

Lompoc Regional Wastewater Reclamation Plant (LRWRP) Update

On November 17, 2009, Vandenberg Village CSD joined the city of Lompoc in celebrating the dedication of the LRWRP upgrade project. As reported in our newsletters and bill inserts, the District is required to pay a percentage of the LRWRP upgrades and the District's share of the \$100 million project is approximately \$20 million, payable over 20 years. This effectively doubles our wastewater operating budget.

The District has been implementing measures to reduce the impact of this project on the ratepayer. In 2005, the District withdrew \$1,174,800 from reserves to pay the District's portion of the planning, design, and construction management costs. Making this lump sum payment saved the District \$1.2 million in interest. The District also received a \$4 million grant through the Prop 50 grant program from the State Water Resources Control Board. Unfortunately, we cannot absorb the entire cost on our own. The VVCSD operating budget is funded entirely by rates; the District receives no property taxes. Therefore, beginning in 2004, the District initiated a series of wastewater rate increases in anticipation of this expense. The portion of the rates that were not needed to cover expenses were set aside and have been used to offset a portion of the amount needed to cover this year's budget. The table below illustrates the history of the rate changes:

	Bond Charge	LRWRP Charge	Sewer Service Charge	Total Wastewater Rate
7/1/2004	3.69	–	22.50	26.19
7/1/2005	3.69	–	25.44	29.13
11/1/2005	–	–	29.13	29.13
7/1/2006	–	–	33.51	33.51
7/1/2007	–	3.73	34.99	38.72
7/1/2008	–	4.05	41.13	45.18
7/1/2009	–	8.93	47.70	56.63
7/1/2010 (proposed)	–	30.12	35.63	65.75

The Notice of Public Hearing you received in April summarizes the proposed wastewater rate changes required by this project. If approved, the residential sewer service charge decreases by \$12.07 and the LRWRP upgrade charge increases by \$21.19 for a net increase to the residential bill of \$9.12. The decrease is due to the removal of the amount added for rate stabilization and the increase will be used to pay our portion of the LRWRP upgrade project.

Average Residential Customer (17 units of water and 5/8x3/4 meter)

		Current	Proposed	Increase	Percent
Usage -1st tier	1 - 10 CCF	11.90	11.90	0.00	0.00%
Usage -2nd tier	11 - 17 CCF	9.59	9.59	0.00	0.00%
Water Service Charge	5/8" x 3/4"	21.66	21.66	0.00	0.00%
	Water Only Total	\$43.15	\$43.15	\$0.00	0.00%
Sewer Service Charge		47.70	35.63	(12.07)	
LRWRP Upgrade Charge		8.93	30.12	21.19	16.10%
	Sewer Only Total	\$56.63	\$65.75	\$9.12	16.10%
	Total Bill	\$99.78	\$108.90	\$9.12	9.14%

If you have any questions, please call us at (805) 733-2475. We will be happy to help you.