

**Santa Ynez Community Services District  
Board Memorandum**

**Date:** March 18, 2026  
**To:** Board of Directors  
**From:** Loch Dreizler, General Manager  
**Subject:** Final Wastewater Rate Study – Recommendation for 2.5% Annual Increase

**Summary and Recommendation:** Willdan Financial Services will present its final rate study at tonight’s meeting. The study shows three options: 2.5%, 3.5%, and a 4.5% rate increase.

Staff recommends the 2.5% or 3.5% annual rate increase option. This keeps the rate impacts modest and predictable for customers while fully funding operations, the new Solvang debt service, and all capital needs. It uses reserves responsibly for planned local work and allocates the larger regional Solvang improvement to align with the City of Solvang’s USDA loan request. The 2.5% path ties the primary rate adjustment directly to the Solvang WWTP financing.

**Financial Rationale** The Solvang WWTP project (~\$4.8M total) is a significant driver in the plan. By funding 25% of this project from reserves and financing the balance, the new annual debt service is estimated at ~\$182,000. The 2.5% increase generates enough additional revenue to cover this debt service plus normal O&M escalation (~5% per year), while drawing ~\$2.79M from reserves for projects.

This approach aligns with our reserve policy (Resolution 11-04), which allows the Repair/Replacement Reserve to fund sewer infrastructure improvements, including Solvang-related work. Operating reserves remain well above the 6–8-month target, and total cash reserves stay above policy minimums throughout the five years.

**Residential Bill Impact Comparison**  
(Current single-family monthly base ≈ \$90.56)

Rate Option	Year 1 Monthly Increase	Year 5 Monthly Increase	Cumulative % Increase (5 Years)	Cumulative Dollar Increase Over 5 Years (per customer)
2.5%	+\$1.81	+\$2.46	13.1%	~\$132
3.5%	+\$3.17	+\$4.25	18.8%	~\$210
4.5%	+\$4.08	+\$5.42	24.6%	~\$280

The 2.5% option adds ~\$132 over 5 years (an average of ~\$2.20 per month) for a typical residential customer — more affordable than the 4.5% alternative while still securing the Solvang upgrades that benefit our entire system.

**Reserves Impact:** Under the 2.5% path with our funding mix, reserves experience a planned, modest decline but recover as spending drops after 2029. Ending reserves remain healthy and above all policy minimums, giving us flexibility for future needs.

**Buellton’s Proposed Sewer Rate Schedule (Residential)**

The following table shows the approved maximum monthly sewer rates for single-family residential dwelling types through 2029:

	Nov 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
<b>Single Family Dwelling</b>	\$58.96	\$82.54	\$94.93	\$99.67	\$103.66

**Next Steps**

- Board discussion and selection of preferred options.
- Approve mailing of Proposition 218 notices (deadline March 30).
- Conduct public hearing on May 20 and adopt rates effective July 1, 2026 (if no majority protest).

**Attachments**

1. Willdan Rate Study Presentation v2

# Santa Ynez Community Services District

## Sewer Utility Rate Study

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March 18, 2026

### Willdan Financial Services

- Chris Fisher, Vice President
- Alice Bou, Project Manager
- Michael Cronan, Senior Project Manager



SANTA YNEZ  
COMMUNITY SERVICES DISTRICT

# Rate Study Goals & Objectives

- Evaluate current financial condition of the sewer utility and develop 5-year financial plan
- Funding for current and future operations and capital needs
- Debt repayment, compliance with bond covenants
- Maintain adequate reserves for operations, capital, and debt service
- Provide recommendations to improve and maintain financial health and stability of sewer utility over next five years
- Develop equitable, cost-based rate structure
- Ensure proposition 218 compliance – COS and procedures

# Factors Driving Financial Plan

- Rising operating costs (insurance, legal, utilities, etc.)
- Rising personnel costs (labor, benefits, etc.)
- Debt service coverage to maintain compliance with debt covenants
- Funding the District's capital improvement projects
- Funding capital costs for the Solvang Wastewater Treatment Plant improvements totaling \$4.8M
- Maintaining sufficient reserve levels to meet all financial obligations

# Factors Driving Financial Plan (cont.)

Cost Drivers	2027	2028	2029	2030	2031	Total	% of Total
Operating & Maintenance Costs	\$ 1,978,754	\$ 2,075,872	\$ 2,178,162	\$ 2,285,925	\$ 2,399,464	\$ 10,918,177	61.6%
Debt - Horizon Loan	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 434,079	2.4%
Capital Improvement Projects	\$ 1,852,715	\$ 1,901,813	\$ 2,344,191	\$ 54,698	\$ 225,000	\$ 6,378,415	36.0%
<b>Totals</b>	<b>\$ 3,918,284</b>	<b>\$ 4,064,500</b>	<b>\$ 4,609,169</b>	<b>\$ 2,427,439</b>	<b>\$ 2,711,280</b>	<b>\$ 17,730,672</b>	
Salaries & Benefits	\$ 1,053,360	\$ 1,106,028	\$ 1,161,329	\$ 1,219,395	\$ 1,280,364	\$ 5,820,476	32.8%
Solvang WWTP Upgrade	\$ 624,215	\$ 1,852,200	\$ 2,315,250	\$ -	\$ -	\$ 4,791,665	27.0%
Solvang Flow Charges	\$ 320,500	\$ 342,935	\$ 366,940	\$ 392,626	\$ 420,110	\$ 1,843,111	10.4%
SYCSD Projects	\$ 1,228,500	\$ 49,613	\$ 28,941	\$ 54,698	\$ 225,000	\$ 1,586,751	8.9%
Consultant Services <sup>[1]</sup>	\$ 197,039	\$ 202,952	\$ 209,041	\$ 215,312	\$ 221,772	\$ 1,046,116	5.9%
Repair & Maintenance	\$ 142,449	\$ 146,722	\$ 151,124	\$ 155,659	\$ 160,329	\$ 756,283	4.3%
Utilities	\$ 55,404	\$ 59,836	\$ 64,623	\$ 69,793	\$ 75,376	\$ 325,032	1.8%
Insurance	\$ 54,281	\$ 55,909	\$ 57,587	\$ 59,315	\$ 61,094	\$ 288,186	1.6%

**Notes:**

[1] Includes expenses for Legal Services, Consultant Fees, and Audit and Accounting Services.

Santa Ynez Community Services District  
Sewer Utility Rate Study

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# Methodology & Projections

# Rate Study Methodology

		Analysis	Purpose
Phase I	How much revenue is needed?	Revenue Sufficiency	Basis for development of financial plan
Phase II	Who is incurring the cost?	Cost of Service	Assign net costs to ensure equity among customers
Phase III	What do rates need to be?	Rate Design	Results in rates based on usage/benefit that generate sufficient revenue

**Outcome:** Ensures proposed rates recover costs proportionately from customers, based on their respective demand & comply with Prop 218

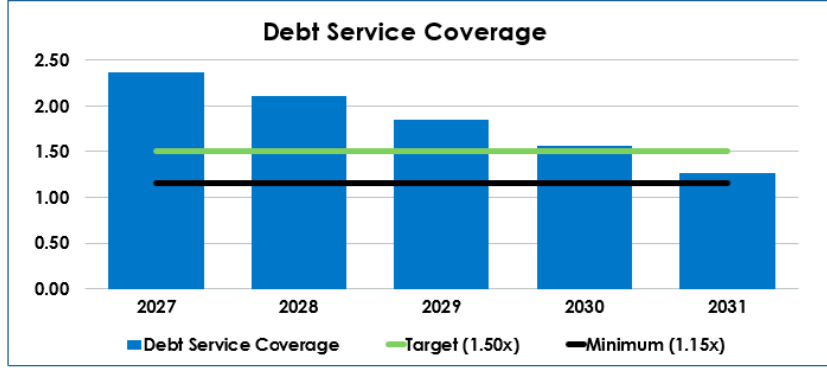
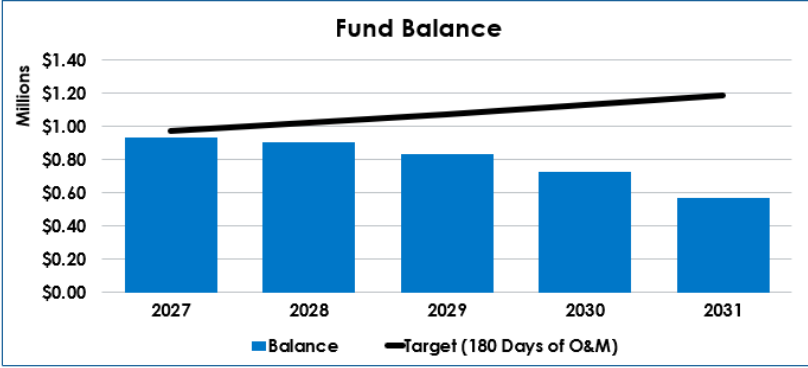
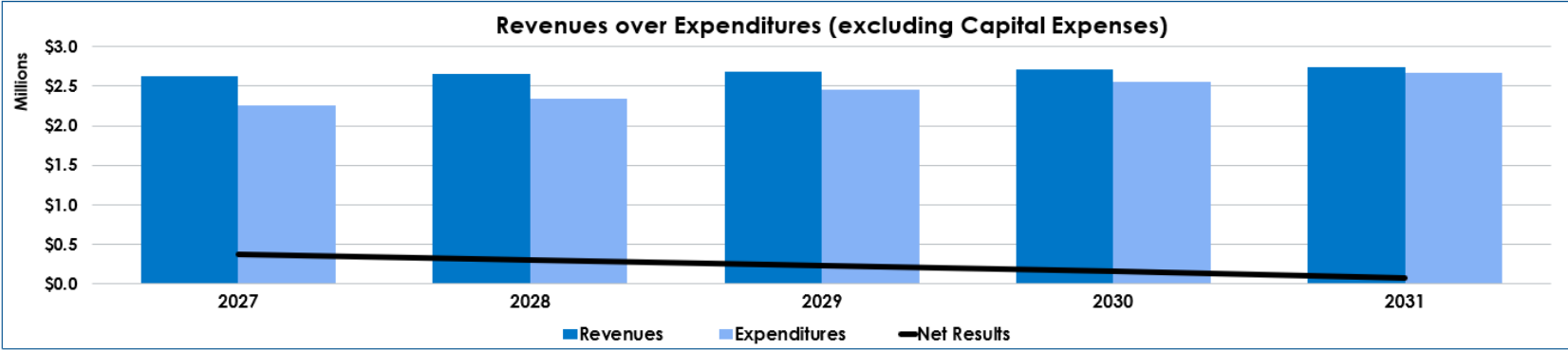
# Why the Year 1 Rate Adjustment May Differ from the Revenue Increase

Understanding difference between Revenue and Rates – they are **not** the same

REVENUE	RATES
Money required for a utility to meet its funding needs <ul style="list-style-type: none"><li>○ Total amount of money generated by rates to cover expenses</li></ul>	The calculated amount charged to customers <ul style="list-style-type: none"><li>○ Base charge (fixed rate/fee)</li><li>○ Usage (volume of consumption)</li></ul>

As a result, the Year 1 rate adjustment incorporates both the required revenue increase and reconciliation to updated cost-of-service results and billing data

# Status Quo Projections



# Capital Improvement Program

Project Description	2026	Projected For Fiscal Year Ending June 30					Total CIP
		2027	2028	2029	2030	2031	
<b>SEWER SYSTEM</b>							
<b>Sewer Main Repair Projects</b>							
<b>Gravity Main</b>							
246 Gravity Main Condition Assess to Alamo Pintado	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Gravity Main Condition Assess from AP to Fjord	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
<b>Force Main</b>							
Force Main Condition Assessment	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Force Main Rehabilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessment	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Install CIPP Liner - 4300'	\$ -	\$ 903,000	\$ -	\$ -	\$ -	\$ -	\$ 903,000
<b>246 Lift Station</b>							
Wet Well Liner	\$ -	\$ 36,750	\$ -	\$ -	\$ -	\$ -	\$ 36,750
Other Misc Components (valves, controls, starters)	\$ -	\$ -	\$ -	\$ 28,941	\$ -	\$ -	\$ 28,941
<b>Equipment</b>							
Replace 2004 Chevy	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000
<b>Ductile Iron Pipe Lining</b>							
Alamo Pintado Bridge	\$ -	\$ 131,250	\$ -	\$ -	\$ -	\$ -	\$ 131,250
DIP Near Mavericks	\$ -	\$ 78,750	\$ -	\$ -	\$ -	\$ -	\$ 78,750
Misc. smaller areas of DIP	\$ -	\$ 78,750	\$ -	\$ -	\$ -	\$ -	\$ 78,750
<b>Sewer Expansion Const. Docs (Tiana, Country Road)</b>	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000
<b>Manholes</b>							
Manhole Relining 2/year (2 or 3 every 2 years)	\$ 45,000	\$ -	\$ 49,613	\$ -	\$ 54,698	\$ -	\$ 149,310
Manhole Relining (across from high school)	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
<b>Future System Improvements (5-year Average)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000
<b>Total SYCSD Projects</b>	<b>\$ 380,000</b>	<b>\$ 1,228,500</b>	<b>\$ 49,613</b>	<b>\$ 28,941</b>	<b>\$ 54,698</b>	<b>\$ 225,000</b>	<b>\$ 1,966,751</b>
<b>Solvang Wastewater Treatment Plant Upgrade</b>	<b>\$ 182,000</b>	<b>\$ 624,215</b>	<b>\$ 1,852,200</b>	<b>\$ 2,315,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,973,665</b>
<b>Total System Improvements</b>	<b>\$ 562,000</b>	<b>\$ 1,852,715</b>	<b>\$ 1,901,813</b>	<b>\$ 2,344,191</b>	<b>\$ 54,698</b>	<b>\$ 225,000</b>	<b>\$ 6,940,415</b>

# 5-Year Financial Plan

- 5-year monthly rate path
- 5-year monthly bill path
- Comparison with neighboring utilities – monthly bills
- Updated projections of financial metrics & operating results over 5-year financial plan - including rate adjustments

# 5-Year Monthly Rate Path - Alternative 1

User Classification	Existing Rates	Projected For Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
<b>Revenue Adjustments:</b>		2.50%	2.50%	2.50%	2.50%	2.50%
<b>Monthly Fixed Charge:</b>						
<b>Residential Fixed Charges:</b>						
Single Family	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Multi-family	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Second Unit/Studios	\$ 67.41	\$ 68.78	\$ 70.52	\$ 72.28	\$ 74.09	\$ 75.94
Mobile Home/Trailers						
Manager Residence	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Trailer Space	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Mobile Home Park Laundry	\$ 58.96	\$ 60.18	\$ 61.69	\$ 63.23	\$ 64.81	\$ 66.43
Retirement Facility						
Manager Residence	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Rooms w/o Kitchens	\$ 42.14	\$ 42.99	\$ 44.06	\$ 45.16	\$ 46.29	\$ 47.45
Rooms w/ Kitchens	\$ 63.18	\$ 64.48	\$ 66.09	\$ 67.75	\$ 69.44	\$ 71.18

# 5-Year Monthly Rate Path - Alternative 1 (cont.)

User Classification	Existing Rates	Projected For Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
<b>Non-Residential Fixed Charges:</b>						
Motel/Hotel						
Manager Residence	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Rooms w/o Kitchens	\$ 42.14	\$ 42.99	\$ 44.06	\$ 45.16	\$ 46.29	\$ 47.45
Rooms w/ Kitchens	\$ 63.18	\$ 64.48	\$ 66.09	\$ 67.74	\$ 69.44	\$ 71.17
Laundrettes, per machine	\$ 67.41	\$ 68.78	\$ 70.50	\$ 72.26	\$ 74.07	\$ 75.92
Beauty & Barber Shops	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Each Sink Over 2	\$ 42.14	\$ 42.99	\$ 44.06	\$ 45.16	\$ 46.29	\$ 47.45
Gas Station w/Restroom	\$ 136.91	\$ 139.71	\$ 143.20	\$ 146.78	\$ 150.45	\$ 154.21
Cocktail Lounge	\$ 181.12	\$ 184.84	\$ 189.46	\$ 194.20	\$ 199.05	\$ 204.03
Additional Seating	\$ 3.37	\$ 3.44	\$ 3.52	\$ 3.61	\$ 3.70	\$ 3.80
Market, Major	\$ 556.02	\$ 567.42	\$ 581.61	\$ 596.15	\$ 611.05	\$ 626.33
Convenience Market	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Convenience Market w/Deli	\$ 200.17	\$ 204.27	\$ 209.38	\$ 214.61	\$ 219.98	\$ 225.48
Deli	\$ 109.51	\$ 111.76	\$ 114.56	\$ 117.42	\$ 120.36	\$ 123.37
Office & Retail	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Units w/o Toilets	\$ 42.14	\$ 42.99	\$ 44.06	\$ 45.16	\$ 46.29	\$ 47.45
Restaurant Full Service	\$ 444.81	\$ 453.94	\$ 465.29	\$ 476.92	\$ 488.84	\$ 501.06
Additional Seating - Food	\$ 8.90	\$ 9.08	\$ 9.31	\$ 9.54	\$ 9.78	\$ 10.02
Additional Seating - Bar/Banquet	\$ 3.37	\$ 3.44	\$ 3.52	\$ 3.61	\$ 3.70	\$ 3.80
Coffee Specialty Retail	\$ 113.74	\$ 116.06	\$ 118.97	\$ 121.94	\$ 124.99	\$ 128.11
Restaurant - Fast Food	\$ 177.92	\$ 181.58	\$ 186.11	\$ 190.77	\$ 195.54	\$ 200.42
YMCA	\$ 1,042.40	\$ 900.14	\$ 922.64	\$ 945.71	\$ 969.35	\$ 993.58
Chumash Gas Station	\$ 1,042.40	\$ 2,157.49	\$ 2,211.43	\$ 2,266.72	\$ 2,323.38	\$ 2,381.47

# 5-Year Monthly Rate Path - Alternative 1 (cont.)

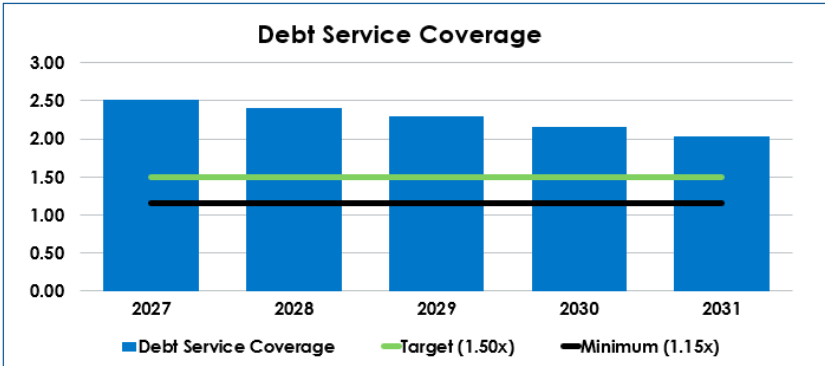
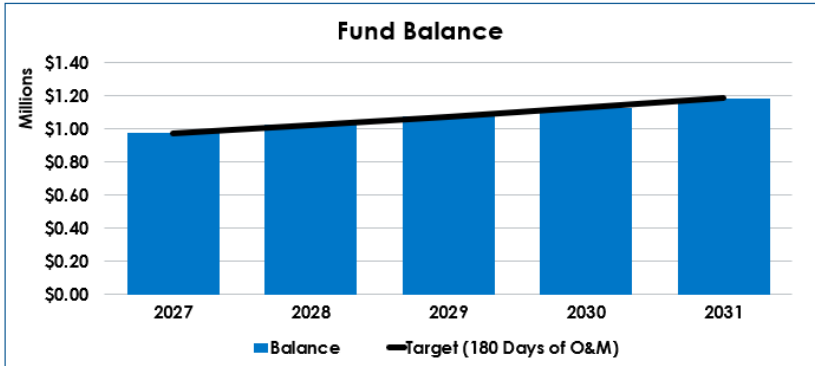
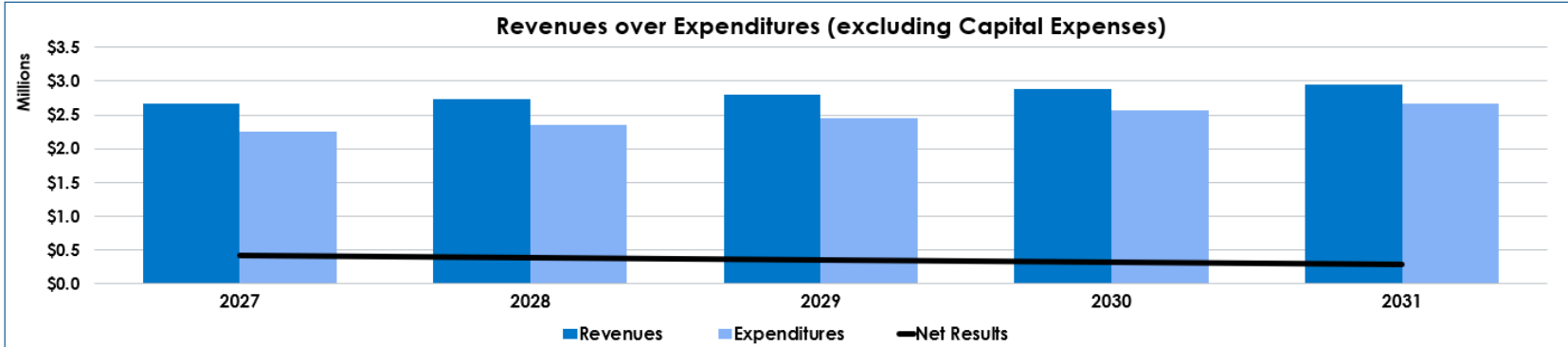
User Classification	Existing Rates	Projected For Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
<b>Institutional Fixed Charges:</b>						
Church	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Pre/Elementary School, Per Student	\$ 2.72	\$ 3.01	\$ 3.08	\$ 3.16	\$ 3.24	\$ 3.32
High School, per Student	\$ 3.79	\$ 3.87	\$ 3.97	\$ 4.06	\$ 4.17	\$ 4.27
Museum	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Post Office	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Public Park	\$ 210.62	\$ 214.93	\$ 220.31	\$ 225.81	\$ 231.46	\$ 237.25
<b>Additional Sewer Service Fixed Charges:</b>						
Senior Living						
Manager Residence	\$ 90.56	\$ 92.42	\$ 94.73	\$ 97.10	\$ 99.53	\$ 102.02
Per Bed	\$ 52.65	\$ 53.97	\$ 55.32	\$ 56.70	\$ 58.12	\$ 59.57
Food Service	\$ 444.81	\$ 453.94	\$ 465.29	\$ 476.92	\$ 488.84	\$ 501.06
Additional Seating (per seat)	\$ 8.90	\$ 9.08	\$ 9.31	\$ 9.54	\$ 9.78	\$ 10.02
Medical, Dental, Veterinarian						
Clinic or Building (per 1,000 sf)	\$ 145.31	\$ 148.30	\$ 152.01	\$ 155.81	\$ 159.71	\$ 163.70
Billiard/Café (per 1,000 sf)	\$ 72.66	\$ 74.15	\$ 76.01	\$ 77.91	\$ 79.85	\$ 81.85
Food Service	\$ 444.81	\$ 453.94	\$ 465.29	\$ 476.92	\$ 488.84	\$ 501.06
Additional Seating (per seat)	\$ 8.90	\$ 9.08	\$ 9.31	\$ 9.54	\$ 9.78	\$ 10.02
Cocktail Lounge with Food	\$ 181.12	\$ 184.84	\$ 189.46	\$ 194.20	\$ 199.05	\$ 204.03
Additional Seating	\$ 3.37	\$ 3.44	\$ 3.52	\$ 3.61	\$ 3.70	\$ 3.80
Car Wash	\$ 653.92	\$ 670.27	\$ 687.03	\$ 704.20	\$ 721.81	\$ 739.85
Winery and Wine Tasting	\$ 113.74	\$ 116.06	\$ 118.97	\$ 121.94	\$ 124.99	\$ 128.11

# 5-Year Monthly Bill Path - Alternative 1



	Existing 2026	2027	2028	2029	2030	2031
■ Monthly Sewer Bill	\$90.56	\$92.42	\$94.73	\$97.10	\$99.53	\$102.02
Difference (\$)		\$1.86	\$2.31	\$2.37	\$2.43	\$2.49
Difference (%)		2.05%	2.50%	2.50%	2.50%	2.50%

# Adjusted Financial Metrics - Alternative 1



# Financial Summary - Alternative 1

Description <sup>[1]</sup>	Current Rates	2027	Fiscal Year Ending June 30			
			2028	2028	2028	2028
<b>Revenue Adjustments:</b>		<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>
<b>Sewer System</b>						
Total Revenues	\$ 2,596,580	\$ 2,662,786	\$ 2,731,460	\$ 2,802,506	\$ 2,876,083	\$ 2,952,241
Total Expenditures	1,867,000	1,978,754	2,075,872	2,178,162	2,285,925	2,399,464
<b>Total Net Operating Results</b>	<b>\$ 729,580</b>	<b>\$ 684,032</b>	<b>\$ 655,588</b>	<b>\$ 624,344</b>	<b>\$ 590,158</b>	<b>\$ 552,777</b>
<b>Debt Service</b>						
Current Debt	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816
New Debt - Solvang Projects <sup>[2]</sup>	-	186,000	186,000	186,000	186,000	186,000
	<b>\$ 86,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>
<b>Operating Fund</b>						
Beginning Fund Balance	\$ 1,024,500	\$ 920,712	\$ 975,824	\$ 1,023,718	\$ 1,074,162	\$ 1,127,305
Deposit/(Withdrawal) from Operations	642,764	411,216	382,772	351,528	317,342	279,961
Transfer to Fund/Replace/Expansion Reserve	(746,552)	(356,105)	(334,878)	(301,084)	(264,199)	(223,969)
<b>Ending Fund Balance</b>	<b>\$ 920,712</b>	<b>\$ 975,824</b>	<b>\$ 1,023,718</b>	<b>\$ 1,074,162</b>	<b>\$ 1,127,305</b>	<b>\$ 1,183,297</b>
<b>Building Fund</b>						
Beginning Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
<b>Ending Fund Balance</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>
<b>Fund/Replace/Expansion Reserve</b>						
Beginning Fund Balance	\$ 4,102,078	\$ 4,286,630	\$ 3,258,181	\$ 3,080,397	\$ 2,773,727	\$ 2,983,228
Transfer from Operating Fund	746,552	356,105	334,878	301,084	264,199	223,969
Cash Funded Capital Projects	(562,000)	(1,384,554)	(512,663)	(607,753)	(54,698)	(225,000)
<b>Ending Fund Balance</b>	<b>\$ 4,286,630</b>	<b>\$ 3,258,181</b>	<b>\$ 3,080,397</b>	<b>\$ 2,773,727</b>	<b>\$ 2,983,228</b>	<b>\$ 2,982,198</b>
<b>Total Cash Reserves</b>	<b>\$ 5,347,342</b>	<b>\$ 4,374,005</b>	<b>\$ 4,244,115</b>	<b>\$ 3,987,890</b>	<b>\$ 4,250,534</b>	<b>\$ 4,305,495</b>

**Notes:**

- [1] Assumes an implementation date of July 1.
- [2] The future debt assumptions were developed in consultation with District staff for planning purposes only, and Willdan is not acting as a municipal or financial advisor, nor providing any advice, structuring, or assistance related to debt issuance or projected bond financing as part of this sewer rate study.

# 5-Year Monthly Rate Path - Alternative 2

User Classification	Existing Rates	Projected For Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
<b>Revenue Adjustments:</b>		3.50%	3.50%	3.50%	3.50%	3.50%
<b>Monthly Fixed Charge:</b>						
<b>Residential Fixed Charges:</b>						
Single Family	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Multi-family	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Second Unit/Studios	\$ 67.41	\$ 69.45	\$ 71.90	\$ 74.42	\$ 77.02	\$ 79.72
Mobile Home/Trailers						
Manager Residence	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Trailer Space	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Mobile Home Park Laundry	\$ 58.96	\$ 60.77	\$ 62.90	\$ 65.10	\$ 67.38	\$ 69.74
Retirement Facility						
Manager Residence	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Rooms w/o Kitchens	\$ 42.14	\$ 43.41	\$ 44.93	\$ 46.50	\$ 48.13	\$ 49.81
Rooms w/ Kitchens	\$ 63.18	\$ 65.11	\$ 67.39	\$ 69.75	\$ 72.19	\$ 74.72

# 5-Year Monthly Rate Path - Alternative 2 (cont.)

User Classification	Existing Rates	Projected For Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
<b>Non-Residential Fixed Charges:</b>						
Motel/Hotel						
Manager Residence	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Rooms w/o Kitchens	\$ 42.14	\$ 43.41	\$ 44.93	\$ 46.50	\$ 48.13	\$ 49.81
Rooms w/ Kitchens	\$ 63.18	\$ 65.11	\$ 67.39	\$ 69.75	\$ 72.19	\$ 74.72
Laundrettes, per machine	\$ 67.41	\$ 69.45	\$ 71.89	\$ 74.40	\$ 77.01	\$ 79.70
Beauty & Barber Shops	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Each Sink Over 2	\$ 42.14	\$ 43.41	\$ 44.93	\$ 46.50	\$ 48.13	\$ 49.81
Gas Station w/Restroom	\$ 136.91	\$ 141.08	\$ 146.02	\$ 151.13	\$ 156.42	\$ 161.89
Cocktail Lounge	\$ 181.12	\$ 186.66	\$ 193.19	\$ 199.95	\$ 206.95	\$ 214.19
Additional Seating	\$ 3.37	\$ 3.47	\$ 3.59	\$ 3.72	\$ 3.85	\$ 3.99
Market, Major	\$ 556.02	\$ 573.00	\$ 593.05	\$ 613.81	\$ 635.29	\$ 657.53
Convenience Market	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Convenience Market w/Deli	\$ 200.17	\$ 206.28	\$ 213.50	\$ 220.97	\$ 228.71	\$ 236.71
Deli	\$ 109.51	\$ 112.86	\$ 116.81	\$ 120.90	\$ 125.13	\$ 129.51
Office & Retail	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Units w/o Toilets	\$ 42.14	\$ 43.41	\$ 44.93	\$ 46.50	\$ 48.13	\$ 49.81
Restaurant Full Service	\$ 444.81	\$ 458.40	\$ 474.44	\$ 491.05	\$ 508.23	\$ 526.02
Additional Seating - Food	\$ 8.90	\$ 9.17	\$ 9.49	\$ 9.82	\$ 10.16	\$ 10.52
Additional Seating - Bar/Banquet	\$ 3.37	\$ 3.47	\$ 3.59	\$ 3.72	\$ 3.85	\$ 3.99
Coffee Specialty Retail	\$ 113.74	\$ 117.20	\$ 121.31	\$ 125.55	\$ 129.95	\$ 134.49
Restaurant - Fast Food	\$ 177.92	\$ 183.36	\$ 189.78	\$ 196.42	\$ 203.29	\$ 210.41
YMCA	\$ 1,042.40	\$ 908.98	\$ 940.80	\$ 973.72	\$ 1,007.80	\$ 1,043.08
Chumash Gas Station	\$ 1,042.40	\$ 2,178.69	\$ 2,254.95	\$ 2,333.87	\$ 2,415.55	\$ 2,500.10

# 5-Year Monthly Rate Path - Alternative 2 (cont.)

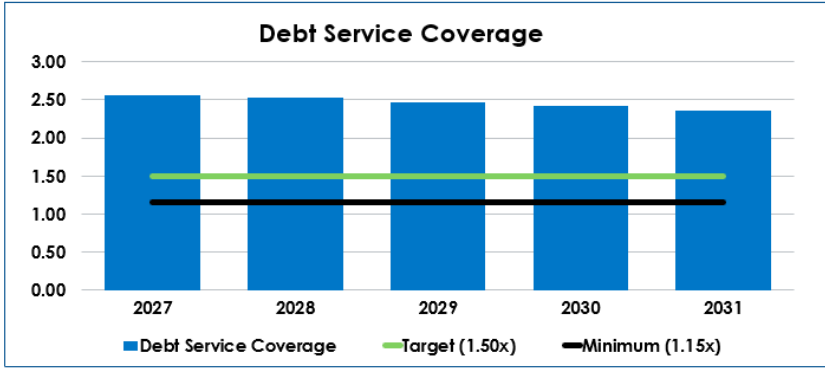
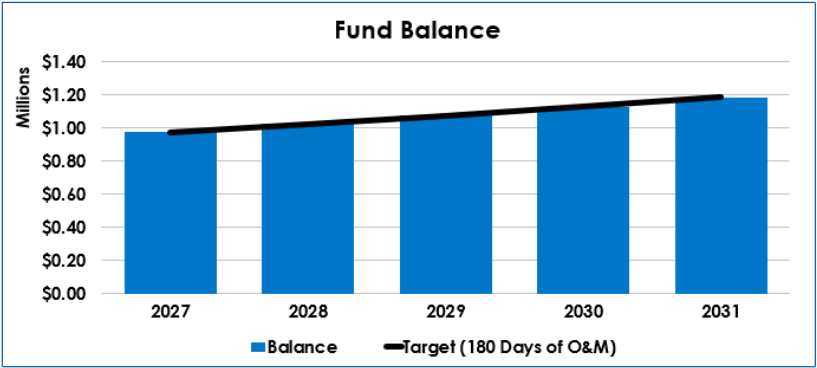
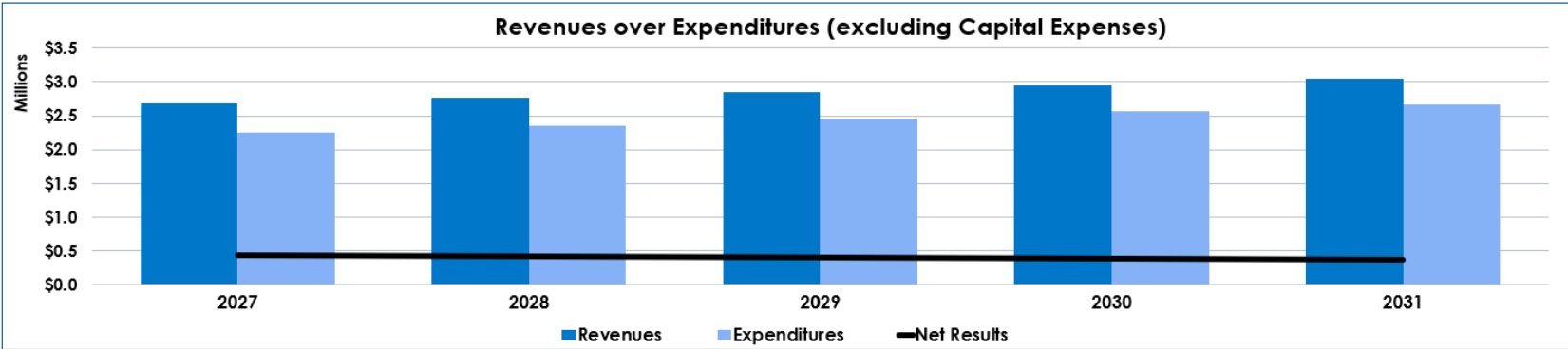
User Classification	Existing Rates	Projected For Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
<b>Institutional Fixed Charges:</b>						
Church	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Pre/Elementary School, Per Student	\$ 2.72	\$ 3.04	\$ 3.14	\$ 3.26	\$ 3.37	\$ 3.49
High School, per Student	\$ 3.79	\$ 3.91	\$ 4.04	\$ 4.19	\$ 4.33	\$ 4.48
Museum	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Post Office	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Public Park	\$ 210.62	\$ 217.04	\$ 224.64	\$ 232.50	\$ 240.64	\$ 249.06
<b>Additional Sewer Service Fixed Charges:</b>						
Senior Living						
Manager Residence	\$ 90.56	\$ 93.33	\$ 96.60	\$ 99.98	\$ 103.48	\$ 107.10
Per Bed	\$ 52.65	\$ 54.49	\$ 56.40	\$ 58.37	\$ 60.41	\$ 62.53
Food Service	\$ 444.81	\$ 458.40	\$ 474.44	\$ 491.05	\$ 508.23	\$ 526.02
Additional Seating (per seat)	\$ 8.90	\$ 9.17	\$ 9.49	\$ 9.82	\$ 10.16	\$ 10.52
Medical, Dental, Veterinarian						
Clinic or Building (per 1,000 sf)	\$ 145.31	\$ 149.76	\$ 155.00	\$ 160.43	\$ 166.04	\$ 171.85
Billiard/Café (per 1,000 sf)	\$ 72.66	\$ 74.88	\$ 77.50	\$ 80.21	\$ 83.02	\$ 85.93
Food Service	\$ 444.81	\$ 458.40	\$ 474.44	\$ 491.05	\$ 508.23	\$ 526.02
Additional Seating (per seat)	\$ 8.90	\$ 9.17	\$ 9.49	\$ 9.82	\$ 10.16	\$ 10.52
Cocktail Lounge with Food	\$ 181.12	\$ 186.66	\$ 193.19	\$ 199.95	\$ 206.95	\$ 214.19
Additional Seating	\$ 3.37	\$ 3.47	\$ 3.59	\$ 3.72	\$ 3.85	\$ 3.99
Car Wash	\$ 653.92	\$ 676.81	\$ 700.50	\$ 725.02	\$ 750.39	\$ 776.66
Winery and Wine Tasting	\$ 113.74	\$ 117.20	\$ 121.31	\$ 125.55	\$ 129.95	\$ 134.49

# 5-Year Monthly Bill Path - Alternative 2



	Existing 2026	2027	2028	2029	2030	2031
■ Monthly Sewer Bill	\$90.56	\$93.33	\$96.60	\$99.98	\$103.48	\$107.10
Difference (\$)		\$2.77	\$3.27	\$3.38	\$3.50	\$3.62
Difference (%)		3.06%	3.50%	3.50%	3.50%	3.50%

# Adjusted Financial Metrics - Alternative 2



# Financial Summary - Alternative 2

Description <sup>[1]</sup>	Current Rates	2027	Fiscal Year Ending June 30			
			2028	2028	2028	2028
<b>Revenue Adjustments:</b>		<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>
<b>Sewer System</b>						
Total Revenues	\$ 2,596,580	\$ 2,678,507	\$ 2,763,846	\$ 2,852,675	\$ 2,945,187	\$ 3,041,493
Total Expenditures	1,867,000	1,978,754	2,075,872	2,178,162	2,285,925	2,399,464
<b>Total Net Operating Results</b>	<b>\$ 729,580</b>	<b>\$ 699,753</b>	<b>\$ 687,974</b>	<b>\$ 674,513</b>	<b>\$ 659,262</b>	<b>\$ 642,029</b>
<b>Debt Service</b>						
Current Debt	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816
New Debt - Solvang Projects <sup>[2]</sup>	-	186,000	186,000	186,000	186,000	186,000
	<b>\$ 86,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>
<b>Operating Fund</b>						
Beginning Fund Balance	\$ 1,024,500	\$ 920,712	\$ 975,824	\$ 1,023,718	\$ 1,074,162	\$ 1,127,305
Deposit/(Withdrawal) from Operations	642,764	426,937	415,158	401,697	386,446	369,213
Transfer to Fund/Replace/Expansion Reserve	(746,552)	(371,825)	(367,264)	(351,253)	(333,303)	(313,221)
<b>Ending Fund Balance</b>	<b>\$ 920,712</b>	<b>\$ 975,824</b>	<b>\$ 1,023,718</b>	<b>\$ 1,074,162</b>	<b>\$ 1,127,305</b>	<b>\$ 1,183,297</b>
<b>Building Fund</b>						
Beginning Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
<b>Ending Fund Balance</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>
<b>Fund/Replace/Expansion Reserve</b>						
Beginning Fund Balance	\$ 4,102,078	\$ 4,286,630	\$ 3,273,901	\$ 3,128,503	\$ 2,872,003	\$ 3,150,608
Transfer from Operating Fund	746,552	371,825	367,264	351,253	333,303	313,221
Cash Funded Capital Projects	(562,000)	(1,384,554)	(512,663)	(607,753)	(54,698)	(225,000)
<b>Ending Fund Balance</b>	<b>\$ 4,286,630</b>	<b>\$ 3,273,901</b>	<b>\$ 3,128,503</b>	<b>\$ 2,872,003</b>	<b>\$ 3,150,608</b>	<b>\$ 3,238,829</b>
<b>Total Cash Reserves</b>	<b>\$ 5,347,342</b>	<b>\$ 4,389,725</b>	<b>\$ 4,292,221</b>	<b>\$ 4,086,165</b>	<b>\$ 4,417,913</b>	<b>\$ 4,562,126</b>

**Notes:**

[1] Assumes an implementation date of July 1.

[2] The future debt assumptions were developed in consultation with District staff for planning purposes only, and Willdan is not acting as a municipal or financial advisor, nor providing any advice, structuring, or assistance related to debt issuance or projected bond financing as part of this sewer rate study.

# 5-Year Monthly Rate Path - Alternative 3

User Classification	Existing Rates	Projected For Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
<b>Revenue Adjustments:</b>		4.50%	4.50%	4.50%	4.50%	4.50%
<b>Monthly Fixed Charge:</b>						
<b>Residential Fixed Charges:</b>						
Single Family	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Multi-family	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Second Unit/Studios	\$ 67.41	\$ 70.13	\$ 73.30	\$ 76.60	\$ 80.05	\$ 83.65
Mobile Home/Trailers						
Manager Residence	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Trailer Space	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Mobile Home Park Laundry	\$ 58.96	\$ 61.36	\$ 64.13	\$ 67.01	\$ 70.03	\$ 73.18
Retirement Facility						
Manager Residence	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Rooms w/o Kitchens	\$ 42.14	\$ 43.83	\$ 45.80	\$ 47.86	\$ 50.01	\$ 52.27
Rooms w/ Kitchens	\$ 63.18	\$ 65.74	\$ 68.70	\$ 71.80	\$ 75.03	\$ 78.40

# 5-Year Monthly Rate Path - Alternative 3 (cont.)

User Classification	Existing Rates	Projected For Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
<b>Non-Residential Fixed Charges:</b>						
Motel/Hotel						
Manager Residence	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Rooms w/o Kitchens	\$ 42.14	\$ 43.83	\$ 45.80	\$ 47.86	\$ 50.02	\$ 52.27
Rooms w/ Kitchens	\$ 63.18	\$ 65.74	\$ 68.70	\$ 71.79	\$ 75.02	\$ 78.40
Laundrettes, per machine	\$ 67.41	\$ 70.13	\$ 73.28	\$ 76.58	\$ 80.03	\$ 83.63
Beauty & Barber Shops	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Each Sink Over 2	\$ 42.14	\$ 43.83	\$ 45.80	\$ 47.86	\$ 50.02	\$ 52.27
Gas Station w/Restroom	\$ 136.91	\$ 142.44	\$ 148.85	\$ 155.55	\$ 162.55	\$ 169.87
Cocktail Lounge	\$ 181.12	\$ 188.46	\$ 196.95	\$ 205.81	\$ 215.07	\$ 224.75
Additional Seating	\$ 3.37	\$ 3.51	\$ 3.66	\$ 3.83	\$ 4.00	\$ 4.18
Market, Major	\$ 556.02	\$ 578.54	\$ 604.58	\$ 631.78	\$ 660.21	\$ 689.92
Convenience Market	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Convenience Market w/Deli	\$ 200.17	\$ 208.28	\$ 217.65	\$ 227.44	\$ 237.68	\$ 248.37
Deli	\$ 109.51	\$ 113.96	\$ 119.08	\$ 124.44	\$ 130.04	\$ 135.89
Office & Retail	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Units w/o Toilets	\$ 42.14	\$ 43.83	\$ 45.80	\$ 47.86	\$ 50.02	\$ 52.27
Restaurant Full Service	\$ 444.81	\$ 462.83	\$ 483.66	\$ 505.43	\$ 528.17	\$ 551.94
Additional Seating - Food	\$ 8.90	\$ 9.26	\$ 9.67	\$ 10.11	\$ 10.56	\$ 11.04
Additional Seating - Bar/Banquet	\$ 3.37	\$ 3.51	\$ 3.66	\$ 3.83	\$ 4.00	\$ 4.18
Coffee Specialty Retail	\$ 113.74	\$ 118.34	\$ 123.66	\$ 129.23	\$ 135.04	\$ 141.12
Restaurant - Fast Food	\$ 177.92	\$ 185.13	\$ 193.46	\$ 202.17	\$ 211.27	\$ 220.78
YMCA	\$ 1,042.40	\$ 917.78	\$ 959.08	\$ 1,002.24	\$ 1,047.34	\$ 1,094.47
Chumash Gas Station	\$ 1,042.40	\$ 2,199.78	\$ 2,298.77	\$ 2,402.21	\$ 2,510.31	\$ 2,623.27

# 5-Year Monthly Rate Path - Alternative 3 (cont.)

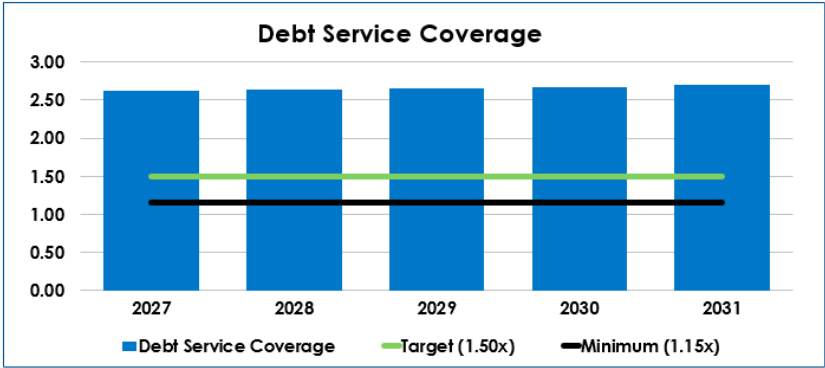
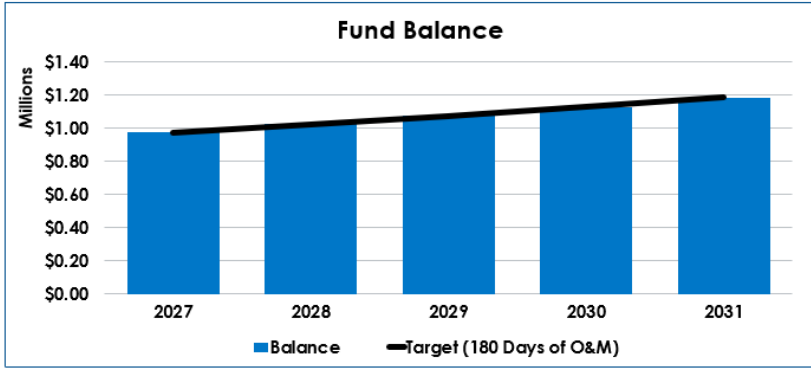
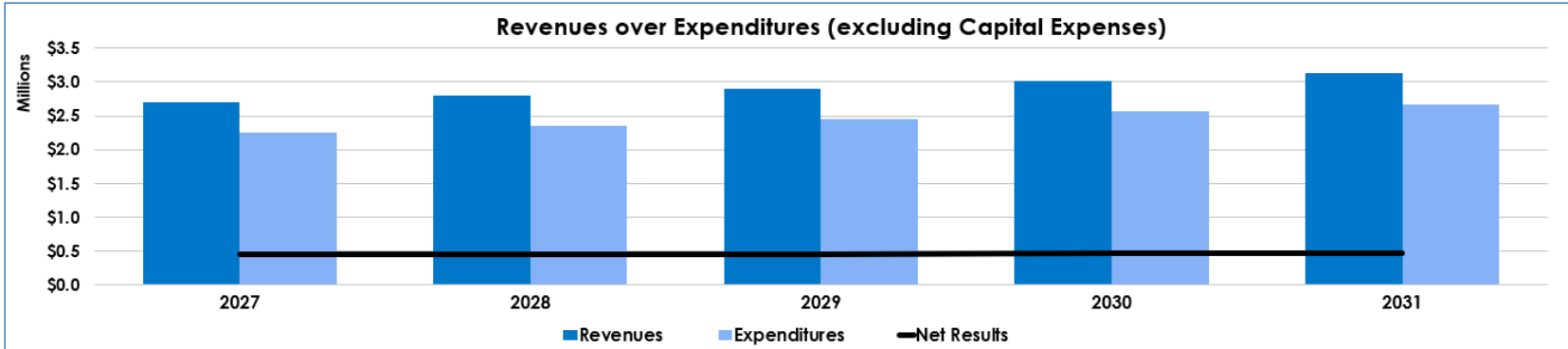
User Classification	Existing Rates	Projected For Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
<b>Institutional Fixed Charges:</b>						
Church	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Pre/Elementary School, Per Student	\$ 2.72	\$ 3.07	\$ 3.21	\$ 3.35	\$ 3.50	\$ 3.66
High School, per Student	\$ 3.79	\$ 3.94	\$ 4.12	\$ 4.31	\$ 4.50	\$ 4.70
Museum	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Post Office	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Public Park	\$ 210.62	\$ 219.14	\$ 229.01	\$ 239.31	\$ 250.08	\$ 261.33
<b>Additional Sewer Service Fixed Charges:</b>						
Senior Living						
Manager Residence	\$ 90.56	\$ 94.23	\$ 98.47	\$ 102.90	\$ 107.53	\$ 112.37
Per Bed	\$ 52.65	\$ 55.02	\$ 57.50	\$ 60.08	\$ 62.79	\$ 65.61
Food Service	\$ 444.81	\$ 462.83	\$ 483.66	\$ 505.43	\$ 528.17	\$ 551.94
Additional Seating (per seat)	\$ 8.90	\$ 9.26	\$ 9.67	\$ 10.11	\$ 10.56	\$ 11.04
Medical, Dental, Veterinarian						
Clinic or Building (per 1,000 sf)	\$ 145.31	\$ 151.21	\$ 158.01	\$ 165.13	\$ 172.56	\$ 180.32
Billiard/Café (per 1,000 sf)	\$ 72.66	\$ 75.60	\$ 79.01	\$ 82.56	\$ 86.28	\$ 90.16
Food Service	\$ 444.81	\$ 462.83	\$ 483.66	\$ 505.43	\$ 528.17	\$ 551.94
Additional Seating (per seat)	\$ 8.90	\$ 9.26	\$ 9.67	\$ 10.11	\$ 10.56	\$ 11.04
Cocktail Lounge with Food	\$ 181.12	\$ 188.46	\$ 196.95	\$ 205.81	\$ 215.07	\$ 224.75
Additional Seating	\$ 3.37	\$ 3.51	\$ 3.66	\$ 3.83	\$ 4.00	\$ 4.18
Car Wash	\$ 653.92	\$ 683.35	\$ 714.10	\$ 746.24	\$ 779.82	\$ 814.91
Winery and Wine Tasting	\$ 113.74	\$ 118.34	\$ 123.66	\$ 129.23	\$ 135.04	\$ 141.12

# 5-Year Monthly Bill Path - Alternative 3



	Existing 2026	2027	2028	2029	2030	2031
■ Monthly Sewer Bill	\$90.56	\$94.23	\$98.47	\$102.90	\$107.53	\$112.37
Difference (\$)		\$3.67	\$4.24	\$4.43	\$4.63	\$4.84
Difference (%)		4.05%	4.50%	4.50%	4.50%	4.50%

# Adjusted Financial Metrics - Alternative 3



# Financial Summary - Alternative 3

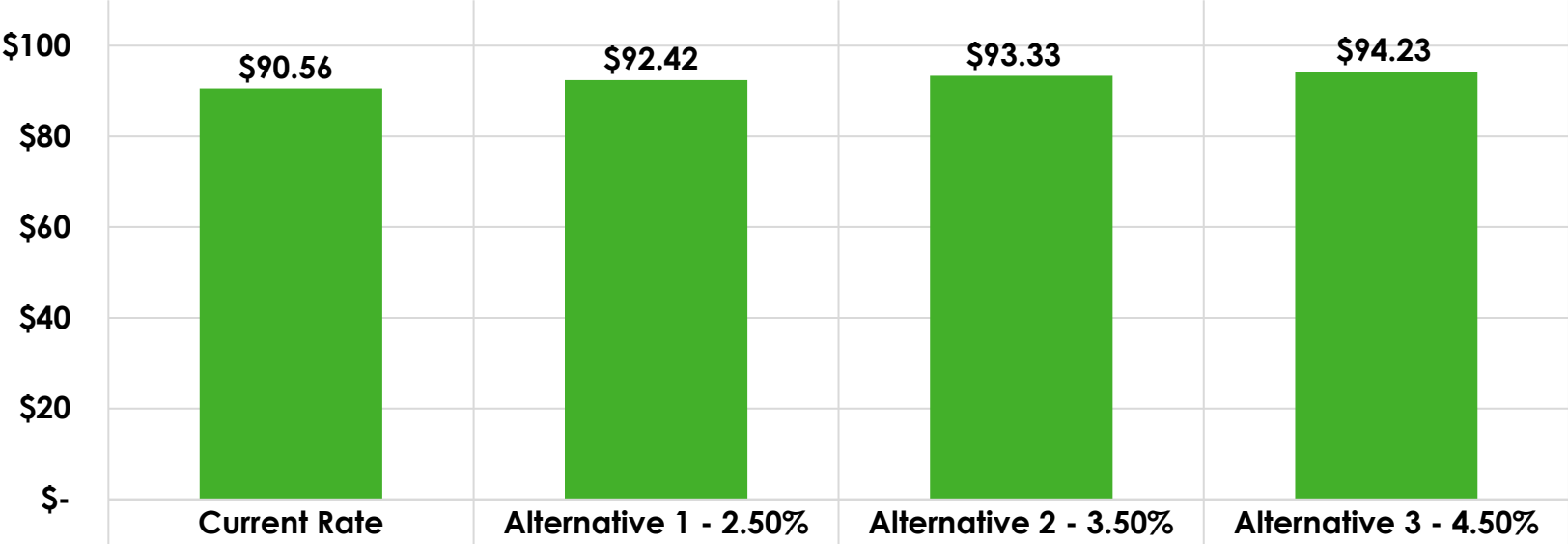
Description <sup>[1]</sup>	Current Rates	2027	Fiscal Year Ending June 30			
			2028	2028	2028	2028
<b>Revenue Adjustments:</b>		<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>
<b>Sewer System</b>						
Total Revenues	\$ 2,596,580	\$ 2,694,143	\$ 2,796,470	\$ 2,903,723	\$ 3,016,219	\$ 3,134,157
Total Expenditures	1,867,000	1,978,754	2,075,872	2,178,162	2,285,925	2,399,464
<b>Total Net Operating Results</b>	<b>\$ 729,580</b>	<b>\$ 715,389</b>	<b>\$ 720,598</b>	<b>\$ 725,561</b>	<b>\$ 730,294</b>	<b>\$ 734,693</b>
<b>Debt Service</b>						
Current Debt	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816
New Debt - Solvang Projects <sup>[2]</sup>	-	186,000	186,000	186,000	186,000	186,000
	<b>\$ 86,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>	<b>\$ 272,816</b>
<b>Operating Fund</b>						
Beginning Fund Balance	\$ 1,024,500	\$ 920,712	\$ 975,824	\$ 1,023,718	\$ 1,074,162	\$ 1,127,305
Deposit/(Withdrawal) from Operations	642,764	442,573	447,782	452,745	457,478	461,877
Transfer to Fund/Replace/Expansion Reserve	(746,552)	(387,461)	(399,888)	(402,301)	(404,335)	(405,885)
<b>Ending Fund Balance</b>	<b>\$ 920,712</b>	<b>\$ 975,824</b>	<b>\$ 1,023,718</b>	<b>\$ 1,074,162</b>	<b>\$ 1,127,305</b>	<b>\$ 1,183,297</b>
<b>Building Fund</b>						
Beginning Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
<b>Ending Fund Balance</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>
<b>Fund/Replace/Expansion Reserve</b>						
Beginning Fund Balance	\$ 4,102,078	\$ 4,286,630	\$ 3,289,538	\$ 3,176,763	\$ 2,971,311	\$ 3,320,948
Transfer from Operating Fund	746,552	387,461	399,888	402,301	404,335	405,885
Cash Funded Capital Projects	(562,000)	(1,384,554)	(512,663)	(607,753)	(54,698)	(225,000)
<b>Ending Fund Balance</b>	<b>\$ 4,286,630</b>	<b>\$ 3,289,538</b>	<b>\$ 3,176,763</b>	<b>\$ 2,971,311</b>	<b>\$ 3,320,948</b>	<b>\$ 3,501,833</b>
<b>Total Cash Reserves</b>	<b>\$ 5,347,342</b>	<b>\$ 4,405,362</b>	<b>\$ 4,340,481</b>	<b>\$ 4,185,473</b>	<b>\$ 4,588,253</b>	<b>\$ 4,825,131</b>

**Notes:**

[1] Assumes an implementation date of July 1.

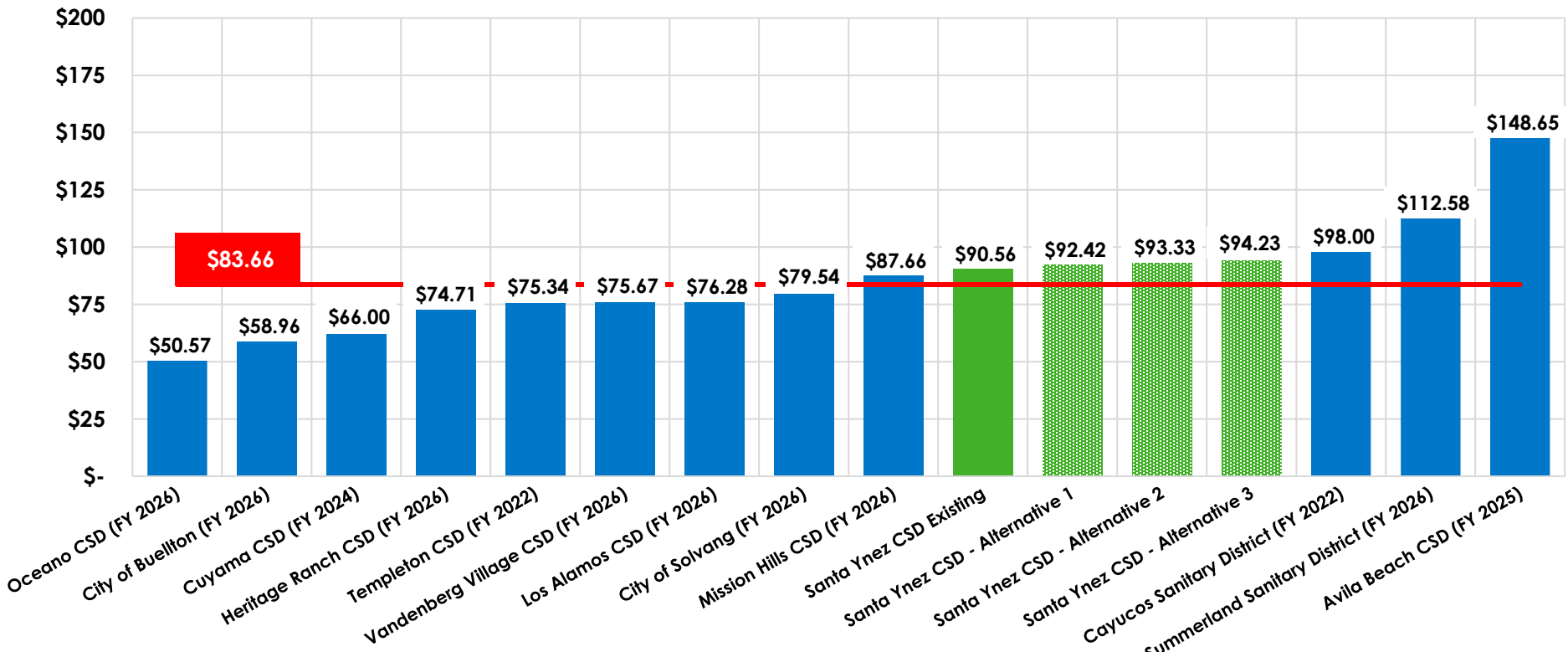
[2] The future debt assumptions were developed in consultation with District staff for planning purposes only, and Willdan is not acting as a municipal or financial advisor, nor providing any advice, structuring, or assistance related to debt issuance or projected bond financing as part of this sewer rate study.

# Year 1 Monthly Bill Summary



<b>■ Monthly Sewer Bill</b>	<b>\$90.56</b>	<b>\$92.42</b>	<b>\$93.33</b>	<b>\$94.23</b>
<b>Difference (\$)</b>		<b>\$1.86</b>	<b>\$2.77</b>	<b>\$3.67</b>
<b>Difference (%)</b>		<b>2.05%</b>	<b>3.06%</b>	<b>4.05%</b>

# Monthly Neighboring Utility Comparison



**Santa Ynez Community Services District  
Sewer Utility Rate Study**

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**NEXT STEPS**



- **Today** – Board of Directors meeting regarding rate study
  - Present rate adjustment alternatives
  - Discuss next steps
  - Schedule next Board meeting to accept final rate study report
- **TBD** – Deadline to mail out Proposition 218 Notices
- **TBD** – Conduct Public Hearing
  - Receive testimony/comments
  - Tabulate written protests
  - Board discussion and consideration
  - Adopt and implement updated rates - effective 7/1/2026

**Santa Ynez Community Services District  
Sewer Utility Rate Study**

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**QUESTIONS**

# Municipal Advisor Disclosure

*Willdan Financial Services ("Willdan") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has made available on its website ([www.msrb.org](http://www.msrb.org)) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority. As part of its SEC registration Willdan is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Willdan. Pursuant to MSRB Rule G-42, Willdan is required to disclose any legal or disciplinary event that is material to Client's evaluation of Willdan or the integrity of its management or advisory personnel. Willdan has determined that no such event exists. Copies of Willdan's filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at: <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Willdan Financial Services or for our CIK number which is 0001782739.*

*For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the municipality with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the municipality, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the municipality, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, unless formally engaged to provide such information.*