

LAFCO 3233
Notice of Filing Attachments:
CSA 64
Financial Impact Analysis

Attachment E

Description	CSA 64 Spring Valley Lake
<u>FY 2018-19 Budget</u>	
Operating Expenses (Includes contract with VVWRA for sewer services)	\$ 3,066,862
Transfers to CSA 70 Administration for:	
Department Administration Allocated Costs:	559,609
Water and Sanitation Division Allocated Costs	1,575,705
Equipment Purchases	75,000
Operating Transfers Out to Reserves for Future Capital Improvement Projects	489,123
Total	<u>5,766,299</u>
 <u>Reduction in Costs Due to Dissolution of CSA 64</u>	
Operating Expenses (Includes contract with VVWRA for sewer services)	(3,066,862)
Transfers to CSA 70 Administration for:	
Department Administration Allocated Costs:	(322,548) (1)
Water and Sanitation Division Allocated Costs	(1,083,755) (2)
Equipment Purchases	(75,000)
Operating Transfers Out to Reserves for Future Capital Improvement Projects	(489,123)
Total	<u>(5,037,288)</u>
 <u>Costs Remaining</u>	
Operating Expenses (Includes contract with VVWRA for sewer services)	-
Transfers to CSA 70 Administration for:	
Department Administration Allocated Costs:	237,061
Water and Sanitation Division Allocated Costs	491,950
Equipment Purchases	-
Operating Transfers Out to Reserves for Future Capital Improvement Projects	-
Total	<u>\$ 729,011</u>
 <u>One-Time Costs</u>	
Field Office Relocation	\$ 500,000 - 750,000
Pension Liability	1,961,813
Accrued Leaves	282,171
	<u>\$ 2,743,984 - 2,993,984</u>

Notes:

(1) The \$322,548 decrease represents the deletion of 2.5 FTE's, the reallocation of some administration staffing costs to other districts and a reduction in services and supplies.

(2) The \$1,083,755 decrease represents the deletion of 14 FTE's and a reduction in services and supplies.

The remaining costs of \$729,011 exists as a result of fixed or base costs that cannot be mitigated through reduction in additional staffing and/or services without jeopardizing the District's ability to adequately serve remaining customers. Mitigation opportunities exist through increasing rates to our remaining customers, however, the District does not have approval authority to authorize these rate increases themselves, but requires Board of Supervisors approval, as well as the rate payer's approval by affirmative vote or protest vote. Additional source of revenue may also come from increasing cost to MOU Services.