



**Salton Community Services District
Rate Study Presentation
May 17, 2023**

Rate Adoption Subject to Proposition 218

Applies to property related fees:

- How rates and fees may be determined
- Public hearing and notice requirements
- Protest procedures



Requirements for Establishing Fees

Salton CSD must:

- Identify the type of fees or charges that the utility is proposing to increase and how Prop. 218 applies.
- Identify the parcels upon which the fee or charge is proposed for imposition.
- Calculate the amount of fee or charge to be imposed.

Fees must be based on Costs to Provide Services



- The Rate Study provides support for costs to provide services
- Includes all short-term and long-term costs
- Fees and charges may be established for a period up to five years
- The rate schedule is typically updated every five years or less.

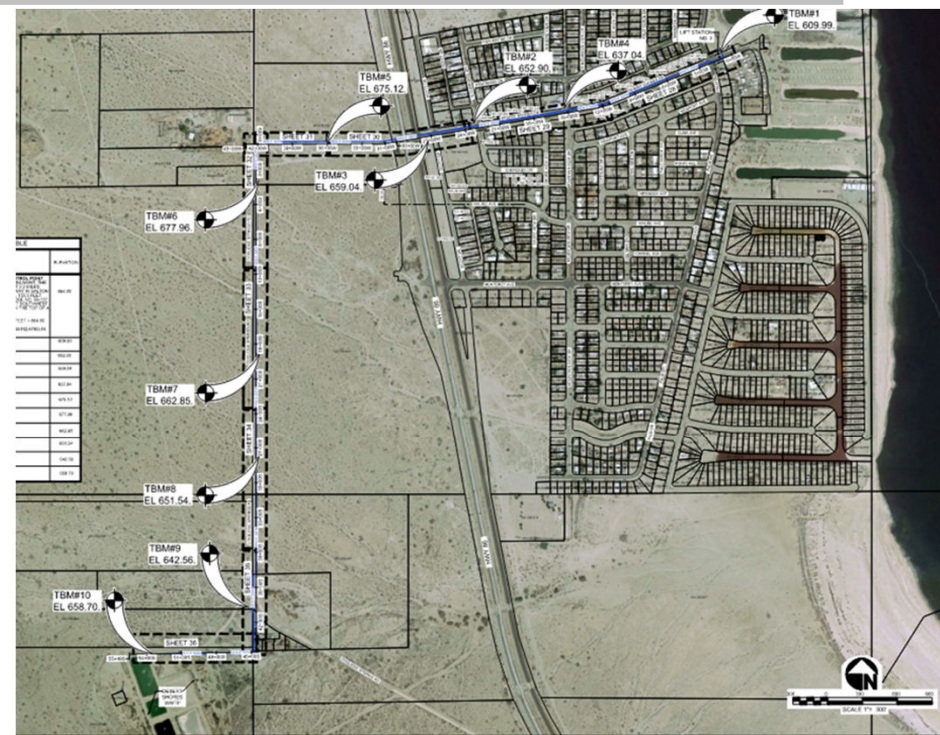
Rate Study Evaluation Cost of Service

- Salton CSD must have adequate revenue to continue operations and cover costs:
 - Operating Budget: Money needed to operate the system
 - Dept Service: Payment of money the District owes
 - Operating Reserves
 - Emergency Reserves
 - CIP Reserves: Money needed for system improvements and upgrades.



Salton CSD Infrastructure Challenges Impact Costs

- Aging sewer infrastructure
- Sewer force main breaks
- Pump repairs
- Manholes in poor condition
- Inefficiencies in some lift station configurations
- Inflow & infiltration
- Treatment plants near capacity



Steps being taken by Salton CSD to mitigate future cost increases

- Technical assistance under Proposition 1 to develop Clean Water Construction Grant Application for sewer conveyance system improvements.
- Technical assistance to develop Clean Water Planning Grant Application for treatment improvements.

RCAC Development of Rate Study

- Gathered data from Salton CSD
- Verified the data with the bookkeeper, operator, and management
- Discussed possible rates with the Salton CSD Staff and management.
- Discussed possible rate with Imperial County LAFCO

Revenue under Current Rates

Salton CSD Current Rates			
Base Fees			
	# Equivalent Dwelling Units	Annual Rate Per EDU	Average Annual Revenue
Single Family Residential	1,823	\$ 640.74	\$ 1,168,069
Multi-Family Residential	132	\$ 640.74	\$ 84,578
SC Elementary School (Per Student)	589	\$ 15.53	\$ 9,147
SC High School (Per Student)	474	\$ 46.53	\$ 22,055
Total Base Fee Revenue	3,018		\$ 1,283,849
Stand-By Fees			
Extra Lots Stand-By Fee	18,368	\$ 21.00	\$ 385,728
Maintenance Stand-By Fee	16,958	\$ 16.18	\$ 274,380
Total Stand-By & Maintenance Stand-By Fees Revenue			\$ 660,108
Usage Revenue			
	Usage Rate	Billable Usage	
Commodity Charge per CCF	\$ 7.70	20,133	\$ 155,026
Total Operating Revenue			\$ 2,098,984
Non-Operating Revenue:			
Interest & Penalties			\$ 35,000
Administration Fees			\$ 25,032
Interest Revenue			\$ 2,975
Total Non-Operating Revenue			\$ 63,007
Total Revenue			\$ 2,161,991

- Operating Revenue: 2,098,964
- Nonoperating: 63,007
- **Total Revenue: \$2,161,901**

Operating Revenue at Current Rates against 2024 Budgeted Costs

Operating Revenue	\$ 2,098,984	←
Less:		
Operating Costs	\$ 2,036,514	
Debt Service	\$ 116,885	
Operating Reserves	\$ 50,913	
Emergency Reserves	\$ 20,000	
CIP Reserves	\$ 398,998	
Total Costs of Service	\$ 2,623,310	←
Operating Revenue Over/(Under) Costs of Service	\$ (524,326)	←
Plus:		
Non-Operating Revenue	63,007	←
Net Income/(Loss)	(461,319)	←



Recommended Rate Increase

Set at minimum recommended rate to meet revenue requirements

- Operating Revenue: 2,556,597
- Nonoperating: 63,007
- **Total Revenue \$2,619,604**

Recommended Rate Adjustment

Salton Recommended Rates					
Base Fees					
	# Equivalent Dwelling Units	Annual Rate Per EDU	Recommended Rate Adjustment	Adjusted Rates	Average Annual Revenue
Single Family Residential	1,823	\$ 640.74	\$ 197.67	\$ 838.41	\$ 1,528,421
Multi-Family Residential	132	\$ 640.74	\$ 197.67	\$ 838.41	\$ 110,670
SC Elementary School (Per Student)	589	\$ 15.53	\$ 4.79	\$ 20.32	\$ 11,968
SC High School (Per Student)	474	\$ 46.53	\$ 14.35	\$ 60.88	\$ 28,857
Total Base Fee Revenue	3,018				\$ 1,679,917
Stand-By Fees					
Extra Lots Stand-By Fee	18,368	\$ 21.00	\$ -	\$ 21.00	\$ 385,728
Maintenance Stand-By Fee	16,958	\$ 16.18	\$ 0.81	\$ 16.99	\$ 288,099
Total Stand-By & Maintenance Stand-By Fees Revenue					\$ 673,827
Usage Revenue					
	Usage Rate	Billable Usage			
Commodity Charge per CCF	\$ 7.70	20,133	\$ 2.38	\$ 10.08	\$ 202,853
Total Operating Revenue					\$ 2,556,597
Non-Operating Revenue:					
Interest & Penalties					\$ 35,000
Admininstration Fees					\$ 25,032
Interest Revenue					\$ 2,975
Total Non-Operating Revenue					\$ 63,007
Total Revenue					\$ 2,619,604

Impact of Recommended Rate Adjustment

	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028
Base Rates Revenue	\$ 1,679,917	\$ 1,747,113	\$ 1,816,998	\$ 1,889,678	\$ 1,965,265
Extra Lots Stand-By Revenue	\$ 385,728	\$ 385,728.00	\$ 385,728.00	\$ 385,728.00	\$ 385,728.00
Maintenance Stand-By Revenue	\$ 288,099	\$ 302,504.44	\$ 317,629.66	\$ 333,511.14	\$ 350,186.70
Usage Revenue	\$ 202,852	\$ 210,966	\$ 219,404	\$ 228,180	\$ 237,308
Total Operating Revenue	\$ 2,556,596	\$ 2,646,311	\$ 2,739,760	\$ 2,837,097	\$ 2,938,487
Operating Costs	\$ 2,036,514	\$ 2,128,157	\$ 2,223,924	\$ 2,324,000	\$ 2,428,580
Debt Service	\$ 116,885	\$ 116,885	\$ 116,885	\$ 116,885	\$ 45,500
Operating Reserves	\$ 50,913	\$ 53,204	\$ 55,598	\$ 58,100	\$ 60,715
Emergency Reserves	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
CIP Reserves	\$ 395,291	\$ 391,073	\$ 386,360	\$ 381,119	\$ 446,699
Total Cost of Service	\$ 2,619,603	\$ 2,709,318	\$ 2,802,767	\$ 2,900,104	\$ 3,001,494
Net Operating Revenue	\$ (63,007)	\$ (63,007)	\$ (63,007)	\$ (63,007)	\$ (63,007)
Plus: Non-Operating Revenue	\$ 63,007	\$ 63,007	\$ 63,007	\$ 63,007	\$ 63,007
Net Income/(Loss)	\$ (0)	\$ (0)	\$ 0	\$ -	\$ (0)

Recommended Five Year Rate Schedule

Customer Class	Current Rate	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Single Family Residential	\$ 640.74	\$ 838.41	\$ 871.95	\$ 906.82	\$ 943.10	\$ 980.82
Multi-Family Residential	\$ 640.74	\$ 838.41	\$ 871.95	\$ 906.82	\$ 943.10	\$ 980.82
Elementary School (Per Student)	\$ 15.53	\$ 20.32	\$ 21.13	\$ 21.98	\$ 22.86	\$ 23.77
High School (Per Student)	\$ 46.53	\$ 60.88	\$ 63.32	\$ 65.85	\$ 68.49	\$ 71.23
Stand-by Fees	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00
Maintenance Fees	\$ 16.18	\$ 16.99	\$ 17.84	\$ 18.73	\$ 19.67	\$ 20.65
Usage Fee	\$ 7.70	\$ 10.08	\$ 10.48	\$ 10.90	\$ 11.33	\$ 11.79