

Prepared For:

Santa Ynez Community Services



District

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Report on Wastewater Rate Study

Submitted By:

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March 23, 2021

Mr. Jose Acosta
District Manager
Santa Ynez Community Services District
1070 Faraday Street
Santa Ynez, CA 93460

Dear Mr. Acosta:

I am pleased to submit this report for the Wastewater Rate Study (Study) for the Santa Ynez Community Services District (District). The wastewater rates presented in this report have been updated using industry standard methods that result in fair and equitable rates for the users of the wastewater enterprise in accordance with Proposition 218.

This Study included a review and analysis of the wastewater enterprise revenue and revenue requirements, number of customers, and current rate structure. This report presents the findings and recommendations for the sewer service charges, District Capacity Charges, Horizon Line Capacity Charges, and miscellaneous fees. Tables and figures throughout the report are provided to demonstrate the calculations.

It has been a pleasure working with the District on this project. If there are any questions regarding this report, please contact me at (949) 760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
President/Project Consultant

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Executive Summary

The Santa Ynez Community Services District (District) engaged Tuckfield & Associates to conduct a comprehensive Wastewater Rate Study (Study) for its wastewater system (System) in December 2020. The District requested that the Study recognize that new customers connecting to a newly constructed Horizon Line sewer (the “Horizon Line”) will finance their capacity charges and annexation fees in lieu of up-front cash payments. This Study includes development of a pro forma statement of revenues and revenue requirements for the wastewater enterprise, design of sewer service charges for implementation, and determination of the Horizon Line Capacity Charges and also the estimated payments from District financing of the Horizon Line Capacity Charges, Capacity Charges, and Annexation Fees.

Wastewater Financial Plan

Current sewer service charges consist of monthly fixed charges which are collected through the county of Santa Barbara tax rolls. Fixed charges for all customers are charged in proportion to the single-family residential (SFR) dwelling unit fixed charge using the customer’s equivalent flow and strength factor. One Equivalent Residential Unit (ERU) is defined as the flow and strength of one SFR dwelling unit. The District currently serves about 1,250 ERUs. The number of ERUs is expected to increase by 4 ERUs annually beginning FY 2021-22.

The District has prepared a ten-year capital improvement program (CIP) spending plan for the wastewater utility. The capital expenditures consist of various repair, replacement, and rehabilitation projects and includes a large project consisting of the Horizon Line sewer. The Horizon Line sewer project will connect 20 customers to the District which will be financed through the California Special District Association (CSDA) and contribute \$800,000 toward the cost of the project.

The CIP included two other sewer line projects consisting of the Stadium Line and the Westside Extension project. Due to the uncertainty regarding both of these projects, they have been excluded from the Study. The Study should be updated in two to three years to address any impacts of these two projects to the District.

A financial plan was created that identifies the revenue and revenue requirements of the wastewater enterprise. Annual revenue includes wastewater service charge revenue and miscellaneous revenue including various charges and fees. Annual revenue requirements include operation and maintenance expense (O&M), capital replacement, future debt service from the CSDA loan, and additions to reserves. From the analysis of the financial plan, revenue increases are recommended to adequately meet future obligations and cash reserve funding needs. These proposed revenue adjustments include 4.25 percent increases annually for four years beginning July 2022. The wastewater financial plan is presented in Table 9.

Proposed Sewer Service Charges

Table ES-1 presents the proposed sewer service charges to be implemented by the District to meet future operation and maintenance (O&M) expense and capital spending needs of the System. The sewer service charges reflect the forecast of the cost of providing wastewater service presented in this Study.

Table ES-1
Proposed Monthly Sewer Service Charges

User Classification	Flow/ Unit (gpd)	Strength Factor	ERU Multiple	Current Charge	Proposed [1]				
					FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Projected Rate Increase [1]					0.00%	4.25%	4.25%	4.25%	4.25%
Residential Fixed Charges									
Single Family	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Multi-family	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Second Unit/Studios	160	1.00	0.74	\$57.06	\$57.06	\$59.49	\$62.01	\$64.65	\$67.40
Mobile Home/Trailers									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Trailer Space	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Mobile Home Park Laundry	140	1.00	0.65	\$49.92	\$49.92	\$52.04	\$54.25	\$56.56	\$58.96
Retirement Facility									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Rooms w/o Kitchens	100	1.00	0.47	\$35.67	\$35.67	\$37.19	\$38.77	\$40.41	\$42.13
Rooms w/ Kitchens	150	1.00	0.70	\$53.49	\$53.49	\$55.76	\$58.13	\$60.60	\$63.18
Non-Residential Fixed Charges									
Motel/Hotel									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Rooms w/o Kitchens	100	1.00	0.47	\$35.67	\$35.67	\$37.19	\$38.77	\$40.41	\$42.13
Rooms w/ Kitchens	150	1.00	0.70	\$53.49	\$53.49	\$55.76	\$58.13	\$60.60	\$63.18
Laundrettes, per machine	160	1.00	0.74	\$57.06	\$57.06	\$59.49	\$62.01	\$64.65	\$67.40
Beauty & Barber Shops	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Each Sink Over 2	100	1.00	0.47	\$35.67	\$35.67	\$37.19	\$38.77	\$40.41	\$42.13
Gas Station w/Restroom	325	1.00	1.51	\$115.91	\$115.91	\$120.84	\$125.97	\$131.33	\$136.91
Cocktail Lounge	430	1.00	2.00	\$153.35	\$153.35	\$159.87	\$166.66	\$173.74	\$181.13
Additional Seating	8	1.00	0.04	\$2.85	\$2.85	\$2.97	\$3.10	\$3.23	\$3.37
Market, Major	750	1.76	6.14	\$470.74	\$470.74	\$490.75	\$511.60	\$533.35	\$556.01
Convenience Market	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Convenience Market w/Deli	270	1.76	2.21	\$169.47	\$169.47	\$176.67	\$184.18	\$192.01	\$200.17
Deli	260	1.00	1.21	\$92.72	\$92.72	\$96.66	\$100.77	\$105.05	\$109.52
Office & Retail	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Units w/o Toilets	100	1.00	0.47	\$35.67	\$35.67	\$37.19	\$38.77	\$40.41	\$42.13
Restaurant Full Service	600	1.76	4.91	\$376.59	\$376.59	\$392.60	\$409.28	\$426.67	\$444.81
Additional Seating - Food	12	1.76	0.10	\$7.54	\$7.54	\$7.86	\$8.19	\$8.54	\$8.91
Additional Seating - Bar/Banquet	8	1.00	0.04	\$2.85	\$2.85	\$2.97	\$3.10	\$3.23	\$3.37
Coffee Specialty Retail	270	1.00	1.26	\$96.29	\$96.29	\$100.38	\$104.65	\$109.10	\$113.73
Restaurant - Fast Food	240	1.76	1.96	\$150.64	\$150.64	\$157.04	\$163.72	\$170.67	\$177.93
YMCA [2]									
Institutional									
Church	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Pre/Elementary School, Per Student	7	1.00	0.03	\$2.30	\$2.30	\$2.40	\$2.50	\$2.61	\$2.72
High School, per Student	9	1.00	0.04	\$3.21	\$3.21	\$3.35	\$3.49	\$3.64	\$3.79
Museum	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Post Office	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Public Park	500	1.00	2.33	\$178.31	\$178.31	\$185.89	\$193.79	\$202.02	\$210.61
Additional Sewer Service Charges									
Senior Living									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
per Bed	125	1.00	0.58	\$44.58	\$44.58	\$46.47	\$48.45	\$50.50	\$52.65
Food Service	600	1.76	4.91	\$376.57	\$376.59	\$392.60	\$409.28	\$426.67	\$444.81
Additional Seating (per seat)	12	1.76	0.10	\$7.53	\$7.54	\$7.86	\$8.19	\$8.54	\$8.91
Recovery Ranch									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
per Bed	70	1.00	0.33	\$24.96	\$24.96	\$26.02	\$27.13	\$28.28	\$29.48
Food Service	600	1.76	4.91	\$376.57	\$376.59	\$392.60	\$409.28	\$426.67	\$444.81
Additional Seating (per seat)	12	1.76	0.10	\$7.53	\$7.54	\$7.86	\$8.19	\$8.54	\$8.91
Medical, Dental, Veterinarian									
Clinic or Building (per 1,000 sf)	300	1.15	1.60	\$123.03	\$123.03	\$128.26	\$133.71	\$139.39	\$145.31
Billiard/Café (per 1,000 sf)	150	1.15	0.80	\$61.51	\$61.51	\$64.13	\$66.85	\$69.70	\$72.66
Food Service	600	1.76	4.91	\$376.57	\$376.59	\$392.60	\$409.28	\$426.67	\$444.81
Additional Seating (per seat)	12	1.76	0.10	\$7.53	\$7.54	\$7.86	\$8.19	\$8.54	\$8.91
Cocktail Lounge with Food	430	1.76	3.52	\$269.88	\$269.88	\$281.35	\$293.31	\$305.77	\$318.77
Additional Seating	8	1.76	0.07	\$5.02	\$5.02	\$5.23	\$5.46	\$5.69	\$5.93
Car Wash	1,350	1.15	7.22	\$553.63	\$553.63	\$577.16	\$601.69	\$627.26	\$653.92
Winery and Wine Tasting	270	1.00	1.26	\$96.28	\$96.29	\$100.38	\$104.65	\$109.10	\$113.73
Wine Tasting with Food	430	1.76	3.52	\$269.88	\$269.88	\$281.35	\$293.31	\$305.77	\$318.77
Additional Seating	8	1.76	0.07	\$5.02	\$5.02	\$5.23	\$5.46	\$5.69	\$5.93

[1] All sewer service charges are effective July 1.

[2] The YMCA has a payment agreement based on annual flow.

The proposed rates use the current District methodology of calculating sewer service charges by using estimates of equivalent flow and strength factor for each customer classification relative to the SFR dwelling unit.

For any new wastewater customer that is not listed in Table ES-1, it is suggested that the District reserve the right to charge the customer based on the estimated wastewater flow determined through the use of fixture units using the California Uniform Plumbing Code or other means determined by the District. The wastewater flow is used to develop the appropriate wastewater service charge using the equation provided below.

$$\begin{aligned} \text{Sewer Service Charge} &= (\text{Customer Flow/SFR Flow}) \times \text{Strength Factor} \times \text{SFR Charge} \\ &= \text{ERU} \times \text{SFR Charge} \end{aligned}$$

Wastewater Residential Bill Impacts

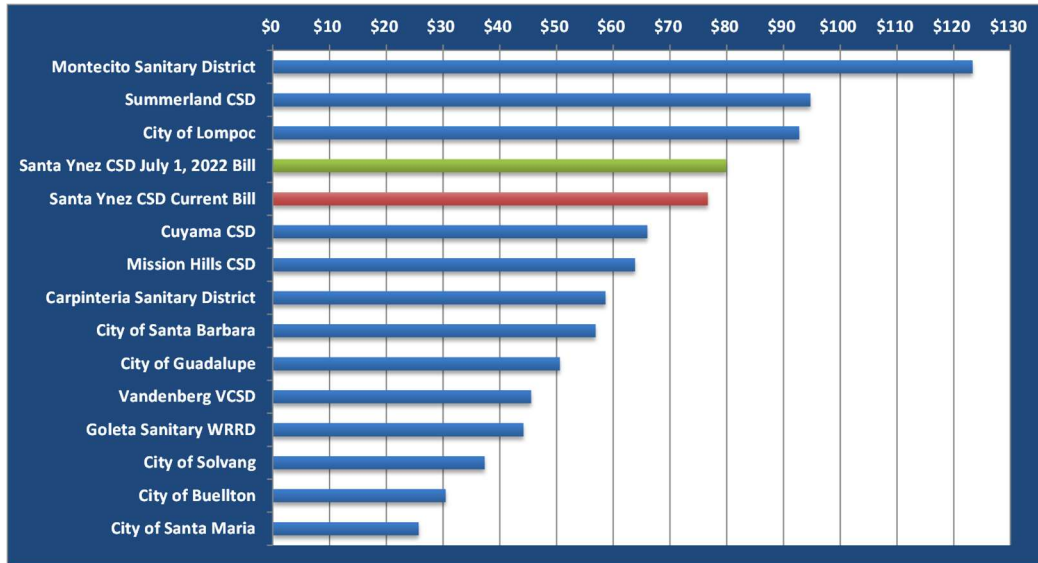
Table ES-2 presents the impacts to residential bills from the implementation of the proposed July 2022 sewer service charges. The table shows that the wastewater bill of a SFR customer will increase from \$76.67 to \$79.93, an increase of \$3.26, or 4.25 percent.

Table ES-2
Comparison of Current Residential Monthly Bill with
Proposed Monthly Bill Using July 2021 Proposed Sewer Service Charges

Classification	Current Bill	July 2022 Proposed Bill	Increase	Percent Change
Residential				
Single Family	\$76.67	\$79.93	\$3.26	4.25%
Multi-family	\$76.67	\$79.93	\$3.26	4.25%
Second Unit/Studios	\$57.06	\$59.49	\$2.43	4.25%
Mobile Home/Trailers	\$76.67	\$79.93	\$3.26	4.25%

Chart ES-1 has been prepared to compare the District's SFR wastewater bill with those of other communities at the same consumption. The chart indicates that comparing the July 2022 charges to other communities, a District SFR customer will experience a bill that is in the upper half of the communities listed.

Chart ES-1
Comparison of Single-family Residential Monthly Wastewater Bills
 For Rates in Effect February 2021



Note: Above table uses wastewater rates in effect February 2021. Chart does not include any other charges than those published on each agency's website. City of Lompoc uses 10 HCF of winter water use. District's July 2022 bill is based on the wastewater service charges in Table 10.

Horizon Line Capacity Charges

The District plans to construct a sewer line to connect 20 existing homes to the District's collection system. This sewer line project is referred to as the Horizon Line project. The Horizon Line project will only serve the 20 existing homes, and therefore it is the intent of the District to recover the Horizon Line project costs from these 20 homes.

The proposed Horizon Line Capacity Charge for these 20 homes is calculated to be \$40,000; the cost of the project of \$800,000 divided by the 20 homes. The charge will increase by 3 percent annually. Because of the magnitude of the charge, the District is offering to finance the charge for the customer at the prime rate plus 1 percent for up to a 20 year period. Additionally, the District is offering to finance the District's Capacity Charge and the Annexation Fee at the same terms.

The customers have indicated that they wish to connect to the sewer line as their septic systems fail, so it is uncertain of the exact timing of their connection and their payments to the District. Discussions with District staff indicate that a connection rate of 4 homes per year for 5 years is reasonable for these customers.

The District plans to finance the project cost with proceeds from a California Special District Association (CSDA) loan. The analyses indicate that the District should be able to collect enough from the annual payments from the customers to meet its annual costs related to the Horizon Project, and additionally may accumulate some cash reserves.

Introduction

The Santa Ynez Community Services District (District) engaged Tuckfield & Associates to conduct a comprehensive Wastewater Rate Study (Study) for its wastewater system (System) in December 2020. The District requested that the Study recognize completion of the Horizon Line in October of 2021 with 20 new customers connecting to the sewer line at the rate of 4 customers annually for 5 years. This Study includes development of a pro forma statement of revenues and revenue requirements of the wastewater enterprise and design of new sewer service charges for implementation.

Background

The Santa Ynez Community Services District (District) was formed in 1971 and provides wastewater collection service to about 924 customers within the District's service area of about one square mile. Customers of the System include residential and commercial customers. Wastewater collected through the District's sewer collection system is conveyed to the City of Solvang Wastewater Treatment Plant (WWTP). The District has purchased capacity rights of 300,000 gpd in the WWTP. Additionally, the District operates a wastewater treatment plant under contract with the Chumash Tribe.

Current sewer service charges consist of monthly fixed charges collected through the county of Santa Barbara tax rolls. Fixed charges for all customers are established in proportion to the single-family residential (SFR) dwelling unit fixed charge based on a customer's equivalent flow and strength factor.

Objectives

The broad objectives of this Study are to (1) review the current and future financial status of the wastewater enterprise, (2) make any adjustments to the revenue being received to ensure that financial obligations are being met now, and in the future, including adequate reserves and debt service coverage, and (3) design rates and charges that generate the required revenue while being fair and equitable for its customers. These objectives are met through preparing a financial plan and sewer service charges that provide the following.

- Revenue sufficiency to fund operating and capital needs
- Appropriate levels of operating and capital reserves
- Rates and charges that are consistent with industry practice
- Stable revenue stream similar to the existing rate structure
- Ease of understanding and administration of service charges

Additionally, the Study sought to account for the construction of the Horizon sewer line, identify the number of customers connecting to the line, and determine the amount of the Horizon Line Capacity Charge as well as to estimate the annual payments from these customers given that the District will finance the Horizon Line Capacity Charges, District Capacity Charges, and Annexation Fees.

Assumptions

Assumption and Planning Factors

Several assumptions and planning factors were used to conduct the Study for the period FY 2020-21 to FY 2025-26. The assumptions include customer growth rates, expense inflation factors, and other assumptions. The assumptions and financial planning factors used in the Study are provided in Table 1.

Table 1
Assumptions and Planning Factors

Description	Value
Annual EDU and Demand growth [1]	4
Interest earnings on fund reserves (annual)	0.25%
Budget Escalation	
Personnel Services [annual, 2]	4.0%
Benefits, Insurance, Taxes	4.0%
Electrical Power	5.0%
Chemicals	5.0%
Solvang Treatment	7.0%
All Other Operations and Maintenance [annual]	2.0%
Capital	2.0%
New Revenue Bond Debt	
Interest Rate	3.0%
Repayment Period (Term) - years	20

[1] Annualized growth in sewer EDUs for a total of 20.

[2] Personnel Services growth in staffing, promotions and inflation are 4% percent annually.

District Reserve Policy

The District has a written reserve policy detailed in Resolution 15-01. A reserve policy provides a basis to deal with unanticipated reductions in revenues, changes in the costs of providing services, fixed asset repair and replacement, natural disaster, and other issues. It also provides guidelines to maintain the financial health and stability of the wastewater enterprise. This Study utilizes the District's reserve policy for each reserve type (except where noted) and sets reserve targets as described below.

Operating Reserve

The purpose of the Operating Reserve is to provide working capital to meet cash flow needs during normal operations and support the operation, maintenance and administration of the utility. This reserve ensures that operations can continue should there be significant events that impact cash flows. The District Policy reserve

target balance to be maintained is 6 months (180 days) of annual O&M expense. The Operating Reserve receives revenue from the operating surplus of the Enterprise Fund. Since O&M expense increases each year, the reserve to be maintained will increase annually also.

Building Reserve

The Building Reserve is a sub-account of Replace/Expansion Reserve listed below and is established at \$140,000 to be maintained annually.

Replace/Expansion Reserve

The Replace/Expansion Reserve is used to fund the enhancement, replacement, or expansion the District's owned/non-owned facilities. The Replace/Expansion reserve receives revenue from the Enterprise Fund after the Operating Reserve and the Building Reserve have received adequate funding. Revenues are also received from annexation Fees. No minimum reserve level is established for this reserve other than the Building Reserve. However, a Target Reserve equal to the sum of the 10-year CIP exclusive of the Horizon Line, Stadium Line, and Westside Extension is used for this reserve, currently equal to about \$4.77 million.

Future Capacity Reserve

The purpose of the Future Capacity Reserve is to fund the purchase of additional capacity in the City of Solvang's WWTP. The Future Capacity Reserve receives revenues from the Enterprise Fund and from Capacity Charges. The reserve balance to be held in this fund is equal to the cost to purchase 10 percent additional capacity (currently 30,000 gpd) in the Solvang WWTP. The price per gallon of additional capacity that is used to determine the reserve level is the current book value of the plant, divided by the total plant capacity of 1.5 mgd.

It is recommended that the amount to be held in reserve be at least equal to the District's estimated cost to purchase capacity at the City of Solvang's WWTP. The current estimate to purchase capacity from the City of Solvang at \$6,337 per residential unit of the city. Using this amount, the proposed reserve balance to be maintained in the fund is the following.

$$\text{Future Capacity Reserve} = 10\% \times 300,000 \text{ gpd} / 215 \text{ gpd per SFR} \times \text{Capacity Charge}$$

$$\text{Future Capacity Reserve} = 30,000 / 215 \times \$6,337$$

$$\text{Future Capacity Reserve} = \$880,000$$

This is the reserve amount that is used in this Study as the Target Reserve. The amount of the reserve should be updated with the next rate study update.

District Beginning Balances

The District's beginning reserve balances were provided by the District for each of the reserves identified above and totals \$4,367,000. Table 2 provides a summary of the District's reserves by type with a comparison to the target reserve levels.

Table 2
District Reserve Fund Balances and Target Reserve Levels

Reserve Type	Beginning Balance July 1, 2020	Reserve Target
Operating	\$590,094	\$725,000
Building	\$140,000	\$140,000
Fund/Replace/Expansion	\$2,744,383	\$4,770,000
Future Capacity	\$892,527	\$880,000
Total	\$4,367,004	\$6,515,000

District Capacity and Capacity Right

The District has purchased a total of 300,000 gpd of capacity in the City of Solvang WWTP through several agreements with the City of Solvang. As stated in the 1998 Interagency Agreement, the District is not to allow additional connections to the System if they will bring the District's predicted flow to or above 95% of its Average Dry Weather Flow (ADWF), the District's capacity right.

The percent of the District's capacity right is provided in Table 3 below. The District's total capacity of 300,000 gpd is reduced by the capacity leased to the Chumash Tribe. The remaining capacity is compared the District's average daily flow for FY 2019-20 to calculate a use percentage of 58.5 percent as of July 2020.

Table 3
Treatment Capacity Use

Description	FY 2019-20
Purchased Capacity	
Total ADWF Capacity (gpd)	300,000
Chumash Tribe Capacity (gpd)	(88,000)
Santa Ynez CSD Capacity (gpd)	212,000
Santa Ynez CSD	
Average Daily Flow (gpd) ^[1]	124,027
SYCSD Percent Use of Capacity Right	58.5%
Less 5 percent of SYCSD Capacity (gpd)	(10,600)
Remaining Capacity (gpd)	77,373

[1] From SYCSD/City of Solvang annual flow records.

The remaining capacity and percent of capacity right shown in Table 3 uses average daily wastewater flow for FY 2019-20. From the table above, the District may be able serve an additional 359 ERUs (77,373 gpd / 115 gpd per ERU) before requiring additional capacity.

Wastewater Financial Plan

This section discusses the current sewer service charges, user classifications, revenues and revenue requirements, planned capital improvement expenditures and associated financing sources, used in developing the wastewater enterprise financial plan. Revenue adjustments are discussed and proposed to sustain the wastewater enterprise.

Existing Sewer Service Charges

The District's current sewer service charges consist of monthly fixed charges to residential and non-residential customers. All customers are charged a fixed charge as a multiple of the single-family residential (SFR) charge. The fixed charges can be adjusted annually and are billed through the Santa Barbara County tax rolls.

The charge for a SFR dwelling unit is defined as one Equivalent Residential Unit (ERU). One ERU is the sewer flow and strength of a single-family residence, stated in terms of maximum discharge flow in gallons per day (gpd) and strength consisting of bio-chemical oxygen demand (BOD) and suspended solids (SS). Service charges for other customers are based on their proportion of flow and strength relative to the single-family residence. The current wastewater charges are presented in Table 4.

Wastewater User Classifications

Number of Customers

Wastewater customers are currently classified as Residential, Non-Residential, Institutional, and All Other. The Residential classification is further separated into single-family, multifamily, second unit/studios, and mobile home. Non-Residential classes consist of over 40 separate classifications as shown in Table 4. Institutional customers consist of churches, schools, museums, post offices, and parks. Additional sewer service charges related to the residential classification includes Senior living (per bed charge) and the Manager's residence.

Number of Equivalent Residential Units

The total number of ERUs can be determined from the revenue received from sewer service charges and the SFR dwelling unit charge. From the District's FY 2020-21 Budget, the District expects to generate sewer service charge revenue of \$1,150,000 in FY 2020-21. Dividing this revenue by the SFR monthly charge of \$76.67, or \$920.04 annually, the total number of ERUs is about 1,250 ERUs. The number of ERUs are planned to increase by 4 annually for 5 years beginning in FY 2021-22 and is shown in Table 5.

Revenues

The District receives revenue from sewer service charges and miscellaneous revenues. Table 5 presents the projected revenue from current sewer service charges of the wastewater enterprise. The revenue is projected by applying the current SFR sewer service charge from Table 4 to the projected number of ERUs shown in Table 5.

Table 4
Current Monthly Sewer Service Charges

User Classification	Flow/Unit gpd	Strength Factor	ERU Multiple	Current Charges
Residential Fixed Charges				
Single Family	215	1.00	1.00	\$76.67
Multi-family	215	1.00	1.00	\$76.67
Second Unit/Studios	160	1.00	0.74	\$57.06
Mobile Home/Trailers				
Manager Residence	215	1.00	1.00	\$76.67
Trailer Space <20 ft. wide	160	1.00	0.70	\$53.49
Trailer Space >20 ft. wide	215	1.00	1.00	\$76.67
Mobile Home Park Laundry	140	1.00	0.65	\$49.92
Retirement Facility				
Manager Residence	215	1.00	1.00	\$76.67
Rooms w/o Kitchens	100	1.00	0.47	\$35.67
Rooms w/ Kitchens	150	1.00	0.70	\$53.49
Non-Residential Fixed Charges				
Motel/Hotel				
Manager Residence	215	1.00	1.00	\$76.67
Rooms w/o Kitchens	100	1.00	0.47	\$35.67
Rooms w/ Kitchens	150	1.00	0.70	\$53.49
Laundrettes, per machine	160	1.00	0.74	\$57.06
Beauty & Barber Shops	215	1.00	1.00	\$76.67
Each Sink Over 2	100	1.00	0.47	\$35.67
Gas Station w/Restroom	325	1.00	1.51	\$115.91
Cocktail Lounge/Wine Tasting	430	1.00	2.00	\$153.35
Additional Seating	8	1.00	0.04	\$2.85
Market, Major	750	1.76	6.14	\$470.74
Convenience Market	215	1.00	1.00	\$76.67
Convenience Market w/Deli	270	1.76	2.21	\$169.47
Deli	260	1.00	1.21	\$92.72
Office & Retail	215	1.00	1.00	\$76.67
Units w/o Toilets	100	1.00	0.47	\$35.67
Restaurant Full Service	600	1.76	4.91	\$376.59
Additional Seating - Food	12	1.76	0.10	\$7.54
Additional Seating - Bar/Banquet	8	1.00	0.04	\$2.85
Coffee Specialty Retail	270	1.00	1.26	\$96.29
Restaurant - Fast Food	240	1.76	1.96	\$150.64
YMCA [1]				\$0.00
Institutional				
Church	215	1.00	1.00	\$76.67
Pre/Elementary School, Per Student	7	1.00	0.03	\$2.30
High School, per Student	9	1.00	0.04	\$3.21
Museum	215	1.00	1.00	\$76.67
Post Office	215	1.00	1.00	\$76.67
Public Park	500	1.00	2.33	\$178.31
Additional Sewer Service Charges				
Senior Living				
Manager Residence	215	1.00	1.00	\$76.67
per Bed	125	1.00	0.58	\$44.58
Food Service	600	1.76	4.91	\$376.57
Additional Seating (per seat)	12	1.76	0.10	\$7.53
Recovery Ranch				
Manager Residence	215	1.00	1.00	\$76.67
per Bed	70	1.00	0.33	\$24.96
Food Service	600	1.76	4.91	\$376.57
Additional Seating (per seat)	12	1.76	0.10	\$7.53
Medical, Dental, Veterinarian				
Clinic or Building (per 1,000 sf)	300	1.15	1.60	\$123.03
Billiard/Café (per 1,000 sf)	150	1.15	0.80	\$61.51
Food Service	600	1.76	4.91	\$376.57
Additional Seating (per seat)	12	1.76	0.10	\$7.53
Cocktail Lounge with Food	430	1.76	3.52	\$269.88
Additional Seating	8	1.76	0.07	\$5.02
Car Wash	1,350	1.15	7.22	\$553.63
Winery and Wine Tasting	270	1.00	1.26	\$96.28
Wine Tasting with Food	430	1.76	3.52	\$269.88
Additional Seating	8	1.76	0.07	\$5.02

[1] The YMCA has a payment agreement based on annual flow.

Table 5
Projected Sewer Service Charge Revenue Using Current Charges

Description	Budget		Forecast			
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Sewer Service Charge Revenue	\$1,150,000	\$1,153,700	\$1,157,400	\$1,161,100	\$1,164,800	\$1,168,500
Monthly Sewer Service Charge	\$76.67	\$76.67	\$76.67	\$76.67	\$76.67	\$76.67
Number of EDUs	1,250	1,254	1,258	1,262	1,266	1,270

In addition to revenue from sewer service charges, the District receives miscellaneous revenue from several sources including annexation fees, rents/leases, capacity charges, property taxes, inspection fees, sewer benefit fees, Horizon Line Capacity Charges, and other miscellaneous revenue. Table 6 provides the estimated and projected revenue from miscellaneous sources. Note that the Horizon Line Capacity Charges, Capacity Charges, and Annexation Fees represent payments streams from financing of those charges by the District.

Table 6
Projected Miscellaneous Revenue

Description	Budget		Projected			
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Annexation/Buy-in Fee	\$0	\$996	\$1,992	\$2,988	\$3,984	\$4,980
WWTP Admin/Overhead	33,000	28,080	29,160	29,241	30,322	30,404
Tribe Admin/Overhead	6,460	4,815	4,930	5,045	5,060	5,175
Capacity Charges	-	3,164	6,392	9,684	13,109	16,603
Property Tax	180,000	182,700	185,441	188,223	191,046	193,912
Inspection Fees	-	460	460	460	460	460
Sewer Benefit Fees	38,000	38,197	38,394	38,591	38,788	38,985
Horizon Line Capacity Charges	19,973	19,973	40,545	61,734	83,559	106,038
Other Miscellaneous Revenue	2,293	2,996	2,999	3,002	3,005	3,008
Total Miscellaneous Revenue	\$279,726	\$281,381	\$310,313	\$338,968	\$369,333	\$399,565

Revenue Requirements

Revenue requirements of the wastewater utility include operation and maintenance (O&M) expense of the collection system and City of Solvang wastewater treatment expense. These two items are discussed below.

Operation and Maintenance Expense

Operation and maintenance (O&M) expenses of the District include the cost to operate and maintain the wastewater collection system and also include technical services and other general and administrative expenses such as salaries, benefits, insurance, legal, office, and other expenses.

O&M expense has been projected recognizing the major expense categories of personnel costs, electricity, chemicals, and all other expenses. Personnel costs consist of salaries and benefits expense of those personnel involved with providing wastewater service. Cost inflation for personnel services costs is projected to increase by 4 percent annually beginning in FY 2016-17. Annual escalation in electricity and chemicals expense is

projected to increase by 5 percent while all other O&M expense is projected to increase by 2 percent based on expectations of future expense inflation. Table 7 below summarizes projected O&M expense for the wastewater enterprise. Table A-1 in Appendix A provides the detailed projections of historical and projected wastewater O&M expense.

Table 7
Projected Operation and Maintenance Expense

Description	Budget		Projected			
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Santa Ynez CSD						
Operations	\$511,650	\$567,144	\$586,939	\$607,463	\$628,745	\$650,916
City of Solvang Treatment	240,000	256,800	274,776	294,010	314,591	336,612
Building Expense	14,700	15,144	15,604	16,082	16,577	17,091
Administrative	277,600	284,532	293,461	302,697	312,254	322,142
Total SYCSD Expenses	\$1,043,950	\$1,123,620	\$1,170,780	\$1,220,253	\$1,272,168	\$1,326,761
Tribe						
Tribe Collection	\$38,160	\$38,358	\$39,871	\$41,440	\$42,969	\$44,659
Tribe Wastewater Plant	368,000	381,789	397,140	412,077	428,625	444,810
Total Tribe	\$406,160	\$420,148	\$437,011	\$453,517	\$471,594	\$489,469

Debt Service

Currently the District does not have any outstanding debt. However, the District has received an \$800,00 loan commitment in FY 2020-21 from the California Special District Association (CSDA) Finance Corporation. The loan has an interest rate of 3 percent with term of 20 years and the proceeds will be used to finance the Horizon Line project discussed below.

Wastewater Capital Improvement Program

The District has developed a capital improvement program (CIP) that lists capital expenditures for FY 2020-21 through FY 2029-30 which is summarized in Table 8 for the first six years. The complete listing of projects is provided in Appendix A-2. The CIP plan consists of various repair, replacement and rehabilitation projects and includes a large project identified as the Horizon Line sewer. Additionally, the plan includes reimbursement to the City of Solvang for the District's share of the Solvang capital projects.

The Horizon Line sewer project is a new sewer line that will connect customers with failing septic systems to the District collection system. The Horizon Line sewer project is expected to be completed by the end of October 2021 and customers will begin connecting in FY 2021-22 at the rate of 4 ERU's annually for a total of 20 ERU's. The Horizon Line project is financed through the \$800,00 CSDA loan.

The District's CIP had included the Stadium Line and the Westside Extension projects which were expected to be funded through an assessment/extension fees on the parcels befitting from these sewer projects. Because it is not clear how soon these customers will connect to the System, no impact is projected to sewer service charges from these projects, and they have been excluded from the CIP project list. Due to the uncertainty of these projects, the Study should be updated in about two to three years to address any impacts to the District.

All of the CIP costs, other than the Horizon Line sewer project, is funded by Replace/Expansion Reserves and revenue received into this fund from sewer service charges.

Table 8
Capital Improvement Program

Description	Fiscal Year					
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Solvang Projects						
WWTP Water Quality Project	\$780,000	\$180,000	\$1,000,000	1,520,000		
Belt Press Rehabilitation					7,400	
Fjord Lift Station Upgrades						20,000
Total Solvang Projects	\$780,000	\$180,000	\$1,000,000	\$1,520,000	\$7,400	\$20,000
SYCSD Projects						
Sewer Main Repair Projects	\$50,000	\$85,000	\$50,000	\$50,000	\$50,000	\$50,000
Force Main Bracing		200,000				
Operations Vehicle		60,000		60,000		
Sewer Camera		50,000				
Finance Software	45,000					
Office Space Upgrade	50,000					
Rate Study	20,000					
Horizon Line - West Side Ext	800,000					
Hydrojetter					30,000	
Manhole Cover Replacements			50,000			
Total SYCSD Projects	\$965,000	\$395,000	\$100,000	\$110,000	\$80,000	\$50,000
Total CIP Projects	\$1,745,000	\$575,000	\$1,100,000	\$1,630,000	\$87,400	\$70,000

Wastewater Financial Plan

Table 9 provides the wastewater financial plan prepared for the District's wastewater enterprise which includes the revenues and revenue requirements discussed above. The financial plan provides the means of analyzing the impacts of projected revenue and revenue requirements on funding O&M expense, annual capital infrastructure requirements, and reserves. The plan also incorporates specific financial planning goals to provide guidance to maintain the health of the wastewater enterprise on an on-going basis. The goals included the following.

- Generate positive levels of income in each year of the Study period
- Maintain operating and capital reserves at or greater than target levels
- Provide for annual capital replacement spending from wastewater service revenue

Proposed Revenue Adjustments

The proposed adjustments include increasing revenue by 4.25 percent annually each July beginning July 1, 2022 and continuing through July 2025.

Table 9
Wastewater Financial Plan

Description	Budget		Forecast			
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Proposed Rate Increase (July 1)		0.00%	4.25%	4.25%	4.25%	4.25%
Number of ERU's	1,250	1,254	1,258	1,262	1,266	1,270
Sewer Service Rate	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Enterprise Revenues						
Sewer Charge Revenues, Existing Rates [1]	\$1,150,000	\$1,153,700	\$1,157,400	\$1,161,100	\$1,164,800	\$1,168,500
Additional Revenue from Rate Adjustments	0	0	49,200	100,700	154,900	211,800
Sewer Benefit Fees	38,000	38,200	38,400	38,600	38,800	39,000
Property Taxes - Ad Valorem	180,000	182,700	185,400	188,200	191,000	193,900
Capacity Charges	0	3,164	6,392	9,684	13,109	16,603
Annexation/Buy-in Fee	0	996	1,992	2,988	3,984	4,980
Horizon Line Capacity Charges	0	19,973	40,545	61,734	83,559	106,038
Tribe Admin Fees	20,460	13,800	14,900	15,000	16,000	16,100
Miscellaneous Revenues [2]	41,266	22,548	22,684	22,762	22,881	22,944
Interest Earnings [3]	35,000	9,400	8,600	6,500	3,100	3,600
Total Enterprise Revenues	\$1,464,726	\$1,444,481	\$1,525,513	\$1,607,268	\$1,692,133	\$1,783,465
Tribe Reimbursable Revenues						
Sewage Collection	\$34,700	\$36,558	\$37,971	\$39,440	\$40,969	\$42,559
Sewage Treatment	351,000	381,800	397,100	412,100	428,600	444,800
Total Tribe Revenues	\$385,700	\$418,358	\$435,071	\$451,540	\$469,569	\$487,359
Total Revenue	\$1,850,426	\$1,862,839	\$1,960,584	\$2,058,808	\$2,161,702	\$2,270,825
Enterprise Expenses						
Operations Expense	\$511,700	\$567,100	\$586,900	\$607,500	\$628,700	\$650,900
Building Expense	14,700	15,100	15,600	16,100	16,600	17,100
Sewage Treatment (Solvang)	240,000	256,800	274,800	294,000	314,600	336,600
General and Administrative	277,600	284,500	293,500	302,700	312,300	322,100
Total Enterprise Expenses	\$1,044,000	\$1,123,500	\$1,170,800	\$1,220,300	\$1,272,200	\$1,326,700
Debt Service						
Horizon Line Debt Service	\$0	\$53,773	\$53,773	\$53,773	\$53,773	\$53,773
Subtotal	\$0	\$53,773	\$53,773	\$53,773	\$53,773	\$53,773
Total Enterprise Expenses	\$1,044,000	\$1,177,273	\$1,224,573	\$1,274,073	\$1,325,973	\$1,380,473
Indian Reservation Contract						
Sewage Collection	\$38,200	\$38,400	\$39,900	\$41,400	\$43,000	\$44,700
Wastewater Treatment Plant Operations	368,000	381,800	397,100	412,100	428,600	444,800
Total Indian Reservation Contract Expense	\$406,200	\$420,200	\$437,000	\$453,500	\$471,600	\$489,500
Total Expenses	\$1,450,200	\$1,597,473	\$1,661,573	\$1,727,573	\$1,797,573	\$1,869,973
Net Funds Available Before Capital	\$400,226	\$265,366	\$299,011	\$331,235	\$364,129	\$400,852
Wastewater Capital						
Capital Sources and Uses of Funds						
New Bond Proceeds	\$800,000	\$0	\$0	\$0	\$0	\$0
Capital Improvement Program	(1,745,000)	(575,000)	(1,100,000)	(1,630,000)	(87,400)	(70,000)
Net Capital Spending	(\$945,000)	(\$575,000)	(\$1,100,000)	(\$1,630,000)	(\$87,400)	(\$70,000)
Net Funds Available After Capital	(\$544,774)	(\$309,634)	(\$800,989)	(\$1,298,765)	\$276,729	\$330,852
Available Operating and Capital Reserves						
Beginning Operating and Capital Reserves	\$4,367,004	\$3,822,230	\$3,512,596	\$2,711,606	\$1,412,841	\$1,689,570
Additions (Reductions) in Reserves	(544,774)	(309,634)	(800,989)	(1,298,765)	276,729	330,852
Ending Operating and Capital Reserves	\$3,822,230	\$3,512,596	\$2,711,606	\$1,412,841	\$1,689,570	\$2,020,421
Target Reserves						
Operating Reserve [5]	\$725,000	\$772,000	\$804,000	\$837,000	\$872,000	\$908,000
Repair/Replacement Reserve [6]	4,770,000	4,770,000	4,770,000	4,770,000	4,770,000	4,770,000
Building Reserve [7]	140,000	140,000	140,000	140,000	140,000	140,000
Future Capacity Reserve [8]	880,000	910,000	940,000	960,000	990,000	1,020,000
Total Reserve Target	\$6,515,000	\$6,592,000	\$6,654,000	\$6,707,000	\$6,772,000	\$6,838,000
Above (Below) Target	(\$2,692,770)	(\$3,079,404)	(\$3,942,394)	(\$5,294,159)	(\$5,082,430)	(\$4,817,579)
Debt Service Coverage						
Net Revenue [9]	\$400,226	\$319,139	\$352,784	\$385,008	\$417,902	\$454,625
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Coverage Ratio	n/a	n/a	n/a	n/a	n/a	n/a

[1] Projected using the existing rates. Changes in rate based revenues is due to customer and demand growth.

[2] Miscellaneous revenue includes Benefit Fees, Property Tax Revenue, Capacity Charge Revenue, and miscellaneous revenue.

[3] Interest earnings on the average fund balance calculated at 0.25%.

[4] Debt service related to financing Stadium Line - West Side Ext assuming an interest rate of 3.0% and 20 year term.

[5] Working cash is based on 6 months of O&M expense Budget.

[6] Equal to District Policy from Resolution No. 15-01.

[7] ss Horizon Line - West Side Ext project.

[8] Equal to purchase of 10 percent (30,000 gpd) of capacity in the Solvang WWTP estimated at 30,000 gpd / 215 gpd x Current SFR Capacity Charge.

[9] Includes revenue from all sources less operation and maintenance expense.

Graphical depictions of the relationship between wastewater operations and ending wastewater reserves of the wastewater enterprise are presented in Figures 1 and 2 respectively. For illustration purposes, operating revenues and expenses, and capital spending have been included into an overall wastewater financial plan while wastewater reserves are provided in total.

For the financial plan in Figure 1 below, the proposed revenue increases will fund projected operating expenses, capital expenses, debt service and contribution to reserves for a 10-year.

**Figure 1
Wastewater Financial Plan**

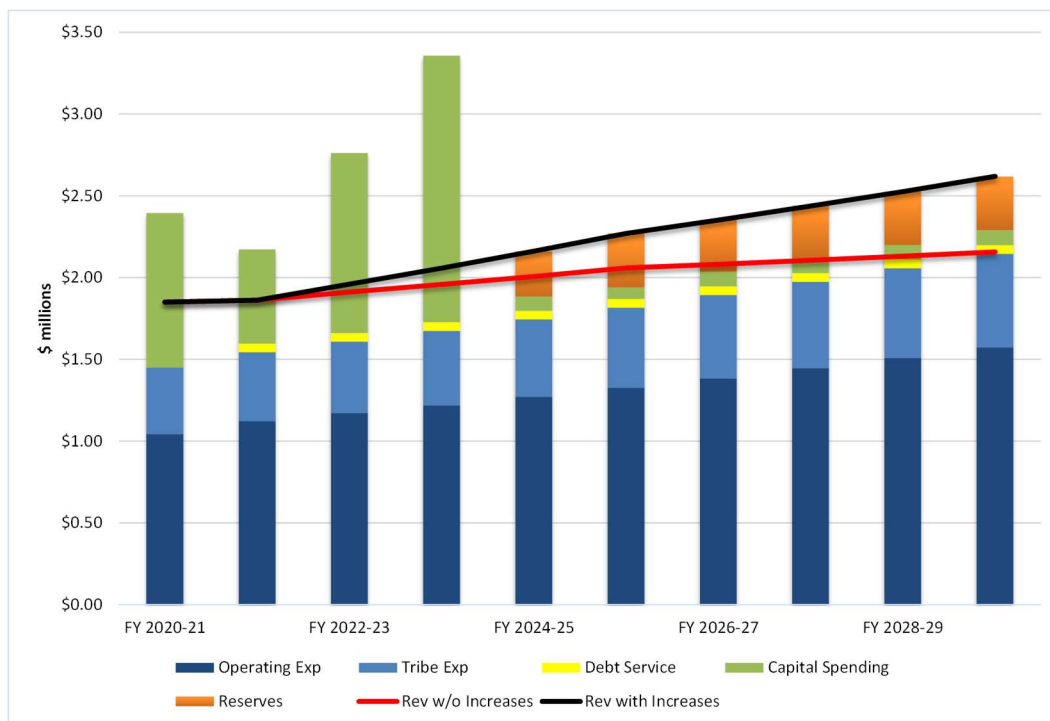
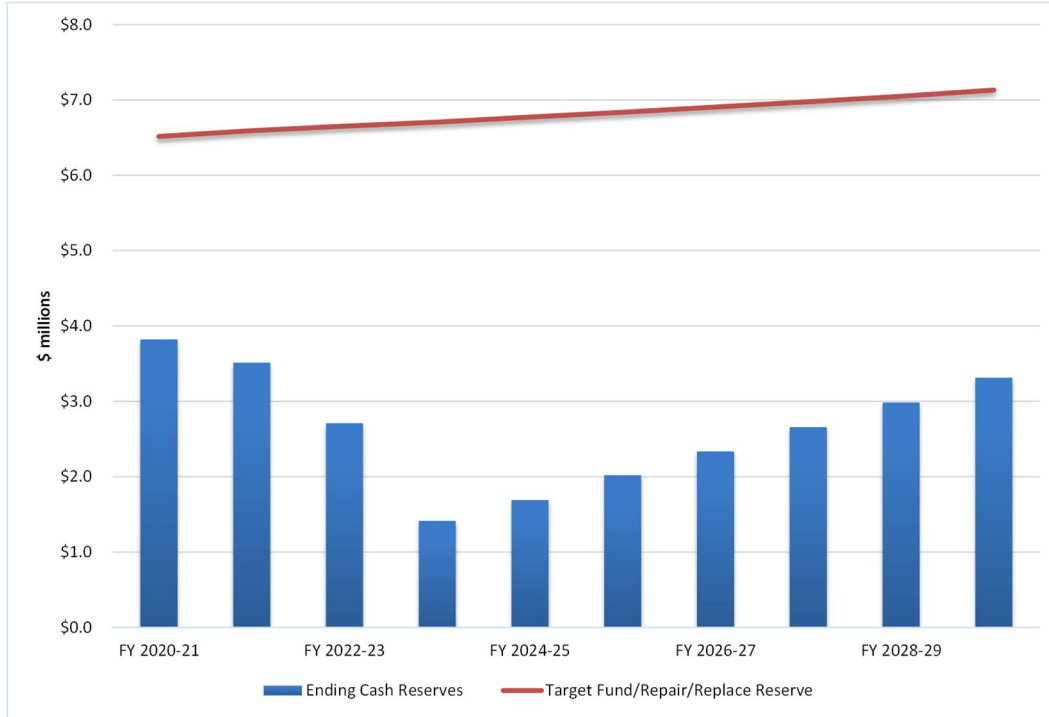


Figure 2 shows the impact of the CIP spending on the System reserves. The total reserve balance decreases initially from the CIP spending; however, the reserve level recovers once the majority of the CIP spending is accomplished in the first five years of the plan and revenue surpluses are deposited to reserves so as to end the 10-year period in nearly the same cash position as the beginning of the 10-year plan. If the actual spending is less than what is identified in the CIP, the difference will accumulate in the capital reserve balance for spending in future years.

**Figure 2
Wastewater Total Reserves**



Wastewater Rate Design

This section describes how sewer service charges are designed and provides the proposed schedule for implementation.

ERU Wastewater Flow

The District’s wastewater flow for a single-family residence is 215 gpd. Sewer service charges for other customers are charged as a multiple of one ERU, which are shown for each customer classification in Table 4.

Strength Factor and ERU Multiple

As discussed in the Existing Sewer Service Charges section, one ERU is the sewer flow and strength of a single-family residence, stated in terms of maximum discharge flow in gallons per day (gpd) and strength consisting of bio-chemical oxygen demand (BOD) and suspended solids (SS). A Strength Factor can be developed whereby a customer’s proportion of BOD and SS strength relative to the SFR dwelling unit can be calculated and stated separately. The Equivalent Residential Unit (ERU) is the product of the customer’s flow in relation to the SFR flow, multiplied by the Strength Factor. Service charges for wastewater customers are calculated as follows.

$$\begin{aligned}\text{Sewer Service Charge} &= (\text{Customer Flow/SFR Flow}) \times \text{Strength Factor} \times \text{SFR Charge} \\ &= \text{ERU} \times \text{SFR Charge}\end{aligned}$$

Therefore, sewer service charges for various user groups can be calculated from their estimated flow and Strength Factor which are proportional to the SFR sewer service charge. Estimates of flow and strength come from the District's previous studies, the consultant's experience and judgement, and information from County Sanitation Districts of Los Angeles County Revenue Program Report used as a reference.

Proposed Sewer Service Charges

The revenue increases outlined in Table 9 are applied to the SFR dwelling unit fixed charge to determine the proposed charges in future years. Applying the ERU multiples from the current sewer service charge schedule shown in Table 4, to the proposed SFR charge provides the sewer service charges for other residential and non-residential customers. The proposed sewer service charges are shown in Table 10.

Service Charge Variances

It is suggested that the District reserve the right to determine any new or unclassified wastewater customer's monthly charge through the use of fixture units according to the California Plumbing Code or other methods deemed appropriate by the District. Such methods for determining the sewer service charge are provided in Section 820 of the District's Sewer Service Code.

Table 10
Proposed Monthly Sewer Service Charges

User Classification	Flow/ Unit (gpd)	Strength Factor	ERU Multiple	Current Charge	Proposed [1]				
					FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Projected Rate Increase [1]					0.00%	4.25%	4.25%	4.25%	4.25%
Residential Fixed Charges									
Single Family	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Multi-family	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Second Unit/Studios	160	1.00	0.74	\$57.06	\$57.06	\$59.49	\$62.01	\$64.65	\$67.40
Mobile Home/Trailers									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Trailer Space	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Mobile Home Park Laundry	140	1.00	0.65	\$49.92	\$49.92	\$52.04	\$54.25	\$56.56	\$58.96
Retirement Facility									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Rooms w/o Kitchens	100	1.00	0.47	\$35.67	\$35.67	\$37.19	\$38.77	\$40.41	\$42.13
Rooms w/ Kitchens	150	1.00	0.70	\$53.49	\$53.49	\$55.76	\$58.13	\$60.60	\$63.18
Non-Residential Fixed Charges									
Motel/Hotel									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Rooms w/o Kitchens	100	1.00	0.47	\$35.67	\$35.67	\$37.19	\$38.77	\$40.41	\$42.13
Rooms w/ Kitchens	150	1.00	0.70	\$53.49	\$53.49	\$55.76	\$58.13	\$60.60	\$63.18
Laundrettes, per machine	160	1.00	0.74	\$57.06	\$57.06	\$59.49	\$62.01	\$64.65	\$67.40
Beauty & Barber Shops	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Each Sink Over 2	100	1.00	0.47	\$35.67	\$35.67	\$37.19	\$38.77	\$40.41	\$42.13
Gas Station w/Restroom	325	1.00	1.51	\$115.91	\$115.91	\$120.84	\$125.97	\$131.33	\$136.91
Cocktail Lounge	430	1.00	2.00	\$153.35	\$153.35	\$159.87	\$166.66	\$173.74	\$181.13
Additional Seating	8	1.00	0.04	\$2.85	\$2.85	\$2.97	\$3.10	\$3.23	\$3.37
Market, Major	750	1.76	6.14	\$470.74	\$470.74	\$490.75	\$511.60	\$533.35	\$556.01
Convenience Market	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Convenience Market w/Deli	270	1.76	2.21	\$169.47	\$169.47	\$176.67	\$184.18	\$192.01	\$200.17
Deli	260	1.00	1.21	\$92.72	\$92.72	\$96.66	\$100.77	\$105.05	\$109.52
Office & Retail	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Units w/o Toilets	100	1.00	0.47	\$35.67	\$35.67	\$37.19	\$38.77	\$40.41	\$42.13
Restaurant Full Service	600	1.76	4.91	\$376.59	\$376.59	\$392.60	\$409.28	\$426.67	\$444.81
Additional Seating - Food	12	1.76	0.10	\$7.54	\$7.54	\$7.86	\$8.19	\$8.54	\$8.91
Additional Seating - Bar/Banquet	8	1.00	0.04	\$2.85	\$2.85	\$2.97	\$3.10	\$3.23	\$3.37
Coffee Specialty Retail	270	1.00	1.26	\$96.29	\$96.29	\$100.38	\$104.65	\$109.10	\$113.73
Restaurant - Fast Food	240	1.76	1.96	\$150.64	\$150.64	\$157.04	\$163.72	\$170.67	\$177.93
YMCA [2]									
Institutional									
Church	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Pre/Elementary School, Per Student	7	1.00	0.03	\$2.30	\$2.30	\$2.40	\$2.50	\$2.61	\$2.72
High School, per Student	9	1.00	0.04	\$3.21	\$3.21	\$3.35	\$3.49	\$3.64	\$3.79
Museum	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Post Office	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
Public Park	500	1.00	2.33	\$178.31	\$178.31	\$185.89	\$193.79	\$202.02	\$210.61
Additional Sewer Service Charges									
Senior Living									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
per Bed	125	1.00	0.58	\$44.58	\$44.58	\$46.47	\$48.45	\$50.50	\$52.65
Food Service	600	1.76	4.91	\$376.57	\$376.59	\$392.60	\$409.28	\$426.67	\$444.81
Additional Seating (per seat)	12	1.76	0.10	\$7.53	\$7.54	\$7.86	\$8.19	\$8.54	\$8.91
Recovery Ranch									
Manager Residence	215	1.00	1.00	\$76.67	\$76.67	\$79.93	\$83.33	\$86.87	\$90.56
per Bed	70	1.00	0.33	\$24.96	\$24.96	\$26.02	\$27.13	\$28.28	\$29.48
Food Service	600	1.76	4.91	\$376.57	\$376.59	\$392.60	\$409.28	\$426.67	\$444.81
Additional Seating (per seat)	12	1.76	0.10	\$7.53	\$7.54	\$7.86	\$8.19	\$8.54	\$8.91
Medical, Dental, Veterinarian									
Clinic or Building (per 1,000 sf)	300	1.15	1.60	\$123.03	\$123.03	\$128.26	\$133.71	\$139.39	\$145.31
Billiard/Café (per 1,000 sf)	150	1.15	0.80	\$61.51	\$61.51	\$64.13	\$66.85	\$69.70	\$72.66
Food Service	600	1.76	4.91	\$376.57	\$376.59	\$392.60	\$409.28	\$426.67	\$444.81
Additional Seating (per seat)	12	1.76	0.10	\$7.53	\$7.54	\$7.86	\$8.19	\$8.54	\$8.91
Cocktail Lounge with Food	430	1.76	3.52	\$269.88	\$269.88	\$281.35	\$293.31	\$305.77	\$318.77
Additional Seating	8	1.76	0.07	\$5.02	\$5.02	\$5.23	\$5.46	\$5.69	\$5.93
Car Wash	1,350	1.15	7.22	\$553.63	\$553.63	\$577.16	\$601.69	\$627.26	\$653.92
Winery and Wine Tasting	270	1.00	1.26	\$96.28	\$96.29	\$100.38	\$104.65	\$109.10	\$113.73
Wine Tasting with Food	430	1.76	3.52	\$269.88	\$269.88	\$281.35	\$293.31	\$305.77	\$318.77
Additional Seating	8	1.76	0.07	\$5.02	\$5.02	\$5.23	\$5.46	\$5.69	\$5.93

[1] All sewer service charges are effective July 1.

[2] The YMCA has a payment agreement based on annual flow.

Wastewater Bill Impact Analysis

The impact to residential bills that would occur from the implementation of the proposed sewer service charges for the July 2022 increase is provided in Table 11 below. The table shows that the wastewater bill of a SFR customer will increase from \$76.67 to \$79.93, an increase of \$3.26, or 4.25 percent.

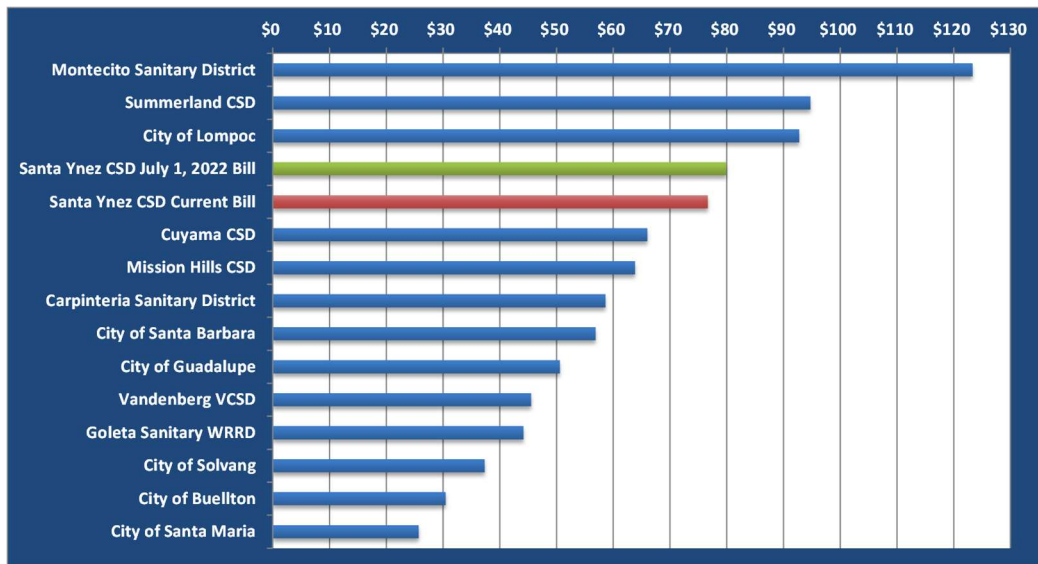
Table 11
Comparison of Current Residential Monthly Wastewater Bill with
Proposed Monthly Bill Using July 2022 Sewer Service Charges

Classification	Current Bill	July 2022 Proposed Bill	Increase	Percent Change
Residential				
Single Family	\$76.67	\$79.93	\$3.26	4.25%
Multi-family	\$76.67	\$79.93	\$3.26	4.25%
Second Unit/Studios	\$57.06	\$59.49	\$2.43	4.25%
Mobile Home/Trailers	\$76.67	\$79.93	\$3.26	4.25%

Wastewater Rate Survey

A wastewater rate survey was conducted for neighboring communities to the Santa Ynez Community Services District. Chart 1 compares the average SFR monthly wastewater bill with those of neighboring communities at the same use. Wastewater bills were calculated assuming a 5/8" meter, or 3/4" meter where that is the smallest size available, and a monthly use of 15 hundred cubic feet (HCF). The rate survey includes rate schedules in effect February 2022. Wastewater bills for the District are shown using the current service charges and for the proposed service charges from Table 10 for implementation July 2022.

Chart 1
Comparison of Single-family Residential Monthly Wastewater Bills
For Rates in Effect February 2021



Note: Above table uses wastewater rates in effect February 2021. Chart does not include any other charges than those published on each agency’s website. City of Lompoc uses 10 HCF of winter water use. District’s July 2022 bill is based on the wastewater service charges in Table 10.

Capacity Charges

New customers connecting to the District’s wastewater system pay capacity charges and annexation fees. If the customer uses the Horizon Line, they will also pay a Horizon Line Capacity Charge. Because of the dollar amount of the charges, the District is allowing customers to finance each of these fees through the District at 1 percent over the prime rate for up to 20 years. Below is a discussion of each of these charges/fees and the resulting annual payment.

District Capacity Charges

Capacity charges are one-time charges paid by new customers as a capital contribution for capacity in the wastewater system. These charges can also be assessed to customers requiring increased capacity requirements to serve the changes in their development. Proceeds from capacity charges are to be placed into an account separate from all other accounts and are to be used to finance the development of capacity related infrastructure.

The proposed capacity charges are calculated in a similar method that is currently used by the District. Capacity charges are calculated recognizing ERU multiples of the different customer classifications stated in the sewer service charge schedule in Table 10. The calculation of the capacity charge is proposed as follows.

$$\begin{aligned}
 \text{Capacity Charge} &= (\text{Customer Flow}/\text{SFR Flow}) \times \text{Strength Factor} \times \text{SFR Capacity Charge} \\
 &= \text{ERU} \times \text{SFR Capacity Charge}
 \end{aligned}$$

The District’s SFR capacity charge for July 2020 is increased with the April Engineering News Record (ENR) Construction Cost Index (CCI) as shown below in Table 12. In 2015, the District’s SFR capacity charge was \$5,548.14 per ERU. Using the ENR-CCI for April of each year to increase the charge to 2020 indicates a July 2020 charge of \$6,336.98 per ERU.

Table 12
Calculation of SFR Capacity Charge

Date		ENR-CCI	Capacity
Month	Year	Value	Charge
April	2015	9992	\$5,548.14
April	2016	10279	\$5,707.50
April	2017	10678	\$5,929.05
April	2018	10971	\$6,091.74
April	2019	11228	\$6,256.72
April	2020	11372	\$6,336.98

Using the District’s capacity charge for the SFR dwelling unit and the formula described above, a capacity charge schedule is developed as shown in Appendix B-1. The capacity charges reflect the District’s current method for establishing capacity charges by classification and should be adjusted annually each April by the percentage increase in the Engineering News Record Construction Cost Index (ENR-CCI).

The District is allowing the 20 new customers that will connect to the Horizon Line to finance their District Capacity Charge through District offered financing. The annual payment for these customers is provided in Table 13 assuming an interest rate of 4.25 percent for 20 years which provides a conservative estimate of the revenue stream to be received by the District.

Table 13
Development of Capacity Charge Customer Payments at 4.25% for 20 years

Year	Fiscal Year	Capacity Charge	Number of New ERU's Annually	Capacity Charge Revenue	FY 2021-22 Debt Service ^[1]	FY 2022-23 Debt Service ^[1]	FY 2023-24 Debt Service ^[1]	FY 2024-25 Debt Service ^[1]	FY 2025-26 Debt Service ^[1]	Annual Cash Flow
1	FY 2021-22	\$6,337	4	\$25,348	\$1,907					\$1,907
2	FY 2022-23	6,464	4	25,856	1,907	1,945				3,852
3	FY 2023-24	6,593	4	26,372	1,907	1,945	1,984			5,835
4	FY 2024-25	6,860	4	27,440	1,907	1,945	1,984	2,064		7,899
5	FY 2025-26	6,997	4	27,988	1,907	1,945	1,984	2,064	2,105	10,005
6	FY 2026-27	7,137	0	0	1,907	1,945	1,984	2,064	2,105	10,005
7	FY 2027-28	7,280	0	0	1,907	1,945	1,984	2,064	2,105	10,005
8	FY 2028-29	7,426	0	0	1,907	1,945	1,984	2,064	2,105	10,005
9	FY 2029-30	7,575	0	0	1,907	1,945	1,984	2,064	2,105	10,005
10	FY 2030-31	7,802	0	0	1,907	1,945	1,984	2,064	2,105	10,005
11	FY 2031-32	8,036	0	0	1,907	1,945	1,984	2,064	2,105	10,005
12	FY 2032-33	8,277	0	0	1,907	1,945	1,984	2,064	2,105	10,005
13	FY 2033-34	8,526	0	0	1,907	1,945	1,984	2,064	2,105	10,005
14	FY 2034-35	8,782	0	0	1,907	1,945	1,984	2,064	2,105	10,005
15	FY 2035-36	9,045	0	0	1,907	1,945	1,984	2,064	2,105	10,005
16	FY 2036-37	9,316	0	0	1,907	1,945	1,984	2,064	2,105	10,005
17	FY 2037-38	9,596	0	0	1,907	1,945	1,984	2,064	2,105	10,005
18	FY 2038-39	9,884	0	0	1,907	1,945	1,984	2,064	2,105	10,005
19	FY 2039-40	10,180	0	0	1,907	1,945	1,984	2,064	2,105	10,005
20	FY 2040-41	10,486	0	0	1,907	1,945	1,984	2,064	2,105	10,005
21	FY 2041-42	10,800	0	0	0	1,945	1,984	2,064	2,105	8,098
22	FY 2042-43	11,124	0	0	0	0	1,984	2,064	2,105	6,153
23	FY 2043-44	11,458	0	0	0	0	0	2,064	2,105	4,169
24	FY 2044-45	\$11,802	\$0	\$0	\$0	\$0	\$0	\$0	\$2,105	\$2,105

Totals 20

^[1] Capacity Charge revenue financed at 4.25% for 20 years.

District Capacity Charge Variances

For any new wastewater customer that is not listed in Appendix B-1, the District may charge the customer based on fixture units according to the California Plumbing Code, where the first 11 fixture units are charged the SFR capacity charge. Each additional fixture would be charged 1/20th of the SFR charge where a SFR dwelling unit is assumed to have 20 fixture units.

Annexation Fees

A customer that desires to connect to the District wastewater system must pay an Annexation Fee. The Annexation Fee provides revenue to the District to cover the costs of extending sewer service to the annexed area. The current Annexation Fee is \$1,644.78 per dwelling unit or per acre.

The District is allowing the 20 new customers that will connect to the Horizon Line to finance this charge through the District. The total fee includes the Annexation Fee and an Administration Fee of \$350. The annual payment for these customers is provided in Table 14 assuming an average SFR lot size of one acre, an interest rate of 4.25 percent, and a term of 20 years, which provides a conservative estimate of the revenue stream to be received by the District.

Table 14
Development of Annexation Charge Customer Payments at 4.25% for 20 years

Year	Fiscal Year	Annexation Charge	Number of New ERU's Annually	Annexation Charge Revenue	FY 2021-22 Debt Service ^[1]	FY 2022-23 Debt Service ^[1]	FY 2023-24 Debt Service ^[1]	FY 2024-25 Debt Service ^[1]	FY 2025-26 Debt Service ^[1]	Annual Cash Flow
1	FY 2021-22	\$1,995	4	\$7,979	\$600					\$600
2	FY 2022-23	1,995	4	7,979	600	600				1,200
3	FY 2023-24	1,995	4	7,979	600	600	600			1,801
4	FY 2024-25	1,995	4	7,979	600	600	600	600		2,401
5	FY 2025-26	1,995	4	7,979	600	600	600	600	600	3,001
6	FY 2026-27	1,995	0	0	600	600	600	600	600	3,001
7	FY 2027-28	1,995	0	0	600	600	600	600	600	3,001
8	FY 2028-29	1,995	0	0	600	600	600	600	600	3,001
9	FY 2029-30	1,995	0	0	600	600	600	600	600	3,001
10	FY 2030-31	1,995	0	0	600	600	600	600	600	3,001
11	FY 2031-32	1,995	0	0	600	600	600	600	600	3,001
12	FY 2032-33	1,995	0	0	600	600	600	600	600	3,001
13	FY 2033-34	1,995	0	0	600	600	600	600	600	3,001
14	FY 2034-35	1,995	0	0	600	600	600	600	600	3,001
15	FY 2035-36	1,995	0	0	600	600	600	600	600	3,001
16	FY 2036-37	1,995	0	0	600	600	600	600	600	3,001
17	FY 2037-38	1,995	0	0	600	600	600	600	600	3,001
18	FY 2038-39	1,995	0	0	600	600	600	600	600	3,001
19	FY 2039-40	1,995	0	0	600	600	600	600	600	3,001
20	FY 2040-41	1,995	0	0	600	600	600	600	600	3,001
21	FY 2041-42	1,995	0	0	0	600	600	600	600	2,401
22	FY 2042-43	1,995	0	0	0	0	600	600	600	1,801
23	FY 2043-44	1,995	0	0	0	0	0	600	600	1,200
24	FY 2044-45	1,995	0	0	0	0	0	0	600	600
Totals			20							

^[1] Capacity Charge revenue financed at 4.25% for 20 years.

Horizon Line Capacity Charges

The Horizon Line project, described in the Wastewater Capital Improvement Program section of this report, will connect 20 new connections to the wastewater system over the next five years. While there may be additional customers that could connect using this sewer line in the future, only the 20 new connections are assumed to connect to this sewer line now and they will be charged the cost to construct the Horizon Line.

Table 15 provides the schedule of the Horizon Line Capacity Charges for the term of the 20 customers financing their capacity charges. The schedule of charges is designed with the following assumptions.

- The Horizon Line Capacity Charge is calculated as \$800,000 / 20 = \$40,000 per ERU
- The Horizon Line Capacity Charge increases annually at 3 percent
- Customers connect to the sewer line a 4 ERUs annually for a total of 20 ERUs
- Customers finance their Horizon Line Capacity Charges through the District at 4.25 percent for 20 years
- Horizon Line project cost of \$800,000 is financed through the CSDA Finance Corporation at 3 percent for 20 years
- The annual cash flow of the Horizon customer payment revenue less the annual CSDA debt service payments is discounted at 3 percent annually to provide the Net Present Value

Table 15
Development of Capacity Charges
for Horizon Sewer Line Customers Using CSDA Financing

Year	Fiscal Year	Horizon Capacity Charge Required ^[1]	Customers Financing			Annual Cash Flow	NPV at 3.0% of Annual Cash Flow
			Number of New ERU's Annually	Horizon Customer Payment ^[2]	CSDA Debt Service ^[3]		
1	FY 2021-22	\$40,000	4	\$12,035	(\$53,773)	(\$41,737)	(\$40,522)
2	FY 2022-23	41,200	4	24,431	(53,773)	(29,341)	(27,657)
3	FY 2023-24	42,436	4	37,200	(53,773)	(16,573)	(15,167)
4	FY 2024-25	43,709	4	50,351	(53,773)	(3,422)	(3,040)
5	FY 2025-26	45,020	4	63,896	(53,773)	10,124	8,733
6	FY 2026-27	46,371		63,896	(53,773)	10,124	8,479
7	FY 2027-28	47,762		63,896	(53,773)	10,124	8,232
8	FY 2028-29	49,195		63,896	(53,773)	10,124	7,992
9	FY 2029-30	50,671		63,896	(53,773)	10,124	7,759
10	FY 2030-31	52,191		63,896	(53,773)	10,124	7,533
11	FY 2031-32	53,757		63,896	(53,773)	10,124	7,314
12	FY 2032-33	55,369		63,896	(53,773)	10,124	7,101
13	FY 2033-34	57,030		63,896	(53,773)	10,124	6,894
14	FY 2034-35	58,741		63,896	(53,773)	10,124	6,693
15	FY 2035-36	60,504		63,896	(53,773)	10,124	6,498
16	FY 2036-37	62,319		63,896	(53,773)	10,124	6,309
17	FY 2037-38	64,188		63,896	(53,773)	10,124	6,125
18	FY 2038-39	66,114		63,896	(53,773)	10,124	5,947
19	FY 2039-40	68,097		63,896	(53,773)	10,124	5,773
20	FY 2040-41	70,140		63,896	(53,773)	10,124	5,605
21	FY 2041-42	72,244		51,861	0	51,861	27,878
22	FY 2042-43	74,412		39,465	0	39,465	20,596
23	FY 2043-44	76,644		26,697	0	26,697	13,527
24	FY 2044-45	78,943		13,546	0	13,546	6,664
Totals			20			202,476	95,265

^[1] Capacity Charges increase at 3.0% annually.

^[2] Horizon Line Capacity Charge financed at 4.25% for 20 years. From Table 16.

^[3] Includes debt service payments related only to the CSDA loan of \$800,000 at 3.0% for 20 years.

Table 15 indicates that with a Horizon Line Capacity Charge of \$40,000, the District should be able to accumulate adequate cash to offset any reasonable delay in customers connecting to the Horizon Line.

Table 16 below provides the method and calculation of the annual customer payments from the financing of the Horizon Line Capacity Charges. The annual payments are calculated in similar manner as the collection system capacity charges and the Annexation Fees.

Table 16
Development of Horizon Line Customer Payments Using District Financing

Year	Fiscal Year	Capacity Charge Required ^[1]	Number of New ERU's Annually	Horizon Capacity Charges Financed	FY 2021-22 Debt Service ^[2]	FY 2022-23 Debt Service ^[2]	FY 2023-24 Debt Service ^[2]	FY 2024-25 Debt Service ^[2]	FY 2025-26 Debt Service ^[2]	Annual Cash Flow
1	FY 2021-22	40,000	4	\$160,000	\$12,035					\$12,035
2	FY 2022-23	41,200	4	164,800	12,035	12,396				24,431
3	FY 2023-24	42,436	4	169,744	12,035	12,396	12,768			37,200
4	FY 2024-25	43,709	4	174,836	12,035	12,396	12,768	13,151		50,351
5	FY 2025-26	45,020	4	180,081	12,035	12,396	12,768	13,151	13,546	63,896
6	FY 2026-27	46,371	0	0	12,035	12,396	12,768	13,151	13,546	63,896
7	FY 2027-28	47,762	0	0	12,035	12,396	12,768	13,151	13,546	63,896
8	FY 2028-29	49,195	0	0	12,035	12,396	12,768	13,151	13,546	63,896
9	FY 2029-30	50,671	0	0	12,035	12,396	12,768	13,151	13,546	63,896
10	FY 2030-31	52,191	0	0	12,035	12,396	12,768	13,151	13,546	63,896
11	FY 2031-32	53,757	0	0	12,035	12,396	12,768	13,151	13,546	63,896
12	FY 2032-33	55,369	0	0	12,035	12,396	12,768	13,151	13,546	63,896
13	FY 2033-34	57,030	0	0	12,035	12,396	12,768	13,151	13,546	63,896
14	FY 2034-35	58,741	0	0	12,035	12,396	12,768	13,151	13,546	63,896
15	FY 2035-36	60,504	0	0	12,035	12,396	12,768	13,151	13,546	63,896
16	FY 2036-37	62,319	0	0	12,035	12,396	12,768	13,151	13,546	63,896
17	FY 2037-38	64,188	0	0	12,035	12,396	12,768	13,151	13,546	63,896
18	FY 2038-39	66,114	0	0	12,035	12,396	12,768	13,151	13,546	63,896
19	FY 2039-40	68,097	0	0	12,035	12,396	12,768	13,151	13,546	63,896
20	FY 2040-41	70,140	0	0	12,035	12,396	12,768	13,151	13,546	63,896
21	FY 2041-42	72,244	0	0	0	12,396	12,768	13,151	13,546	51,861
22	FY 2042-43	74,412	0	0	0	0	12,768	13,151	13,546	39,465
23	FY 2043-44	76,644	0	0	0	0	0	13,151	13,546	26,697
24	FY 2044-45	78,943	0	0	0	0	0	0	13,546	13,546

Totals 20

^[1] Horizon Line Capacity Charge.

^[2] Debt service payments include an interest rate of 4.25% and a 20 year term.

Table 17 provides a summary of the Horizon Line Capacity Charge, Capacity Charge, and Annexation Fee customer payments. These payments are shown as being received by the District in Table 9 as revenue in lieu of up-front cash payments of each of the charges.

Table 17
Development of Total Annual Payments and Monthly Payment
of a SFR Customer Connecting to the Horizon Line Project

Year	Fiscal Year	Horizon Capacity Charge	Horizon Customer Payment	Capacity Charge	Capacity Charge Customer Payments	Annexation Charge	Annexation Fee Customer Payments	Total Customer Charge	Total Customer Payments	Total Monthly Payments One ERU
		Required ^[1]	Payment ^[2]							
1	FY 2021-22	\$40,000	\$12,035	\$6,337	\$1,907	\$1,995	\$600	\$48,332	\$14,542	\$303
2	FY 2022-23	41,200	24,431	6,464	3,852	1,995	1,200	49,659	29,483	\$307
3	FY 2023-24	42,436	37,200	6,593	5,835	1,995	1,801	51,024	44,836	\$311
4	FY 2024-25	43,709	50,351	6,860	7,899	1,995	2,401	52,564	60,651	\$316
5	FY 2025-26	45,020	63,896	6,997	10,005	1,995	3,001	54,012	76,902	\$320
6	FY 2026-27	46,371	63,896	7,137	10,005	1,995	3,001	55,503	76,902	
7	FY 2027-28	47,762	63,896	7,280	10,005	1,995	3,001	57,037	76,902	
8	FY 2028-29	49,195	63,896	7,426	10,005	1,995	3,001	58,616	76,902	
9	FY 2029-30	50,671	63,896	7,575	10,005	1,995	3,001	60,241	76,902	
10	FY 2030-31	52,191	63,896	7,802	10,005	1,995	3,001	61,988	76,902	
11	FY 2031-32	53,757	63,896	8,036	10,005	1,995	3,001	63,788	76,902	
12	FY 2032-33	55,369	63,896	8,277	10,005	1,995	3,001	65,642	76,902	
13	FY 2033-34	57,030	63,896	8,526	10,005	1,995	3,001	67,551	76,902	
14	FY 2034-35	58,741	63,896	8,782	10,005	1,995	3,001	69,518	76,902	
15	FY 2035-36	60,504	63,896	9,045	10,005	1,995	3,001	71,543	76,902	
16	FY 2036-37	62,319	63,896	9,316	10,005	1,995	3,001	73,630	76,902	
17	FY 2037-38	64,188	63,896	9,596	10,005	1,995	3,001	75,779	76,902	
18	FY 2038-39	66,114	63,896	9,884	10,005	1,995	3,001	77,992	76,902	
19	FY 2039-40	68,097	63,896	10,180	10,005	1,995	3,001	80,272	76,902	
20	FY 2040-41	70,140	63,896	10,486	10,005	1,995	3,001	82,621	76,902	
21	FY 2041-42	72,244	51,861	10,800	8,098	1,995	2,401	85,039	62,360	
22	FY 2042-43	74,412	39,465	11,124	6,153	1,995	1,801	87,531	47,419	
23	FY 2043-44	76,644	26,697	11,458	4,169	1,995	1,200	90,097	32,066	
24	FY 2044-45	78,943	13,546	11,802	2,105	1,995	600	92,740	16,251	

Totals

^[1] Capacity Charges increase at 3.0% annually.

^[2] Horizon Line Capacity Charge financed at 4.25% for 20 years. From Table 16.

Appendix A

Wastewater Technical Appendices

Wastewater Historical and Projected Operation and Maintenance Expense and Capital Improvement Program are provided in Appendix A.

Appendix A-1
Historical and Projected Operation and Maintenance Expense

Description	Historical	Budget	Budget	Projected								
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
OPERATIONS												
Salaries	\$208,509	\$275,000	\$250,000	\$260,001	\$270,403	\$281,219	\$292,467	\$304,166	\$316,334	\$328,988	\$342,147	\$355,832
Employee Benefits	86,194	95,000	115,000	125,839	130,872	136,108	141,553	147,215	153,103	159,227	165,596	172,219
Operating Supplies	2,288	7,000	7,000	7,140	7,283	7,428	7,577	7,729	7,883	8,041	8,202	8,366
R&M Operations	3,076	10,000	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171
Pump Station	3,307	5,000	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
R&M Vehicles	3,663	4,500	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171
R&M Office Machines	1,969	3,000	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585
Utilities	17,836	20,000	20,000	21,000	22,050	23,153	24,310	25,526	26,802	28,142	29,549	31,027
Wastewater Treatment Plant	208,000	240,000	240,000	256,800	274,776	294,010	314,591	336,612	360,175	385,388	412,365	441,230
Other	185,750	125,950	99,650	132,763	135,523	138,332	141,190	144,198	147,258	150,371	153,539	156,762
Total Collection Expense	\$720,592	\$785,450	\$751,650	\$823,944	\$861,715	\$901,474	\$943,336	\$987,528	\$1,034,079	\$1,083,131	\$1,134,830	\$1,189,338
BUILDING EXPENSE												
Utilities	\$4,535	\$5,000	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078	\$6,381	\$6,700	\$7,036	\$7,387	\$7,757
Other	12,340	14,700	9,700	9,894	10,092	10,294	10,500	10,710	10,924	11,142	11,365	11,592
Total Building Expense	\$16,875	\$19,700	\$14,700	\$15,144	\$15,604	\$16,082	\$16,577	\$17,091	\$17,624	\$18,178	\$18,752	\$19,349
TRIBE COLLECTION												
Salaries	\$33,721	\$36,000	\$18,000	\$18,720	\$19,469	\$20,247	\$21,057	\$21,900	\$22,776	\$23,687	\$24,635	\$25,621
Benefits	12,653	11,624	7,700	8,528	8,869	9,224	9,593	9,977	10,376	10,791	11,222	11,672
Repairs & Maintenance	17,716	15,000	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390
Utilities	4,891	5,000	4,000	4,200	4,410	4,631	4,862	5,105	5,360	5,628	5,910	6,205
Other	12,905	10,500	6,460	4,870	5,042	5,216	5,292	5,469	5,648	5,830	6,013	6,099
Total Tribe Collection Expense	\$81,886	\$78,124	\$38,160	\$38,358	\$39,871	\$41,440	\$42,969	\$44,659	\$46,413	\$48,233	\$50,123	\$51,986
TRIBE WASTEWATER PLANT												
Salaries	\$211,317	\$250,000	\$155,000	\$161,200	\$167,648	\$174,353	\$181,327	\$188,580	\$196,124	\$203,968	\$212,128	\$220,613
Benefits	82,167	100,000	71,000	79,039	82,200	85,488	88,907	92,464	96,163	100,009	104,009	108,169
Repairs & Maintenance	14,379	20,000	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951
Lab Testing	27,288	35,000	25,000	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877
Operating Supplies	54,240	60,000	65,000	68,250	71,663	75,246	79,008	82,958	87,106	91,462	96,035	100,836
Other	38,347	45,300	42,000	37,600	39,216	39,848	41,498	42,165	43,849	45,553	46,275	48,018
Total Tribe Plant Expense	\$427,738	\$510,300	\$368,000	\$381,789	\$397,140	\$412,077	\$428,625	\$444,810	\$462,658	\$481,196	\$499,455	\$519,464
ADMINISTRATIVE												
Salaries	\$84,596	\$100,000	\$110,000	\$114,400	\$118,975	\$123,734	\$128,684	\$133,831	\$139,184	\$144,752	\$150,542	\$156,564
Employee Benefits	39,957	40,000	40,000	47,528	49,429	51,406	53,462	55,600	57,825	60,137	62,543	65,044
Property Tax Fee - SB County	2,597	2,600	2,800	2,856	2,913	2,971	3,031	3,091	3,153	3,216	3,281	3,346
Other	65,329	129,790	124,800	119,748	122,143	124,586	127,078	129,619	132,211	134,856	137,553	140,304
Total G&A Expenses	\$192,479	\$272,390	\$277,600	\$284,532	\$293,461	\$302,697	\$312,254	\$322,142	\$332,373	\$342,961	\$353,918	\$365,258
Total O&M Expenses	\$1,444,862	\$1,721,068	\$1,450,110	\$1,543,767	\$1,607,791	\$1,673,769	\$1,743,762	\$1,816,230	\$1,893,148	\$1,973,699	\$2,057,079	\$2,145,396

Appendix A-2

Capital Improvement Program ^[1]

Description	Fiscal Year									
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
City of Solvang Projects										
WWTP Water Quality Project	\$780,000	\$180,000	\$1,000,000	\$1,520,000	\$0	\$0	\$0	\$0	\$0	\$0
Belt Press Rehabilitation	-	-	-	-	7,400	-	-	-	-	-
Fjord Lift Station Upgrades	-	-	-	-	-	20,000	40,000	40,000	40,000	40,000
SYCSD Projects										
Sewer Main Repair Projects	50,000	85,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Force Main Bracing	-	200,000	-	-	-	-	-	-	-	-
Operations Vehicle	-	60,000	-	60,000	-	-	-	-	-	-
Sewer Camera	-	50,000	-	-	-	-	-	-	-	-
Finance Software	45,000	-	-	-	-	-	-	-	-	-
Office Space Upgrade	50,000	-	-	-	-	-	-	-	-	-
Rate Study	20,000	-	-	-	-	-	-	-	-	-
Horizon Line - West Side Ext	800,000	-	-	-	-	-	-	-	-	-
Hydrojetter	-	-	-	-	30,000	-	-	-	-	-
Manhole Cover Replacements	-	-	50,000	-	-	-	-	-	-	-
Total	\$1,745,000	\$575,000	\$1,100,000	\$1,630,000	\$87,400	\$70,000	\$90,000	\$90,000	\$90,000	\$90,000

[1] CIP Source: District Staff.

Appendix B

Schedule of Wastewater Capacity Charges

The Santa Ynez CSD District's Schedule of Wastewater Capacity Charges is provided in Appendix B.

Appendix B-1 Schedule of Capacity Charges

Development Type	Use Description	Flow (gpd)	Strength Factor	ERU Ratio	Capacity Charge
Residential					
Single Family	Dwelling	215	1.00	1.00	\$6,336.98
Multi-family	Dwelling, Apartment, Condominiums	215	1.00	1.00	\$6,336.98
Second Unit/Studios	Dwelling, Studio, 1 and 2 bedroom Unit w/o laundry	160	1.00	0.74	\$4,716.16
Mobile Home/Trailers					
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98
Trailer Space	Residence or Park	215	1.00	1.00	\$6,336.98
Mobile Home Park Laundry	Laundry	140	1.00	0.65	\$4,126.02
Retirement Facility					
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98
Rooms w/o Kitchens	Dwelling	100	1.00	0.47	\$2,948.22
Rooms w/ Kitchens	Dwelling	150	1.00	0.70	\$4,421.09
Non-Residential					
Motel/Hotel					
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98
Rooms w/o Kitchens	Guest House	100	1.00	0.47	\$2,948.22
Rooms w/ Kitchens	Guest House	150	1.00	0.70	\$4,421.09
Laundrettes, per machine	Each washing machine	160	1.00	0.74	\$4,716.16
Beauty & Barber Shops	Business	215	1.00	1.00	\$6,336.98
Each Sink Over 2	Station Chair	100	1.00	0.47	\$2,948.22
Gas Station w/Restroom	Business	325	1.00	1.51	\$9,580.27
Cocktail Lounge/Wine Tasting	Up to 50 seats	430	1.00	2.00	\$12,674.79
Additional Seating	Per seat	8	1.00	0.04	\$235.56
Market, Major	W/meat & produce dept. (first 20 DFUs)	750	1.76	6.14	\$38,907.92
Convenience Market	No food preparation, dry goods only	215	1.00	1.00	\$6,336.98
Convenience Market w/Deli	Food preparation with sinks (first 20 DFUs)	270	1.76	2.21	\$14,007.15
Deli	Food preparation with sinks (first 20 DFUs)	260	1.00	1.21	\$7,663.56
Office & Retail	Professional & Commercial Retail	215	1.00	1.00	\$6,336.98
Units w/o Toilets	Each unit w/central toilet facility	100	1.00	0.47	\$2,948.22
Restaurant Full Service	Up to 21 seats	600	1.76	4.91	\$31,126.17
Additional Seating - Food	Per seat	12	1.76	0.10	\$623.20
Additional Seating - Bar/Banquet	Per seat	8	1.00	0.04	\$235.56
Coffee Specialty Retail	Up to 21 seats (incl 50% outdoors)	270	1.00	1.26	\$7,958.63
Restaurant - Fast Food	No seating (first 20 DFUs)	240	1.76	1.96	\$12,450.80
Institutional					
Church	Base rate	215	1.00	1.00	\$6,336.98
Pre/Elementary School, Per Student	Per student & staff	7	1.00	0.03	\$206.32
High School, per Student	Per student & staff w/kitchens and showers	9	1.00	0.04	\$265.32
Museum	Tax exempt	215	1.00	1.00	\$6,336.98
Post Office	Tax exempt	215	1.00	1.00	\$6,336.98
Public Park	Per toilet room	500	1.00	2.33	\$14,737.80
Additional Sewer Service Charges					
Senior Living					
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98
per Bed	Per Bed	125	1.00	0.58	\$3,684.29
Food Service	Up to 21 seats	600	1.76	4.91	\$31,126.17
Additional Seating (per seat)	Per seat	12	1.76	0.10	\$623.20
Recovery Ranch					
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98
per Bed	Per Bed	70	1.00	0.33	\$2,063.20
Food Service	Up to 21 seats	600	1.76	4.91	\$31,126.17
Additional Seating (per seat)	Per seat	12	1.76	0.10	\$623.20
Medical, Dental, Veterinarian					
Clinic or Building (per 1,000 sf)	Professional & Commercial, per 1,000 sf	300	1.15	1.60	\$10,168.64
Billiard/Café (per 1,000 sf)	per 1,000 sf	150	1.15	0.80	\$5,084.32
Food Service	Up to 21 seats	600	1.76	4.91	\$31,126.17
Additional Seating (per seat)	Per seat	12	1.76	0.10	\$623.20
Car Wash	Business	1,350	1.15	7.22	\$45,758.89
Cocktail Lounge with Food	Food preparation with sinks (first 20 DFUs)	430	1.76	3.52	\$22,306.17
Additional Seating	Per seat	8	1.76	0.07	\$415.00
Winery and Wine Tasting	No food preparation, dry goods only	270	1.00	1.26	\$7,958.07
Wine Tasting with Food	Food preparation with sinks (first 20 DFUs)	430	1.76	3.52	\$22,306.17
Additional Seating	Per seat	8	1.76	0.07	\$415.00