Summerland Sanitary District – Satellite District Rough Estimate Cost of Operation

Below you will find information regarding your request to calculate cost (and revenues) if SSD would be operated as a satellite site.

It's estimated that by converting to a satellite district there would be savings of $297,909 annually (based on FY2023/24) and that the excess revenues (revenues minus expenditures) would increase from $204,200 to $501,929, or 146%.

Revenues

Property Taxes

The property tax revenue stays the same, this year's estimated income is $355,000.

Sewer Charges

If SSD sewer fees would be converted to the Montecito Sewer Rates ($1,480 for Single Family Dwellings and $696 for Condo, Apartments, ADUs, and Mobile homes) then the total charges would be reduced from $1,065,794 to $1,043,606 with a total income loss of $22,188, or 2% (See Attachment 1). FYI I could only calculate the Residential Rates since I'm unable to calculate the Commercial Rates with the MSD formula.

Expenditures

Personnel Expenses

Salaries & Benefits currently are $710,500 and they would be reduced by $226,000 (or 32%) to $484,500 based on 3 FTE (See Attachment 2). NB Further analysis should be made of personnel needs.

Operational Expenses

Operational Expenditures and Supplies currently are $426,274 and it's roughly estimated that it would be reduced by $89,897 (21%) to $336,677 (See Attachment 3).

Capital Expenditure: Additionally, we estimate about $80,000 in Capital Expenditure/Depreciation for the budget year, I estimated this would be the same (if not more) going forward.

Budget	SSD Status Quo	MSD overlay	%
Revenues			
Property Taxes	$ 355,000	$ 355,000	0%
Sewer Fees	$ 1,065,794	$ 1,043,606	-2%
Total Revenues	**$ 1,420,794**	**$ 1,398,606**	**-2%**
Expenditures			
Salaries & Benefits	$ 710,500	$ 480,000	-32%
Operational	$ 426,274	$ 336,677	-21%
Capital/Depreciation	$ 80,000	$ 80,000	0%
Total Expenditures	$ 1,216,774	$ 896,677	-26%
Revenues - Exp.	**$ 204,020**	**$ 501,929**	**146%**

Again, this is a very rough estimate and further analysis is needed.