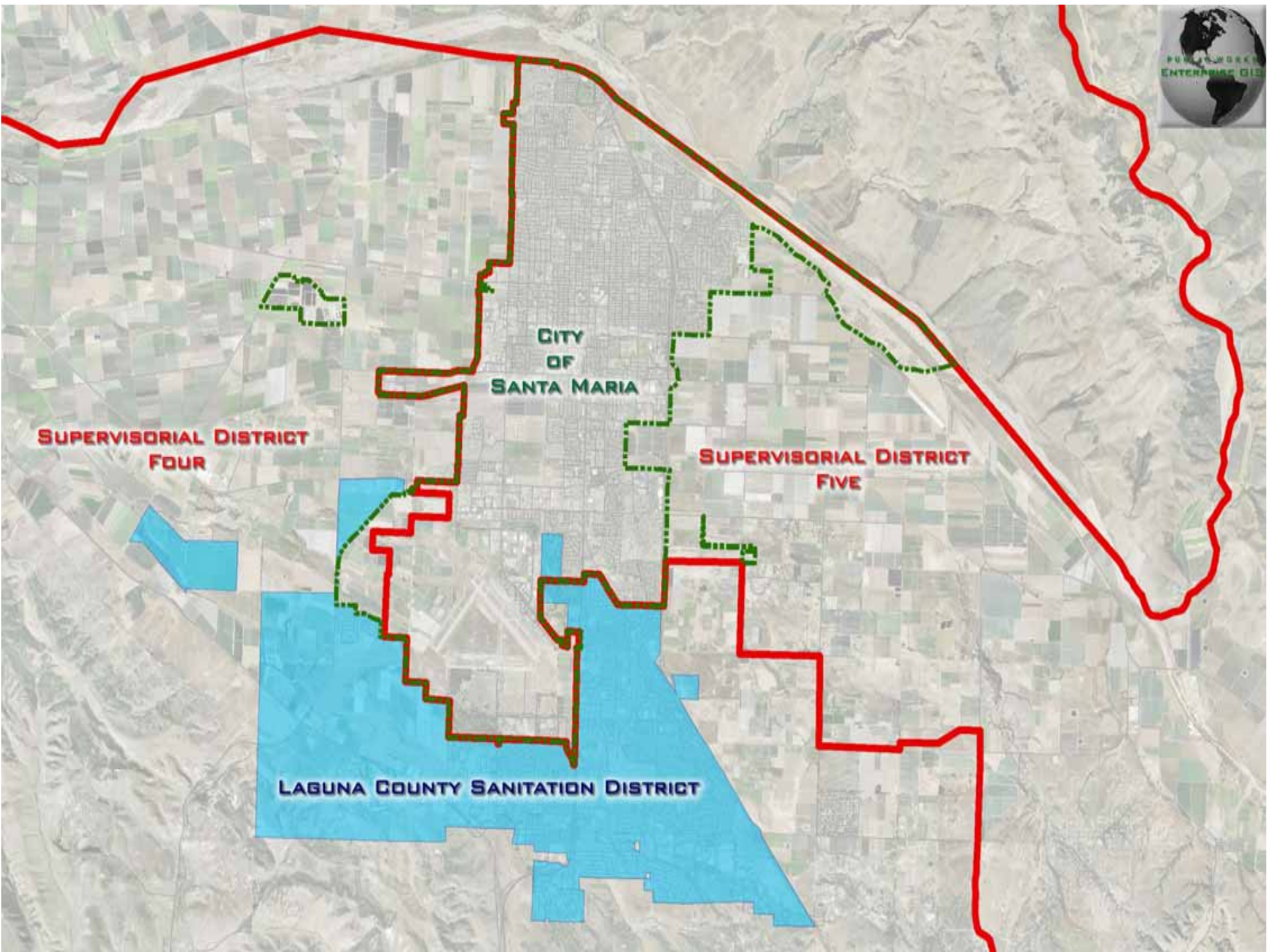
FY 2006 – 2007
Presentation

3. 9. 2004

Laguna Sanitation District's Mission



- Provide a vital service to its community
- Protect the environment
- Conserve resources
- Provide services economically



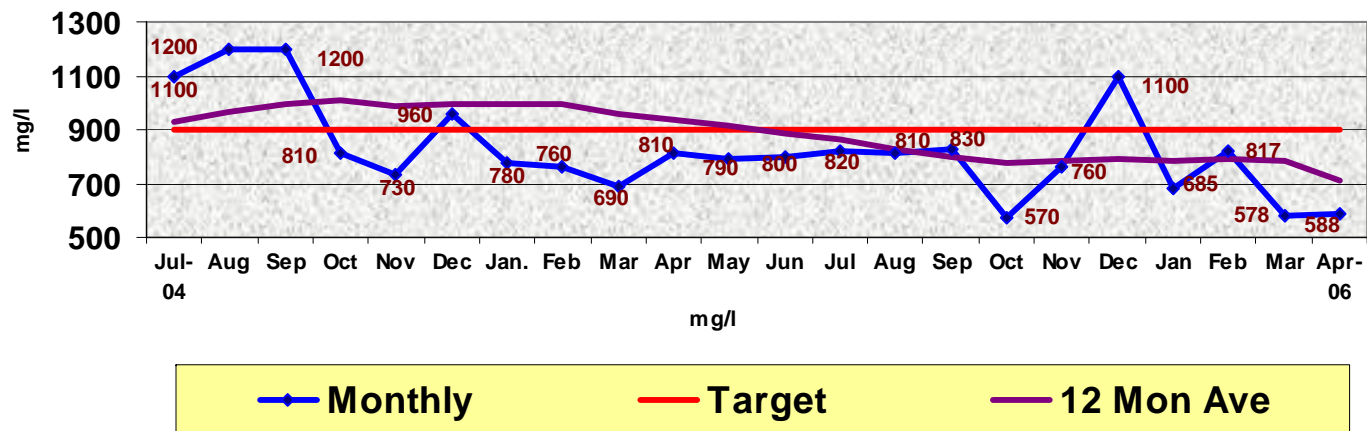
Salt & Water Quality



- 1987 requirement to comply with RWQCB Waste Discharge Permit limits for salt content
- 1997 Approval of Orcutt Community Plan

Salt & Water Quality

LCSD TDS Removal Performance



RO System on Oct 2004

Moving Forward

- Budget impacts
 - Operating budget is compounded by higher levels of treatment. Increased fiscal demands beyond CPI adjustments include energy, chemical, replacement, laboratory, labor, debt service and maintenance costs



Moving Forward



- Greater Options & more opportunities
 - Tertiary treatment provides a reusable water source that generates revenue and substitutes for potable water sources (golf courses, landscape, agricultural, etc.)

Annual Budget Preparation

- Review proposed expenditure and revenue needs
- Rate and fee adjustments
- Planning for capital improvements, repairs
- Budgeting for operation, maintenance, and replacement
- Revenue from service charges, trunk line fees, and connection fees

Service Charges

- Paid by system users
- Collection, treatment and disposal operations
- Replacement and maintenance projects
- Power and fuel expenses
- Chemical expenses
- Laboratory expenses
- Labor
- Debt service
- Depreciation

Trunk line and Connection Fees



- Paid by development for system impacts
- Trunk line fees reimburse cost of sewer line installations
- Connection fees fund future capacity improvements

Proposed FY 06/07 Budget

- Proposed budget = \$5,370,000
- Service charge adjustment of 4.61%
- CPI in 2005 was 4.79%

Operating Budget

| | |
|---------------------------------|-------------------|
| • Services and Supplies | \$1,748,000 |
| • Utilities and Fuel | \$ 570,000 |
| • Labor | \$1,421,000 |
| • Debt Service | \$ 768,000 |
| • Depreciation | \$1,080,000 |
| • <u>Less Operating Revenue</u> | <u>\$ 519,000</u> |
| Total Rate Requirement | \$5,370,000 |

Rate Structure

Service Fees 4.61%

- Single family units = \$437.30/yr
- Multiple family units = \$393.57/yr
- Schools/institutional = \$22.78/cap/yr
- Commercial = Per water use and load

Developer Fees 5.4%

- Dutard Trunk line fee = \$674/unit
- Connection fee single family = \$4,281
- Connection fee multi family = \$3,853

Residential Single Family Example

| Rate for 05/06 | Proposed Rate for 06/07 | Change |
|----------------|-------------------------|--------------|
| \$34.83/mo | 36.44/mo | \$1.61/mo |
| \$417.96/year | \$437.30/year | \$19.34/year |

| <u>Agency</u> | <u>Treatment Level</u> | <u>Rate/Mo</u> |
|----------------------|------------------------|----------------|
| Summerland | Tertiary | \$52.36 |
| Laguna | Tertiary | \$36.44 |
| Montecito | Secondary | \$48.33 |
| Mission Canyon | Secondary | \$46.00 |
| Carpinteria | Secondary | \$42.67 |
| Los Alamos | Secondary | \$40.90 |
| Lompoc | Secondary | \$37.30 |
| Santa Ynez | Secondary | \$36.80 |
| Solvang | Secondary | \$32.48 |
| Santa Barbara | Secondary | \$28.07 |
| Vandenberg Village | Secondary | \$29.13 |
| Goleta Sanitary | Secondary (Changing) | \$20.86 |
| Goleta West Sanitary | Secondary (Changing) | \$14.00 |
| Santa Maria | Secondary | \$10.48 |
| Mission Hills | Primary | \$31.50 |
| Cuyama | Primary | \$25.00 |
| Guadalupe | Primary | \$24.20 |
| Buellton | Primary | \$41.75 |

| <u>Agency(ies)</u> | <u>Water/Mo</u> | <u>Water + Sewer Per Month</u> |
|--|-----------------|------------------------------------|
| Solvang | \$84.35 | \$116.83 |
| Carpinteria + Carpinteria Valley Water | \$72.51 | \$115.18 |
| Summerland + Montecito Water | \$58.75 | \$111.11 |
| Montecito + Montecito Water | \$58.75 | \$107.08 |
| Mission Canyon + Santa Barbara | \$46.00 | \$89.63 |
| Santa Ynez + Santa Ynez RWCD 1 | \$43.20 | \$80.00 |
| Buellton | \$37.90 | \$79.65 |
| Goleta Sanitary + Goleta Water | \$53.21 | \$74.07 |
| Santa Barbara | \$45.14 | \$73.21 |
| Los Alamos | \$31.94 | \$72.84 |
| Lompoc | \$31.95 | \$69.25 |
| Goleta West Sanitary + Goleta Water | \$53.21 | \$67.21 |
| Laguna + Golden State Water | \$26.15 | \$62.59 |
| Mission Hills | \$30.75 | \$62.25 |
| Vandenberg Village | \$31.42 | \$60.55 |
| Cuyama | \$33.45 | \$58.45 |
| Guadalupe | \$32.45 | \$56.65 |
| Santa Maria | \$42.39 | \$52.87 |

Costs for water softening not included

Future Plans

- Assess economic future
 - ✓ Completed Operational Audit by RW Beck and will incorporate recommendation into the long range plan
 - ✓ Governance alternatives are ongoing with city of SM and Golden State Water Co
 - ✓ Long Range Plan and future cost projections analysis are continuing with AC and CEO



Conclusion

- Plant upgrade and improvements were necessary to comply with regulatory requirements and prepare for planned growth of Orcutt
- FY 06-07 4.61% rate increase is designed to fund annual operating costs





Thank You

Questions?