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CONSULTANTS

Sewer Rate Study

Land's End County Sanitation District Regional Collection Area

March 24, 2026





Background

- The Land's End service area is a collection system that contracts with the City of Lakeport for treatment and serves about 170 homes and about 60 businesses
- The District has implemented annual CPI increases in recent years
- Last rate study was done in 2011.
- Despite inflationary increases, utility rates have fallen behind the cost of service
- Each rate structure is also proposed to be adjusted to better reflect current sewer flow patterns
- Rate study will cover a 5-year period
 - Rates adjusted each July 1 beginning 2026 to 2030



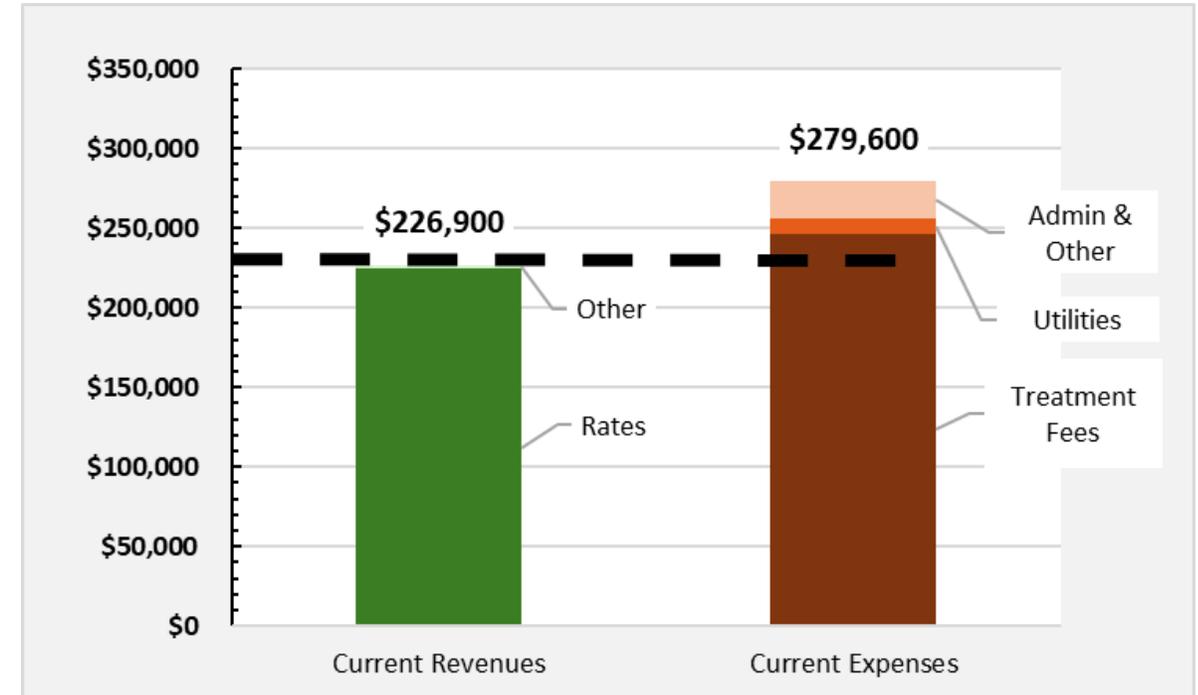
Legal Requirements: Proposition 218

- Governs how property-related charges are adopted
 - Covers rates over a maximum 5-year period
 - Rates must be based on the reasonable cost of service and proportionally recover costs based on how customers take service
- Procedural requirements:
 - Conduct a rate study
 - Mail a notice to property owners in English and Spanish
 - Hold a public hearing a minimum of 45 days after notice is mailed
 - Rates cannot be adopted if more than 50% of parcels submit written protests



Cost of Service Analysis

- Financial Status
 - Revenues of about \$226,900 will not cover operating costs of \$279,600
 - City of Lakeport charges about \$245,000 for treatment; Lake County has no control over this cost
 - Operating Fund is projected to end this year with a negative fund balance of **(\$52,700)**
 - Capital Fund is projected to end this year with a negative fund balance of **(\$2,900)**
- Rate increases are needed to fund operating expenses, deferred maintenance and accumulate operating reserves
- Capital improvement fee increase is needed to fund upcoming projects such as software upgrades, SCADA, air release valves, Land's End's share of a pumper truck, and to accumulate reserves





Review of Current Monthly Sewer Rates

BASE RATE	Billing unit	February 15, 2025
Residential	dwelling unit	\$72.93
Low Strength Commercial	each	\$72.93
Medium Strength Commercial	each	\$219.56
High Strength Commercial	each	\$394.34

IN ADDITION TO THE BASE RATES ABOVE

Convalescent/Group Home/Hospital/Detention	per bed	\$36.33
Hotel/Motel w/o kitchen	per room	\$7.97
Hotel/Motel with kitchen	per room	\$12.09
Hotel/Motel (permanently occupied)	per room	\$36.33
Laundromat	per machine	\$26.09
Theater or Drive-in	per seat/car space	\$0.59
Bars and Lounge or Restaurants	per seat over 33	\$1.51
RV & Campgrounds w/o sewer hookup	per space	\$4.94
RV & Campgrounds with sewer hookup	per space	\$12.09
Schools w/o cafeteria or showers	per student	\$1.99
Schools w cafeteria & showers	per student	\$4.09

ADDITIONAL CHARGES – ALL CUSTOMERS

Capital Improvement Fee	each customer	\$4.50
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Sewer Rate Design

- Proposed fixed rates are based on estimated sewer flows and pollutant loadings of each customer class
- Data from the wastewater treatment plant and water use data from the past 3 years are used to estimate sewer flows
- Multi-family Residential customers are proposed to be moved to a separate rate category from single family residential customers
 - Multi-family customers are proposed to have a lower rate
 - Average single family residential flow is 210 gallons per day and multi-family flow is 160 gallons per day per dwelling unit
- Schools and daycares are proposed to be combined into one customer category



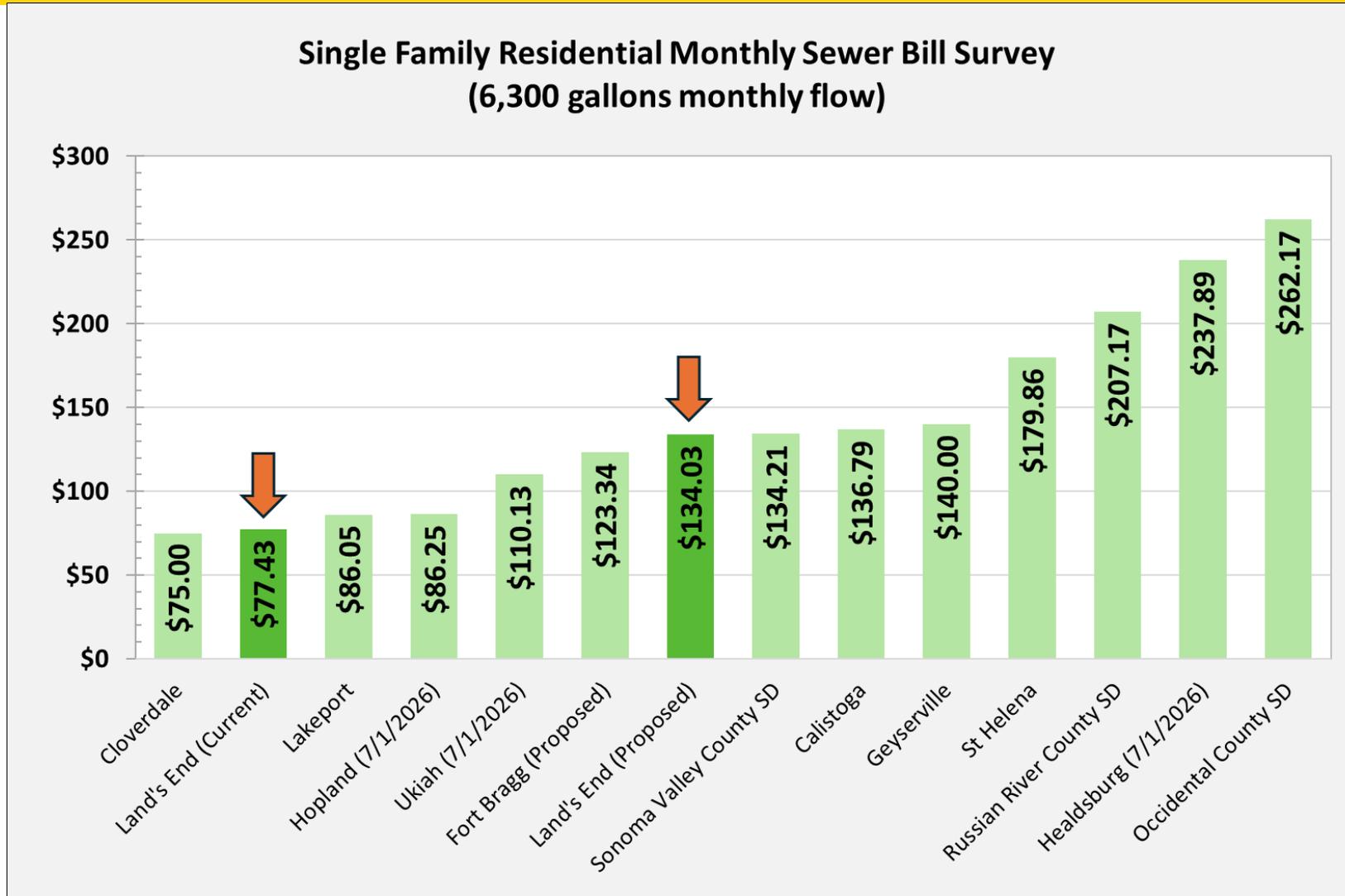
Single Family Residential Sewer Rates

	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
	Current	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029	July 1, 2030
MONTHLY RATES						
Base Sewer Rate	\$72.93	\$126.03	\$136.11	\$147.00	\$158.76	\$171.46
CIP Fee	<u>\$4.50</u>	<u>\$8.00</u>	<u>\$8.00</u>	<u>\$8.00</u>	<u>\$8.00</u>	<u>\$8.00</u>
Total	\$77.43	\$134.03	\$144.11	\$155.00	\$166.76	\$179.46
\$ Increase		\$56.60	\$10.08	\$10.89	\$11.76	\$12.70
% Increase		73%	8%	8%	8%	8%

- 163 single family homes and 7 duplexes
- First base rate increase reverses the deficit (i.e. minimum increase needed to cover operating costs)
- Further rate increases are needed to keep up with inflation, fund \$50,000 per year of deferred maintenance and rebuild reserves up to the target of 6 months of operating costs



Sewer Rate Survey





Proposed Monthly Sewer Rates

Customer Class	Units	Current Rate	Proposed Rate July 1	Rate Change	# of Customers
BASE RATE					
Single Family Residential	Dwelling Unit	\$72.93	\$126.03	73%	163
Multifamily Residential	Dwelling Unit	\$72.93	\$96.02	32%	10
Low-Strength Commercial	Each	\$72.93	\$141.30	94%	54
Medium-Strength Commercial	Each	\$219.56	\$360.08	64%	5
High-Strength Commercial	Each	\$394.34	\$705.36	79%	2
IN ADDITION TO THE BASE RATE					
Convalescent/Group Home/Hospital/Detention	per bed	\$36.33	\$45.01	24%	0
Hotel/Motel w/o kitchen	per room	\$7.97	\$23.55	195%	0
Hotel/Motel with kitchen	per room	\$12.09	\$45.01	272%	0
Hotel/Motel (permanently occupied)	per room	\$36.33	\$96.02	164%	0
Laundromat	per machine	\$26.09	\$70.65	171%	0
Theater or Drive-in	per seat or car space	\$0.59	\$0.94	59%	465
Bars and Lounge or Restaurants	per seat over 33	\$1.51	\$1.88	25%	0
RV & Campgrounds w/o sewer hookup	per space	\$4.94	\$7.07	43%	0
RV & Campgrounds with sewer hookup	per space	\$12.09	\$45.01	272%	0
Schools w/o cafeteria or showers	per student	\$1.99	\$3.77	89%	0
Schools w cafeteria & showers	per student	\$4.09	\$3.77	-8%	0



Full Rate Schedule

		Current			Proposed		
		FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
			July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029	July 1, 2030
Description	Billing Unit		Varies	+8%	+8%	+8%	+8%
BASE RATE							
Single Family Residential	per dwelling	\$72.93	\$126.03	\$136.11	\$147.00	\$158.76	\$171.46
Multifamily Residential	per dwelling	\$72.93	\$96.02	\$103.70	\$112.00	\$120.96	\$130.63
Low-Strength Commercial	each	\$72.93	\$141.30	\$152.60	\$164.81	\$178.00	\$192.24
Medium-Strength Commercial	each	\$219.56	\$360.08	\$388.88	\$419.99	\$453.59	\$489.88
High-Strength Commercial	each	\$394.34	\$705.36	\$761.78	\$822.73	\$888.54	\$959.63
IN ADDITION TO THE BASE RATES ABOVE							
Convalescent/Group Home/Hospital/Detention	per bed	\$36.33	\$45.01	\$48.61	\$52.50	\$56.70	\$61.24
Hotel/Motel w/o kitchen	per room	\$7.97	\$23.55	\$25.43	\$27.47	\$29.67	\$32.04
Hotel/Motel with kitchen	per room	\$12.09	\$45.01	\$48.61	\$52.50	\$56.70	\$61.24
Hotel/Motel (permanently occupied)	per room	\$36.33	\$96.02	\$103.70	\$112.00	\$120.96	\$130.63
Laundromat	per machine	\$26.09	\$70.65	\$76.30	\$82.41	\$89.00	\$96.12
Theater or Drive-in	per seat/car space	\$0.59	\$0.94	\$1.02	\$1.10	\$1.18	\$1.28
Bars and Lounge or Restaurants	per seat over 33	\$1.51	\$1.88	\$2.03	\$2.19	\$2.37	\$2.56
RV & Campgrounds w/o sewer hookup	per space	\$4.94	\$7.07	\$7.63	\$8.24	\$8.90	\$9.61
RV & Campgrounds with sewer hookup	per space	\$12.09	\$45.01	\$48.61	\$52.50	\$56.70	\$61.24
Schools w/o cafeteria or showers	per student	\$1.99	\$3.77	\$4.07	\$4.40	\$4.75	\$5.13
Schools w cafeteria & showers	per student	\$4.09	\$3.77	\$4.07	\$4.40	\$4.75	\$5.13
Capital Improvement Program (CIP) Fee	each	\$4.50	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00



Wrap Up

