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CONSULTANTS

Sewer Rate Proposition 218

Land's End County Sanitation District Regional Collection Area

May 19, 2026





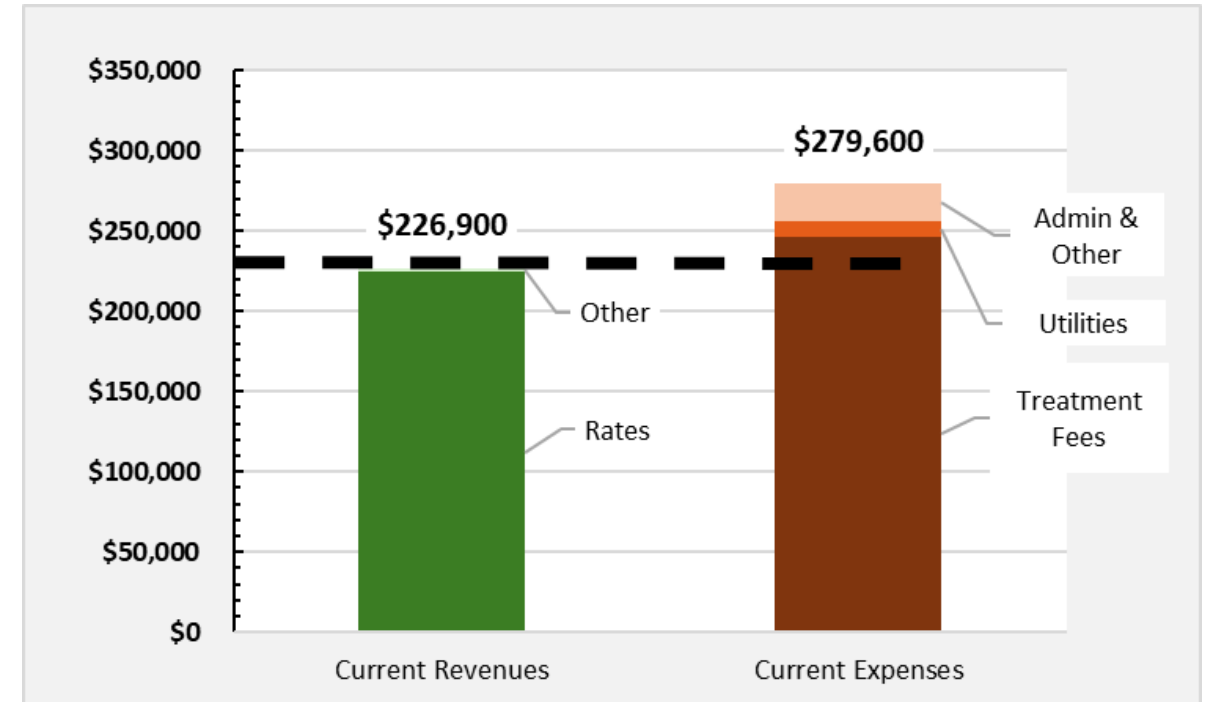
Background

- The Land's End service area is a collection system that contracts with the City of Lakeport for treatment
- 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



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 (\$50,000/year) 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





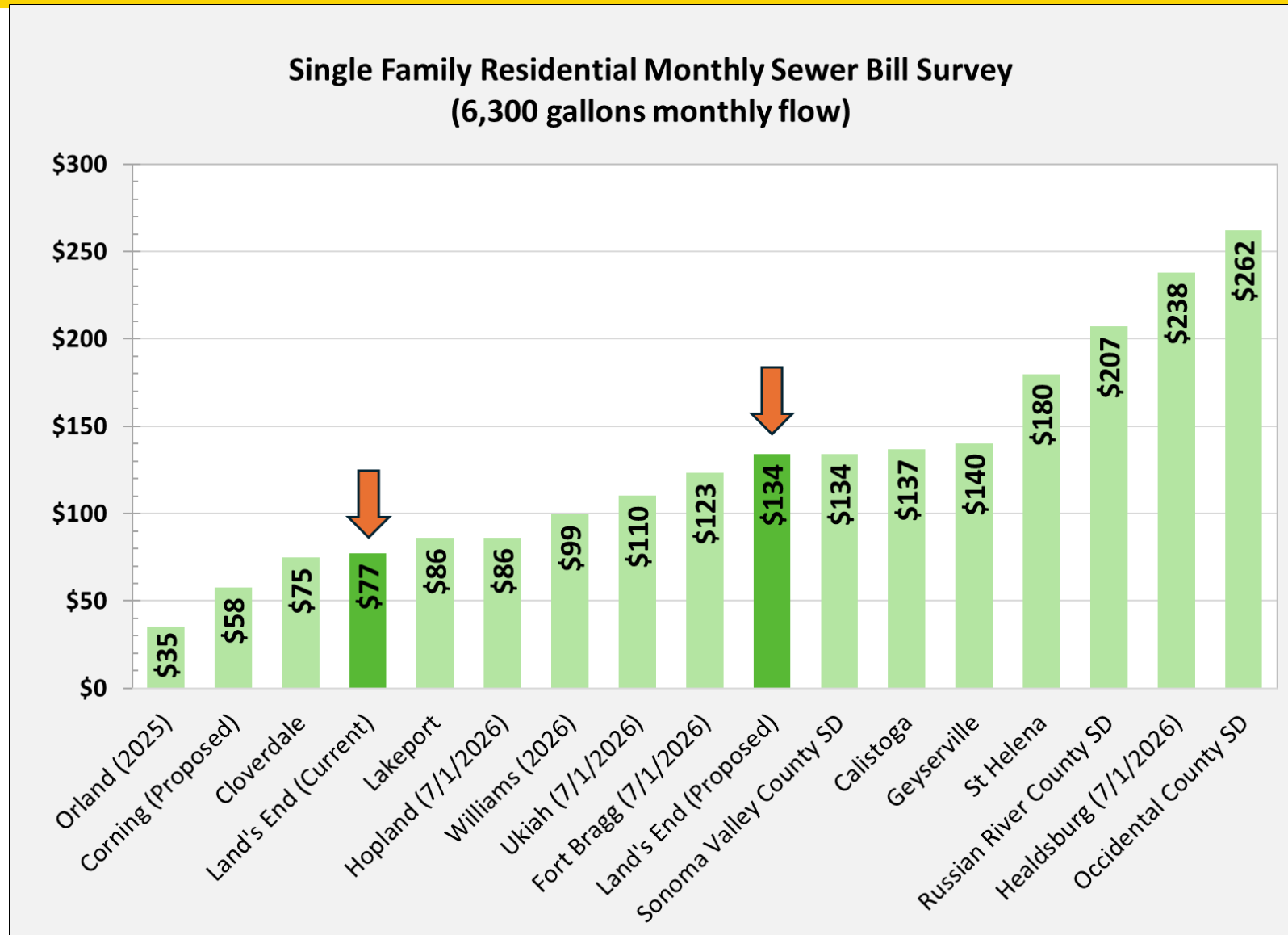
Single Family Residential Sewer Rates

	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%

- 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





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



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
 - 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



Wrap Up

