



**SANTA YNEZ COMMUNITY SERVICES DISTRICT
NOTICE OF PUBLIC HEARING REGARDING
PROPOSED CHANGES TO WASTEWATER RATES**

Hearing Date & Time: June 17, 2026, 5:30 PM

Hearing Location: District Board Room

1070 Faraday Street, Santa Ynez, California 93460

Why are you receiving this notice?

The Santa Ynez Community Services District ("District") is providing this notice to you because you are either a property owner or customer of record receiving wastewater service within the District's service area. This notice is provided in accordance with Article XIID of the California Constitution (commonly referred to as "Proposition 218"), which requires that property owners and customers be notified of proposed changes to property-related fees, including wastewater service charges. This notice describes proposed changes to the wastewater rates for this service and provides information about a Public Hearing to be held on June 17, 2026, at the District Board Room, 1070 Faraday Street, Santa Ynez, California 93460. **If adopted, the proposed rates for wastewater service will be in effect beginning July 1, 2026.**

What do wastewater rates fund?

The District owns and operates a wastewater collection system that provides service to residential, commercial, and institutional customers within its service area. The system consists of sewer pipelines, manholes, and related facilities used to convey wastewater from customer properties. The District provides collection services only, and wastewater collected within the system is conveyed to the City of Solvang Wastewater Treatment Plant for treatment and disposal. The District has secured treatment capacity rights of approximately 300,000 gallons per day (GPD) through an agreement with the City of Solvang. However, long-term system planning must consider potential increases in wastewater flows associated with customer growth, land use changes, inflow and infiltration, as well as the need to maintain flows within contracted capacity limits.

Monthly wastewater rates charged to system users (customers) are placed each year on the Santa Barbara County Secured Property Tax Roll and are paid through property owners' property taxes. These charges are the primary source of revenue to operate and maintain the wastewater collection system and are used solely for this purpose. Wastewater rate revenue provides funding for costs related to system operations, maintenance, capital projects, debt repayment, administration, as well as costs related to prudent long-term operational or financial management of the utility, such as maintaining adequate reserves levels and planning for contingencies.

The proposed monthly wastewater rates are based on a comprehensive wastewater rate study and financial plan completed by an independent consultant. The rate structure was designed so that revenues derived from the proposed rates do not exceed the amount of revenue required for the District to provide the service, nor will revenue from the wastewater rates be used for any purposes other than those for which they are imposed. The amount of the proposed rates imposed on any parcel or person as an incidence of their property ownership will not exceed the proportional cost of the service attributable to such parcel; and no rate will be imposed for service unless that service is actually used by, or is immediately available to, the property owner or customer in question. The draft rate study prepared by the consultant is available for review with the District Office.

Why are the wastewater rate changes needed?

The District recently completed the comprehensive wastewater rate study to evaluate the adequacy of existing revenues and to ensure the long-term financial sustainability of the wastewater collection system. The study determined that while current revenues may be sufficient to meet certain near-term operating costs, they are not adequate to maintain recommended reserve levels, fund planned capital improvements to ensure quality, uninterrupted wastewater service and minimize the occurrence of sanitary sewer overflows, or meet long-term financial obligations associated with system operations and infrastructure needs.

The need for rate adjustments is primarily driven by ongoing costs associated with maintaining aging infrastructure, the District's share of planned upgrades to the Solvang wastewater treatment facility, increases in operating and maintenance expenses, and the necessity of maintaining adequate reserves due to the annual nature of revenue collection through the Santa Barbara County Secured Property Tax Roll. The District's proportionate share of the costs associated with the regional wastewater treatment improvements represents the largest portion of its projected capital expenditures and is a primary driver of the need for recommended rate adjustments. Without the proposed adjustments, the District is projected to face future financial shortfalls, which could affect its ability to provide reliable wastewater service and meet regulatory and operational requirements.

How the monthly wastewater rates are determined and how they work

To develop wastewater rates that generate sufficient revenue to meet fiscal and policy objectives of the District, a determination of the annual revenue required from wastewater rates was completed. The revenue requirement includes projected expenditures for operations, maintenance, repair and replacement of aging system components, and planned capital projects as well as designated reserves. Maintaining appropriate reserve funds is critical to the ability of the District to serve its customers and respond to unforeseen and unpredictable events and costs. The reserves, like all elements of the wastewater charges, may only be used to fund costs associated with the wastewater collection system.

The revenue requirements were compared to the total sources of available funds under existing rates during each year of the forecast period to determine the adequacy of projected revenues to meet those requirements. Where a shortage of revenue was found, a series of revenue adjustments were calculated, which if implemented, will provide sufficient revenue to meet those needs. The proposed wastewater service charges are based on an Equivalent Residential Unit (ERU) methodology, which reflects each customer's proportional use of the wastewater system. One ERU represents the estimated wastewater flow and strength of a typical single-family residential unit and serves as the basis for allocating costs among all customer classes.

The wastewater charge for each parcel is calculated by multiplying the monthly rate per ERU by the number of ERUs assigned to that parcel. For example, a single-family residential property is assigned one (1) ERU and would be charged \$92.42 per month. A duplex property assigned two (2) ERUs would be charged \$184.84 per month, and a property assigned three (3) ERUs would be charged \$277.26 per month.

Although rates are expressed on a monthly basis, wastewater service charges are collected annually through the County of Santa Barbara Secured Property Tax Roll. Accordingly, the total annual charge for each parcel reflects the applicable monthly ERU-based charge multiplied over the billing period. This rate structure is designed to ensure that each customer pays an amount that is reasonably proportional to the cost of providing wastewater service to that customer, consistent with cost-of-service principles and the requirements of Proposition 218.

New monthly wastewater rates

The District is proposing to implement new wastewater rates as a series of annual adjustments starting on July 1, 2026, and then each July 1 thereafter until July 1, 2030. The following section summarizes the proposed wastewater rates which will go into effect and remain in effect until superseded by Board action.

**Proposed Monthly Wastewater Rates
July 1, 2026 – July 1, 2030**

Description	Existing Rates	Projected for Fiscal Beginning July 1				
		2026	2027	2028	2029	2030
Monthly Fixed Charge:						
Residential Fixed Charges:						
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

Description	Existing Rates	Projected for Fiscal Beginning July 1				
		2026	2027	2028	2029	2030
Residential Fixed Charges (Cont.):						
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
Non-Residential Fixed Charges:						
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
Launderettes, 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]	--	--	--	--	--	--
Institutional Fixed Charges:						
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
Additional Wastewater Service Fixed Charges:						
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

Note:

[1] Annual sewer charges are calculated by payment agreement based on flow.

Impact on your wastewater bill

Based on the proposed **monthly** rates shown in the previous table, effective July 1, 2026, the **annual** wastewater charge placed on the **yearly** Santa Barbara County Property Tax Bill for a single-family residential customer would increase from the current \$1,086.72 **per year** to \$1,109.04 **per year**. While the rates are submitted to the County to be included on **annual** property tax bills, it is important to note the monthly equivalent.

The **monthly impact** of these changes on a single-family residential customer is shown below:

Current Wastewater Charge	Proposed Wastewater Charge	Monthly Increase (\$)
\$ 90.56	\$ 92.42	\$ 1.86

How do you file a protest or participate in the public hearing?

The District will consider the new wastewater rates at a Public Hearing on Wednesday, June 17, 2026, at 5:30 p.m. at the District Board Room, 1070 Faraday Street, Santa Ynez, California 93460. You are invited to present oral or written testimony at the Public Hearing. **Any owner or customer of record of a parcel subject to the proposed rates may submit a written protest against the proposed rate revisions. If written protests are filed for a majority of the affected parcels, the proposed rate revisions will not be adopted. If you do not object to the proposed rate revisions, you do not need to take any action.**

Written protests must include the following: 1) a statement indicating that the identified property owner or customer of record is in opposition to the proposed wastewater rate changes; 2) the street address or Assessor's Parcel Number (APN) for the parcel(s) with respect to which the protest is made; and 3) the name and signature of the owner or customer.

Written protests must be mailed, or hand delivered, to the District Office at 1070 Faraday Street, Santa Ynez, California 93460, prior to 4:00 p.m. on June 17, 2026, or hand delivered to the Office Manager at the Public Hearing on June 17, 2026, before the conclusion of the Public Hearing. Protests submitted via e-mail or other electronic means will not be accepted. For any written protest, whether mailed or submitted in person to the Office Manager, please identify on the front of the envelope that the enclosed protest is for the Public Hearing on the Proposed Rate Changes – Wastewater Rates.

The Board of Directors will hear and consider all written and oral protests related to the proposed rate changes at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, there will be no more written protests accepted, and no more testimony taken, and the Board of Directors will consider adoption of the proposed rates for wastewater service described in this notice. If written protests, as outlined above, are not presented by a majority of property owners or customers of record, the Board of Directors will be authorized to adopt the proposed rates. While both property owners and customers of record may submit written protests, only one protest will be counted for each parcel. If adopted, the rates for wastewater service will be in effect beginning **July 1, 2026**.

In accordance with Government Code section 53759, there is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge, commencing from the later of the effective date of the new rates or of the date of the final passage, adoption, or approval of the resolution adopting the new rates.