



# Water and Wastewater Rate Changes

Vandenberg Village Community Services District  
June 2, 2009



# Rates, Charges, and Fees

- Flat or tiered
- Fixed or based on use
- Combined or separated
- Property taxes
  - Sometimes supplements or replaces revenue from rates, charges, or fees



# VVCSD “Water” Bill

Four charges

1. Water Usage (tiered)
2. Water Service (fixed)
3. Sewer Service (fixed)
4. LRWRP Upgrade (fixed)



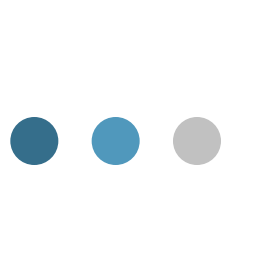
# Water Rate Goals

1. Cover Operating Expenses
2. Contribute to Reserves to:
  1. Fund Capital Projects
  2. Provide an Operating Contingency
  3. Have Cash Available in the Event of Catastrophic Loss



# Water Rate Change Proposal

- Add 4<sup>th</sup> Tier (50+ CCF) to Water Usage Rates
  - Slightly increases revenue (about \$34,000/year)
  - Customer has greater control over bottom line
  - Encourages water conservation



# Impact to Sample Customers

(water only)

**All meter sizes + 17 ccf water** **0**  
(average customer usage)

**All meter sizes + 75 ccf water** **+ \$20.75**  
(high customer usage)



# Projected Water Revenue

	Current Rates	New Rates
Total Revenue	\$1,577,955	\$1,612,014
Contribution to Reserves (including depreciation)	\$420,311	\$454,370

# History of Water Usage Charges



# History of Water Service Charges





# Wastewater Rate Goals

1. Cover Operating Expenses
2. Contribute to Reserves
3. Pay our share of the LRWRP Upgrade project (approximately \$20 million over 20 years)



# Wastewater Rate Change Proposal

- Increase Wastewater Service Charge by 6%
  - Wastewater treatment expense has increased by 8% and represents 48% of wastewater rate
- Increase Replenishment Charge by 90%
  - Reserve goal has increased by 147% with the increase in net assets due to accounting for the LRWRP Upgrade project
- Increase LRWRP Upgrade Charge by 120%
  - District's annual payment to the City of Lompoc for the LRWRP Upgrade project has increased by 566% from \$131,000 to \$875,000



# Proposed Change to RESIDENTIAL Wastewater Service Charge

	<b>Current</b>	<b>Proposed</b>	<b>Change</b>
Service Charge	36.08	38.10	2.02
Reserve Replenishment	5.05	9.60	4.55
LRWRP Upgrade	4.05	8.93	4.88
<b>TOTAL CHARGE</b>	<b>45.18</b>	<b>56.63</b>	<b>11.45</b>

# of customers

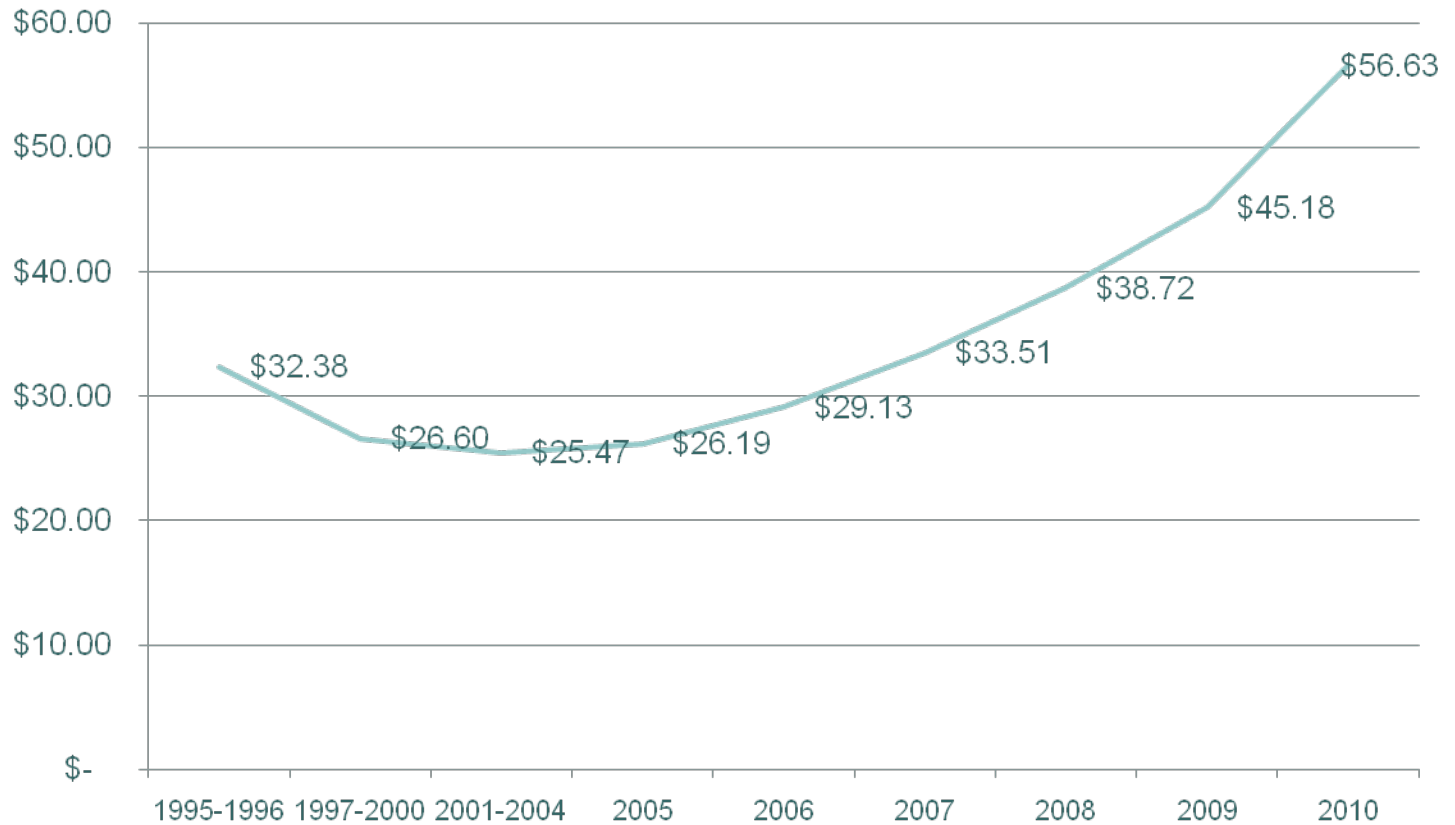
2,253

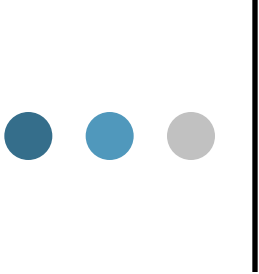


# Projected Wastewater Revenue

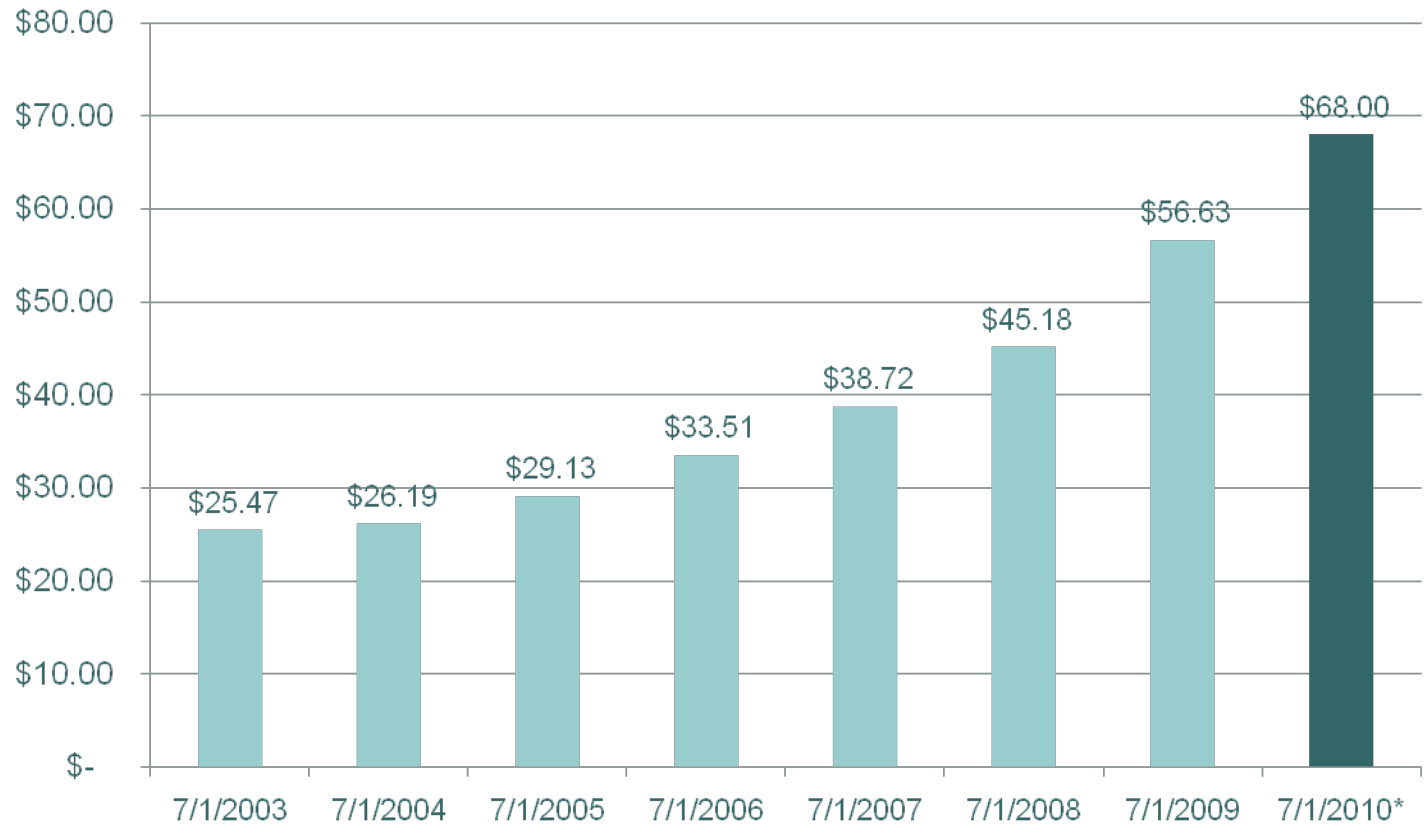
	Current Rates	New Rates
Total Revenue	\$1,484,555	\$1,851,300
Contribution to Reserves (including depreciation)	\$274,098	\$640,843

# History of Residential Wastewater Service Charges





# Residential Wastewater Service Charge





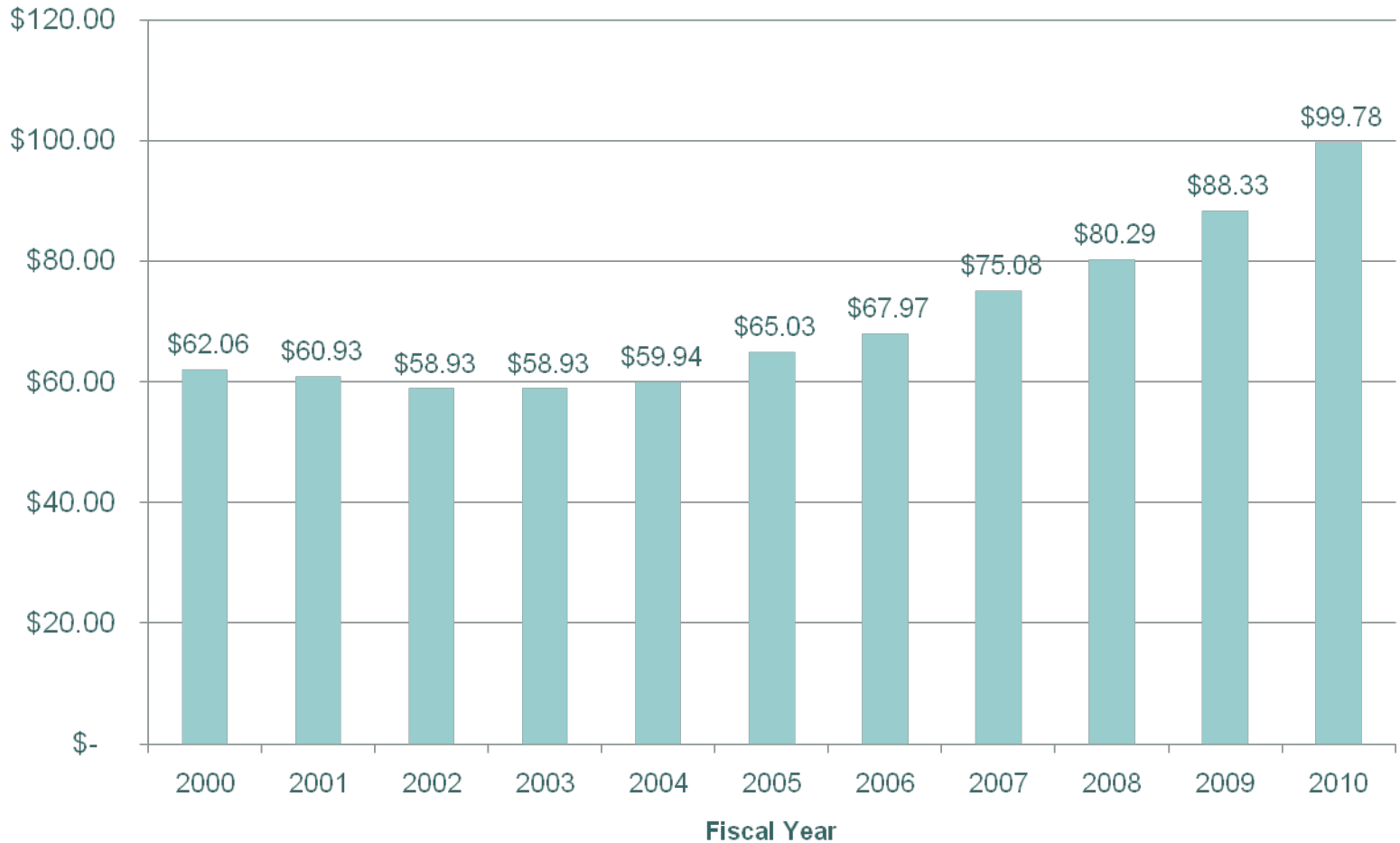
# Impact to Sample Customers

(water and wastewater)

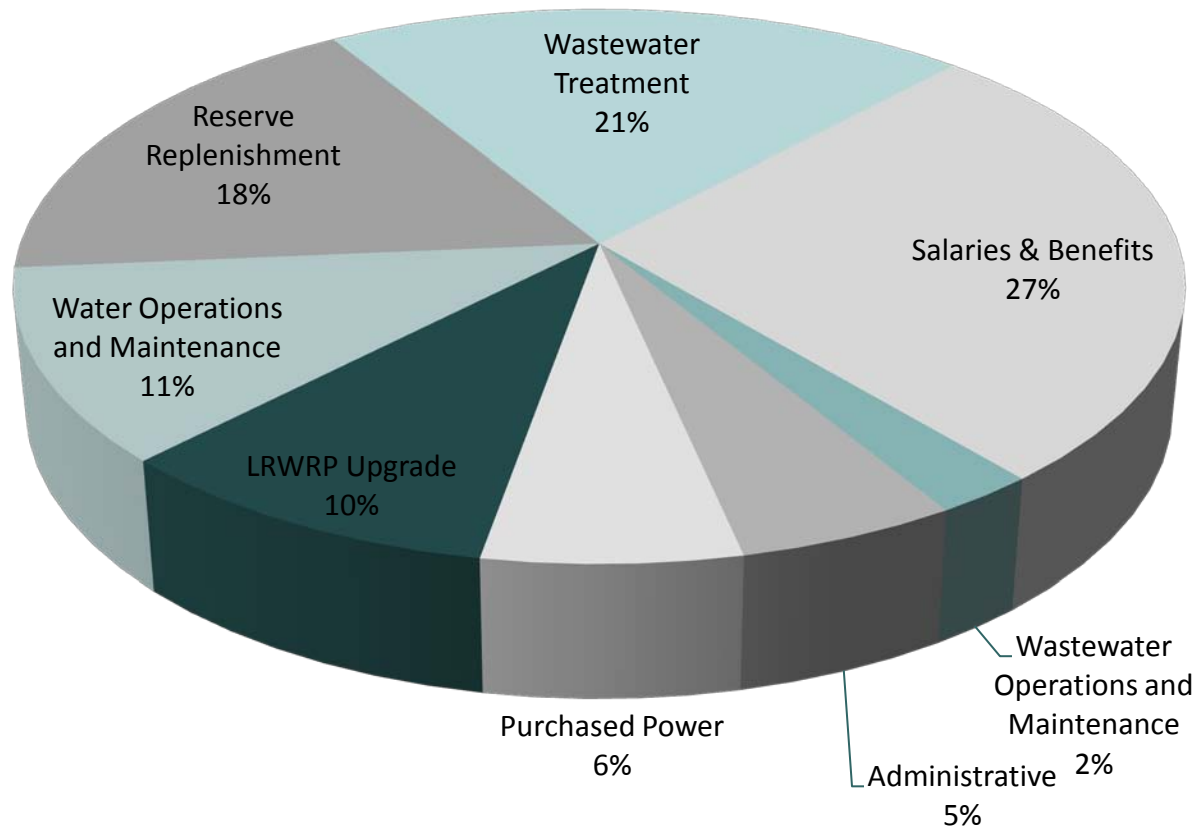
**All meter sizes + 17 ccf water** + **\$11.45**  
(average customer usage)

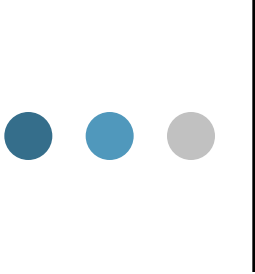
**All meter sizes + 75 ccf water** + **\$32.20**  
(high customer usage)

# Sample Bill - Based on $5/8 \times 3/4$ meter and 17ccf water



# Water/Wastewater Rate Allocation

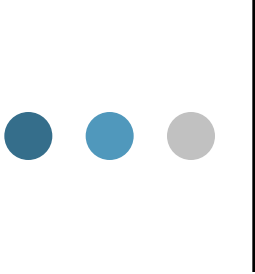




# Eckert Apartments vs. Single Family Houses

## Assumptions

- Eckert's largest apartment building (51 units)
  - 2" meter supplying domestic and irrigation water
- August 2008 water usage
  - Eckert – 395 CCF
  - Single Family Houses – 27 CCF (average)
- Population densities (2000 census)
  - Based on occupied and unoccupied units
  - Eckert – 1.69 people
  - Single Family Houses – 2.66 people



# Estimated Costs (Water and Wastewater) – Proposed Rates

## ➤ Eckert

$$\$3,323.57 \div [(51 \text{ units})(1.69 \text{ people per unit})]$$

$$= \mathbf{\$38.56 \text{ per person}}$$

## ➤ Single Family Homes

$$\$115.28 \div 2.66 \text{ people}$$

$$= \mathbf{\$43.39 \text{ per person}}$$

Conclusion: Tiered water use rates may result in apartment tenants paying slightly more for per capita water use; however, when savings from bulk-metering water service and other adjustments are factored in, apartment tenants end up paying pay less, per capita, for combined water and wastewater services.



# Future Wastewater Rate Considerations

- Residential, Apartments, Condominiums
  - Calculate Wastewater Rate based on customer's water usage for January, February, and March
- Apartments
  - Eliminate occupancy factor and revise density factor based on 2010 Census rather than current factors of 80% occupancy and 83% density
- Condominiums
  - Eliminate vacancy factor



## 2008 Secured Property Taxes

Situs	Tax Rate Area / Jurisdiction	Net Assessed Value
COVINGTON WAY	08003 / City of Goleta	\$319,988

Fund	Amount
------	--------

### Basic 1% Property Taxes

0001 -- GENERAL	510.05
0632 -- CITY OF GOLETA - PROPERTY TAX	173.03
2280 -- S B CO FIRE PROTECTION DIST	366.43
2400 -- SB CO FLD CTR/LWTR CONS DST MT	8.30
2610 -- SOUTH COAST FLOOD ZONE 2	35.63
3050 -- SANTA BARBARA CO WATER AGENCY	10.70
3270 -- GOLETA CEMETERY DISTRICT	8.24
4090 -- SANTA BARBARA MET TRANSIT DIST	7.42
4160 -- SB COASTAL VECTOR CONTROL DIST	5.70
4500 -- CACHUMA RESOURCE CONS DIST	0.01
4640 -- GOLETA SAN DIST RUNNING EXP	7.23
5500 -- GOLETA COUNTY WATER DISTRICT	0.00
6801 -- GOLETA UNION SCH DIST-GEN	962.38
8201 -- SANTA BARBARA HI SCH DIST-GEN	465.92
9610 -- SBCC DISTRICT GENERAL	162.93
9801 -- COUNTY SCHOOL SERVICE FUND	111.95
9802 -- EDUCATION REVENUE AUGMENTATION	363.97
<i>Total Basic 1% Property Taxes</i>	<b>3,199.89</b>

### Bonds

6851 -- GOLETA UNION ELEM BOND 1996	52.06
8251 -- SANTA BARBARA HIGH BOND 2000	39.93
9621 -- SBCC BOND 2008	27.20
<i>Total Bonds</i>	<b>119.19</b>

### Fixed Charges

0635 -- GOLETA CITY BENEFIT ASSMT	9.00
0636 -- GOLETA CITY LIBRARY SPECL TAX	20.98
2611 -- SO COAST FLD ZN2 BENEFIT ASSMT	22.03
4161 -- VECTOR MGMT DIST ASSMT-ZNI	7.89
4785 -- GOLETA SANITARY SERVICE CHARGE	407.32
<i>Total Fixed Charges</i>	<b>467.22</b>

**TOTAL TAX 3,786.30**

## Where your property taxes go...

### 2008 Secured Property Taxes

Situs	Tax Rate Area / Jurisdiction	Net Assessed Value
ST ANDREWS WAY	72016 / County	\$642,000

Fund	Amount
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### Basic 1% Property Taxes

0001 -- GENERAL	1,442.87
2130 -- COUNTY SERVICE AREA NUMBER 4	24.55
2230 -- COUNTY SERVICE AREA NUMBER 32	0.00
2280 -- S B CO FIRE PROTECTION DIST	869.45
2400 -- SB CO FLD CTR/LWTR CONS DST MT	19.69
2480 -- LOMPOC VALLEY FLOOD ZONE 2	65.22
2670 -- NORTH COUNTY LIGHTING DIST	128.86
3050 -- SANTA BARBARA CO WATER AGENCY	25.36
3290 -- LOMPOC CEMETERY DISTRICT	50.74
3600 -- VANDNBERG VILLAG COM SVC DIST	0.00
3750 -- LOMPOC HOSPITAL DIST	126.82
4160 -- SB COASTAL VECTOR CONTROL DIST	1.25
4500 -- CACHUMA RESOURCE CONS DIST	5.91
5800 -- S YNEZ RVR WTR CONSR DIST GEN	20.89
8901 -- LOMPOC UNIFIED SCH DIST-GEN	2,131.24
9401 -- A HANCOCK JT CM COLL DS-GEN	384.23
9801 -- COUNTY SCHOOL SERVICE FUND	265.63
9802 -- EDUCATION REVENUE AUGMENTATION	857.29
<i>Total Basic 1% Property Taxes</i>	<b>6,420.00</b>

### Bonds

3756 -- LOMPOC HEALTHCARE BOND 2005	582.94
8951 -- LOMPOC UNIFIED SCH BOND 2002	385.20
9451 -- ALLAN HANCOCK CC BOND 2006	160.50
<i>Total Bonds</i>	<b>1,128.64</b>

### Fixed Charges

2481 -- LOMPOC VLY FLD Z BENEFIT ASSMT	6.30
<i>Total Fixed Charges</i>	<b>6.30</b>

**TOTAL TAX 7,554.94**



# Proposed Change to CONDOMINIUM Wastewater Service Charge

	<b>Current</b>	<b>Proposed</b>	<b>Change</b>
Service Charge	34.14	36.47	2.33
Reserve Replenishment	4.80	9.12	4.32
LRWRP Upgrade	3.98	8.21	4.23
<b>TOTAL CHARGE PER UNIT</b>	<b>42.92</b>	<b>53.80</b>	<b>10.88</b>

# of customers

185



# Proposed Change to APARTMENT Wastewater Service Charge

	<b>Current</b>	<b>Proposed</b>	<b>Change</b>
Service Charge	28.91	30.37	1.46
Reserve Replenishment	4.04	9.79	5.75
LRWRP Upgrade	2.67	7.78	5.11
<b>TOTAL CHARGE PER UNIT</b>	<b>35.62</b>	<b>47.94</b>	<b>12.32</b>

# of customers

222



# Proposed Change to COMMERCIAL Wastewater Service Charge

	Current	Proposed	Change
Disposal Charge (per ccf)	4.87	4.49	<0.38>
LRWRP Upgrade (per ccf)	0.60	1.05	0.45
Reserve Replenishment	*	1.13	1.13
<b>TOTAL CHARGE PER CCF</b>	<b>5.47</b>	<b>6.67</b>	<b>1.20</b>

\*Reserve Replenishment 5.05 (per account)

# of customers

36

**Note:** Commercial wastewater charges are based on the three lowest months of water usage. Individual wastewater charges range from 28% decrease to a 53% increase.

# Proposed Change to SCHOOL Wastewater Service Charge

	Current	Proposed	Change
Disposal Charge (per ccf)	4.87	4.49	<0.38>
LRWRP Upgrade (per ccf)	0.60	1.05	0.45
Reserve Replenishment	*	1.13	1.13
<b>TOTAL CHARGE PER CCF</b>	<b>5.47</b>	<b>6.67</b>	<b>1.20</b>

\*Reserve Replenishment 5.05 (per account)

# of customers 3

**Note:** School wastewater charges are based on the number of students enrolled. The schools also receive a 50% reduction during summer months. The average increase for the schools is 18%.

# of occupants (students + staff) x Flow Factor = calculated ccf

	Without Showers	With Showers
Flow Factor	0.063	.0157