

SANTA YNEZ COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Wendy Berry, Secretary/Treasurer
DATE: July 21, 2021
SUBJECT: Ordinance O-21-03, an Ordinance of the Santa Ynez Community Services District amending the sewer service code to revise capacity fees.

Recommendation

Adopt Ordinance O-21-03, an Ordinance of the Santa Ynez Community Services District amending the sewer service code to revise capacity fees with an agreed upon effective date.

Policy Implications

The District adopted the Sewer Service code by Ordinance O-98-04 which states the District will charge a capacity fee at the time the parcel connects to the District's sewer system. The District's current capacity fee for a single family dwelling is \$6336.98 per Equivalent Residential Unit (ERU).

Background

The capacity fees were last reviewed and updated in 2016. The fees have increased annually based on the change in the April Engineering News Record (ENR) Construction Cost Index (CCI) figures. The last comprehensive review of the capacity charges was performed in 1998.

Tuckfield & Associates has prepared a report dated June 18, 2021 to update the District's current capacity fees to account for recent additions and proposed capital improvements to the District's sewer system, ensure that the method for calculating capacity fees fairly allocates to new development the actual cost of the capacity provided, and establish capacity fees that are reasonable, conform to applicable laws, are easy to understand, and simple to implement.

Discussion

The Capacity Fee Study utilizes the buy-in methodology under which the capacity fees payable by new customers are based on the prior investment in the District's sewer system attributable to existing customers of the District. The District will continue its existing policy of adjusting the capacity fees annually in accordance with the Engineering News Record Construction Cost Index.

The Board will need to decide when the new capacity fee will become effective. The Board consensus was to not increase the current capacity fee, allowing for Horizon Drive

residents that wanted to connect immediately, to realize payment of current capacity fees. Any connection within the Horizon Drive project, after the agreed implementation date, will pay the new capacity fee. The previously adopted sewer code as previously amended, will be deleted in its entirety and is replaced with the substituted Exhibit "A" attached hereto and incorporated herein by reference Exhibit "A" reflects the revised capacity fees recommended by the Capacity Fee Study.

The capacity fees set forth in this Ordinance do not constitute a special tax requiring voter approval, based on the Capacity Fee Study, the approved budget, revenue and cost projections of the District. The revenue forecast to be generated by the capacity fees do not exceed the estimated reasonable cost of providing sewer service to the customers of the District and to the users within each of the classes established in Exhibit "A". The revenues derived from the capacity fees will not be used for any purpose other than that for which the capacity fees are imposed, the amount of the capacity fees will not exceed the proportional cost of the service provided to any parcel, and the capacity fees will be imposed only where service is actually used by, or immediately available to, the owner of the property in question and are in compliance with Article XIII A, Section 4 of the California Constitution and Section 50076 of the Government Code.

Attached:

Ordinance O-21-03

Capacity Fee Study

ORDINANCE NO. O-21-03

AN ORDINANCE OF THE SANTA YNEZ COMMUNITY SERVICES DISTRICT AMENDING SEWER SERVICE CODE TO REVISE CAPACITY FEES

WHEREAS, the Santa Ynez Community Services District (the “District”) has adopted a Sewer Service Code pursuant to Ordinance No. O-98-04 (the “Code”).

WHEREAS, pursuant to Section 807 of the Code, the District charges a capacity fee at the time a parcel connects to the District’s sewer system. The District’s current capacity fees are set forth in Exhibit “A” to the Code.

WHEREAS, at the request of the District, Tuckfield & Associates has prepared a report dated June 18, 2021 (the “Capacity Fee Study”) to update the District’s current capacity fees to (i) account for recent additions and proposed capital improvements to the District’s sewer system, (ii) ensure that the method for calculating capacity fees fairly allocates to new development the actual cost of the capacity provided, and (iii) establish capacity fees that are reasonable, conform to applicable laws, are easy to understand, and simple to implement.

WHEREAS, the Capacity Fee Study utilizes the buy-in methodology under which the capacity fees payable by new customers are based on the prior investment in the District’s sewer system attributable to existing customers of the District. The District will continue its existing policy of adjusting the capacity fees annually in accordance with the Engineering News Record Construction Cost Index.

NOW, THEREFORE, the Board of Directors of the Santa Ynez Community Services District ordains as follows:

1. Amendment of Code. Exhibit “A” of the Code, as previously amended, is hereby deleted in its entirety and is replaced with the substituted Exhibit “A” attached hereto and incorporated herein by reference. Said substituted Exhibit “A” reflects the revised capacity fees recommended by the Capacity Fee Study.

2. Findings. The Board hereby finds that, (i) in compliance with Article XIII A, Section 4 of the California Constitution and Section 50076 of the Government Code, the capacity fees set forth in this Ordinance do not constitute a special tax requiring voter approval, (ii) based on the Capacity Fee Study, the approved budget and revenue and cost projections of the District, the revenues forecast to be generated by the capacity fees do not exceed the estimated reasonable cost of providing sewer service to the customers of the District and to the users within each of the classes established in Exhibit “A”, (iii) the revenues derived from the capacity fees will not be used for any purpose other than that for which the capacity fees are imposed, (iv) the amount of the capacity fees will not exceed the proportional cost of the service provided to any parcel, and (v)

the capacity fees will be imposed only where service is actually used by, or immediately available to, the owner of the property in question.

3. **Effective Date.** The effective date of this Ordinance shall be _____, 2022.

4. **Continued Effect.** Except as specifically amended herein, all of the terms and provisions of the Code, as previously amended, shall continue in full force and effect.

PASSED AND ADOPTED this 21st day of July, 2021, by the following vote of the Board of Directors of the Santa Ynez Community Services District:

AYES:

NOES:

ABSENT:

ABSTAIN:

Karen Jones, Board President

ATTEST:

Wendy Berry, Board Secretary

"Exhibit A"

Table 5
Proposed Schedule of Capacity Charges

User Classification	Class Description	Flow/ Unit (gpd)	Strength Factor	ERU Multiple	Current Charge	Proposed (1)
Residential Fixed Charges						
Single Family	Dwelling	215	1.00	1.00	\$6,336.98	\$9,995.56
Multi-family	Dwelling, Apartment, Condominiums	215	1.00	1.00	\$6,336.98	\$9,995.56
Second Unit/Studios	Dwelling, Studio, 1 and 2 bedroom Unit w/o laun	160	1.00	0.74	\$4,716.47	\$7,439.47
Mobile Home/Trailers						
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98	\$9,995.56
Trailer Space	Residence or Park	215	1.00	1.00	\$6,336.98	\$9,995.56
Mobile Home Park Laundry	Laundry	140	1.00	0.65	\$4,126.29	\$6,508.55
Retirement Facility						
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98	\$9,995.56
Rooms w/o Kitchens	Dwelling	100	1.00	0.47	\$2,947.92	\$4,649.86
Rooms w/ Kitchens	Dwelling	150	1.00	0.70	\$4,421.38	\$6,974.01
Non-Residential Fixed Charges						
Motel/Hotel						
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98	\$9,995.56
Rooms w/o Kitchens	Guest House	100	1.00	0.47	\$2,947.92	\$4,649.86
Rooms w/ Kitchens	Guest House	150	1.00	0.70	\$4,421.38	\$6,974.01
Laundrettes, per machine	Each washing machine	160	1.00	0.74	\$4,716.47	\$7,439.47
Beauty & Barber Shops	Business	215	1.00	1.00	\$6,336.98	\$9,995.56
Each Sink Over 2	Station Chair	100	1.00	0.47	\$2,947.92	\$4,649.86
Gas Station w/Restroom	Business	325	1.00	1.51	\$9,579.99	\$15,110.88
Cocktail Lounge	Up to 50 seats	430	1.00	2.00	\$12,674.95	\$19,992.69
Additional Seating	Per seat	8	1.00	0.04	\$235.48	\$371.42
Market, Major	W/meat & produce dept. (first 20 DFUs)	750	1.76	6.14	\$38,908.14	\$61,371.30
Convenience Market	No food preparation, dry goods only	215	1.00	1.00	\$6,336.98	\$9,995.56
Convenience Market w/Deli	Food preparation with sinks (first 20 DFUs)	270	1.76	2.21	\$14,007.33	\$22,094.29
Deli	Food preparation with sinks (first 20 DFUs)	260	1.00	1.21	\$7,683.39	\$12,087.76
Office & Retail	Professional & Commercial Retail	215	1.00	1.00	\$6,336.98	\$9,995.56
Units w/o Toilets	Each unit w/central toilet facility	100	1.00	0.47	\$2,947.92	\$4,649.86
Restaurant Full Service	Up to 21 seats	600	1.76	4.91	\$31,126.51	\$49,097.04
Additional Seating - Food	Per seat	12	1.76	0.10	\$622.97	\$982.63
Additional Seating - Bar/Banquet	Per seat	8	1.00	0.04	\$235.48	\$371.42
Coffee Specialty Retail	Up to 21 seats (Incl 50% outdoors)	270	1.00	1.26	\$7,958.48	\$12,553.22
Restaurant - Fast Food	No seating (first 20 DFUs)	240	1.76	1.96	\$12,450.41	\$19,638.50
YMCA [2]						
Institutional						
Church	Base rate	215	1.00	1.00	\$6,336.98	\$9,995.56
Pre/Elementary School, Per Student	Per student & staff	7	1.00	0.03	\$189.77	\$299.33
High School, per Student	Per student & staff w/kitchens and showers	9	1.00	0.04	\$265.28	\$418.44
Museum	Tax exempt	215	1.00	1.00	\$6,336.98	\$9,995.56
Post Office	Tax exempt	215	1.00	1.00	\$6,336.98	\$9,995.56
Public Park	Per toilet room	500	1.00	2.33	\$14,737.60	\$23,246.18
Additional Sewer Service Charges						
Senior Living						
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98	\$9,995.56
per Bed	Per Bed	125	1.00	0.58	\$3,684.29	\$5,811.37
Food Service	Up to 21 seats	600	1.76	4.91	\$31,126.51	\$49,097.04
Additional Seating (per seat)	Per seat	12	1.76	0.10	\$622.97	\$982.63
Recovery Ranch						
Manager Residence	Dwelling	215	1.00	1.00	\$6,336.98	\$9,995.56
per Bed	Per Bed	70	1.00	0.33	\$2,063.20	\$3,254.37
Food Service	Up to 21 seats	600	1.76	4.91	\$31,126.51	\$49,097.04
Additional Seating (per seat)	Per seat	12	1.76	0.10	\$622.97	\$982.63
Medical, Dental, Veterinarian						
Clinic or Building (per 1,000 sf)	Professional & Commercial, per 1,000 sf	300	1.15	1.60	\$10,168.64	\$16,039.39
Billiard/Café (per 1,000 sf)	per 1,000 sf	150	1.15	0.80	\$5,084.32	\$8,019.69
Food Service	Up to 21 seats	600	1.76	4.91	\$31,126.51	\$49,097.04
Additional Seating (per seat)	Per seat	12	1.76	0.10	\$622.97	\$982.63
Cocktail Lounge with Food	Business	430	1.76	3.52	\$22,306.17	\$35,184.37
Additional Seating	Food preparation with sinks (first 20 DFUs)	8	1.76	0.07	\$415.00	\$654.59
Car Wash	Per seat	1,350	1.15	7.22	\$45,758.89	\$72,177.24
Winery and Wine Tasting	No food preparation, dry goods only	270	1.00	1.26	\$7,958.07	\$12,552.56
Wine Tasting with Food	Food preparation with sinks (first 20 DFUs)	430	1.76	3.52	\$22,306.17	\$35,184.37
Additional Seating	Per seat	8	1.76	0.07	\$415.00	\$654.59

- [1] The capacity fees set forth in the table above will be adjusted effective as of the first day of July of each year, commencing July 1, 2022, by an amount equal to the percentage change in the Engineering News Record Construction Cost Index National Average published for the immediately preceding April as compared to such index for April of the previous year.
- [2] The YMCA has a payment agreement based on annual flow.

Definitions:

DFUs: The number of drainage fixture units for each type of appliance, appurtenance or fixture, as set forth in the then current California Plumbing Code.

Base Charge: The then current connection charge for a single family residence.

Strength Factor: The Strength Factor of wastewater, as defined under Section 820(C) and as determined under Section 821 of the District's Sewer Service Code.

Unclassified User: Any user group or classification not shown above.

For any Unclassified User, the connection charge for the first 20 DFUs shall be calculated as follows:

$$\text{Connection Charge} = \text{Base Charge} \times \text{Strength Factor}$$

An additional fixture charge shall be applicable to (i) any user group or classification shown above for which the connection fee relates to the first 20 DFUs, and (ii) any Unclassified User which has more than 20 DFUs. Said additional fixture charge shall be calculated as follows:

$$\text{Additional Fixture Charge} = (\text{Number of DFUs in excess of } 20 + 20) \times \text{Base Charge} \times \text{Strength Factor}$$

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TECHNICAL MEMORANDUM

June 18, 2021

Subject: Capacity Charge Study

To: Mr. Jose Acosta, General Manager, Santa Ynez Community Services District

From: G. Clayton Tuckfield, PE MBA, Tuckfield & Associates

INTRODUCTION

The Santa Ynez Community Services District (District) engaged Tuckfield & Associates to update its current Capacity Charges. The purpose of capacity charges is to equitably recover the costs of existing and future system infrastructure and assets which benefit new development. Capacity charges are established following legislation set forth in the California Government Code. The capacity charges in this Capacity Charge Study (Study) have been designed to be in compliance with the California legal framework as well as to follow general principles of the American Water Works Association (AWWA) and Water Environment Federation (WEF) methodologies for determining capacity charges. This technical memorandum presents the findings and results of the Study that complies with the California legal framework for charging new customers connecting to the wastewater collection system (System).

Background

The District owns and operates a wastewater collection system consisting of sewer pipelines and lift stations, providing wastewater collection service to about 924 residential and commercial customers. The District's wastewater is conveyed to the City of Solvang (City) wastewater treatment plant owned and operated by the City. The District has purchased 300,000 gpd of capacity in the treatment plant of which 88,000 gpd is reserved for the Chumash Tribe.

The District levies wastewater capacity charges on new or expanded connections to the System. The capacity charges are levied as a condition of development or change in use and are designed to recover the cost of capacity in infrastructure and assets benefitting new development. Capacity charges are one-time fees, paid up-front as a condition of new development or expansion.

The last update to the District Capacity Charges was performed in 2016. District staff has evaluated the on-going needs of the wastewater system and has identified needed capital improvements for fiscal year (FY) 2020-21 through 2029-30. These capital projects consist of repair and replacement expenditures related to wastewater treatment and to the existing System facilities. The improvements are required to maintain a safe and reliable System that meets the wastewater quality needs of the District's existing customers as well as new customer demand.

Purpose and Scope

The purpose of this Capacity Charge Study Report (Report) is to update the District's Capacity Charges such that they address the following.

- Account for recent additions and proposed capital improvements to the system.
- Determine a method for calculating Capacity Charges that fairly allocates cost to new development for the capacity provided.
- Establish charges that are reasonable, conform to applicable laws, are easy to understand, and simple to implement.

This Report includes the analysis of District wastewater fixed assets and the ten-year capital improvement plan, includes the review of existing and future wastewater system demands, and identifies capital improvement expenditures and any associated financing. This Report provides the documentation necessary to determine updated wastewater Capacity Charges that satisfies the requirements of the California Government Code and District financial administrative requirements.

This Study does not include the Horizon, West Side Extension, or future expansion sewer line projects. The costs of these projects will most likely be recovered only from users directly identified for these sewer lines. This Study does not include asset costs included in the Annexation Fees identified as the original wastewater collection system or the Highway 246 pump station facilities. The Annexation Fees recover the cost of these assets.

COMPLIANCE WITH STATE LAW

This Report is prepared in compliance with State law provisions of the California Government Code 66013 (Code) to support the establishment, increase of, or imposition of wastewater capacity charges. The Code states that the fees or charges cannot exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed. The charges developed in this Study use generally accepted methods to calculate fees and charges that comply with California legislation.

METHODOLOGY

There are several methodologies that can be used in the determination of capacity charges which can be applied to various urban growth situations. Brief descriptions of each methodology are provided below.

System Buy-In - Charges are designed to derive from the new customer an amount per connection equal to the prior investment attributable to existing customers per unit of total capacity. This method employs either original costs or replacement costs in measuring equity.

Incremental Cost - Charges are designed to derive from the new customer the incremental, or added, cost of system expansion associated with new customer growth. This method is based on the principle that new connections to the system should pay for those costs, which they cause to be incurred, resulting from the most recent or next increment of system capacity needed to serve new customers.

Combination of Buy-In and Incremental Cost - Utilities may use a combination of system buy-in and incremental cost methods. This method recognizes capacity in the wastewater system that is available now and planned for future development and allocates capital improvement program projects between replacement and growth-related value.

The methodology used in this Report for District is the Buy-In methodology. All of the District's capital improvement plan (CIP) projects are for improvement or replacement of existing fixed assets, with the exception of the Horizon, West Side Extension, or future expansion sewer line projects. The Buy-In methodology is used where the existing facilities have sufficient capacity to service existing and future development of the service area.

SYSTEM DEMAND AND CAPACITY

The Capacity Charge calculations use various capacities of the wastewater facilities of the District. The capacities for the current average daily flow and total System capacity were determined through District information. Average daily flow of existing users is about 124,000 gpd, identified from flow records of wastewater conveyed to the Solvang treatment plant. The total available System capacity includes purchased capacity in the Solvang treatment plant less 5 percent and is equal to 201,400 gpd (212,000 gpd * 0.95) based on contractual agreement with the City. The strength of the District's wastewater received at the Solvang treatment plant is 360 mg/l BOD and 300 mg/l SS. Subtracting current wastewater average daily flow from the total System capacity after construction of the CIP leaves 77,400 gpd available for new development or about 360 Equivalent Residential Units (ERUs). One single-family residential (SFR) dwelling unit is one ERU. Table 1 provides the capacities used in this Study.

WASTEWATER SYSTEM FACILITY VALUE

Buy-in Component

The current wastewater system facility value is used for the determination of the buy-in component for capacity charge purposes and is based on replacement cost less depreciation, derived from information and records provided by the District. Replacement cost refers to valuing the existing facilities at the cost to replace those facilities with facilities of similar usefulness, not necessarily with the exact equipment that currently exists.

The replacement cost of the existing facilities was determined by increasing each asset's original cost from its acquisition date to January 2021. This was accomplished by multiplying the asset original cost by the ratio of the Engineering News Record (ENR) Construction Cost Index (CCI) for January 1, 2021, to the ENR CCI of its installation date. The replacement cost of the existing assets was then depreciated recognizing the percent that the asset has been depreciated in proportion to its original cost.

Line 1 of Table 2 shows the District net investment in the wastewater system stated in terms of Replacement Cost Less Depreciation (RCLD). The value was determined from the fixed assets on the books and records of the District and consists of collection sewers, lift stations, treatment capacity right, Solvang treatment plant improvements, and general plant. The assets of the original system, and Pump Station 246, are excluded from facility value because these facilities are included in the District's Annexation Fees.

Adjustments

Adjustments to facility value are necessary for calculating capacity charges. For this Report, facility value also includes (1) additions to value to account for CIP projects that will be constructed within the next ten years and (2) capital reserve contributions from existing customers. System-wide Replacement CIP, shown

on line 2 of Table 2, is included to recognize that the Capacity Charges are intended to be in place for several years and improvement and replacement facilities will be constructed and added to fixed assets during this time. Additionally, the Solvang Future Capacity Reserve, Repair/Replacement Reserve, and Building Reserve balances as of June 30, 2020, shown on line 3 of Table 2, are added to facility value recognizing that existing customers have paid into these reserves, which will be used to fund future capital improvements.

PROPOSED CAPACITY CHARGE CALCULATION

The Capacity Charge calculations include the RCLD value of the existing wastewater system facilities, improvement and replacement CIP value, and capital reserves. Line 8 of Table 2 provides the calculation of the unit Capacity Charge in terms of dollars per gallon per day (\$/gpd) for flow, dollars per pound per day (\$/lb/day) for BOD, and \$/lb/day for SS based on the adjusted facility value and the System capacities.

The Capacity Charge for one ERU is determined by multiplying the capacity and strength of the wastewater contributed by one ERU by the unit Capacity Charges from Table 2. One ERU has wastewater flow of 215 gpd and strength of 175 mg/l BOD and 175 mg/l SS. The calculation determines the Capacity Charge of \$9,995.56 per ERU and is shown in Table 3. The charge for one SFR and other residential development types are shown in Table 4.

Table 5 presents the schedule of proposed wastewater Capacity Charges for the District. The Capacity Charge for one ERU is multiplied by the number of ERUs for other types of development which are provided in the table. Capacity Charges for the System are established as a charge based on the number of ERUs for all types of development and corresponding System demand. The ERUs for the development types were established in the District's 2011, 2016, and 2021 Rate Studies and is a method that conforms to industry practice and applicable laws, is easy to understand, and is simple to implement and administrate by the District.

Tables 6 provides detail on the District's CIP projects and their allocation to flow, BOD, and SS components. Replacement CIP allocations from Table 6 are included into line 2 of Table 2. Table 7 provides the current wastewater system fixed assets and the calculations of RCLD which are included into line 1 of Table 2.

I appreciate the opportunity to serve the District on this matter. If there are any questions regarding the analyses, please contact me at 949-760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
Principal Consultant
Tuckfield & Associates

		Wastewater		
		Flow	BOD ^[2]	SS ^[2]
		gpd	lbs/day	lbs/day
Existing and Planned System Capacities				
1	Existing Customer Use Capacity	124,000	373	310
2	System Capacity [3]	201,400	605	504
3	Planned System Capacity [4]	201,400	605	504
Growth-Related System Capacities				
4	Planned Growth-Related Expansion Capacity	-	-	-
5	Excess Capacity	77,400	233	194
6	Total Excess and Planned Capacity	77,400	233	194

[1] Average Day Demands in gpd.

[2] Lbs/day calculated as Flow in gpd / 1,000 * strength in mg/l * .0083454.
Strength received at Solvang is BOD 360 mg/l and SS 300 mg/l.

[3] From District records. Reduced by 5 percent per contract with City of Solvang.

[4] Capacity at the end of the CIP period.

		Wastewater			Total
		Volume	BOD	SS	
Existing and Planned CIP Value					
1	Existing System Facility Asset Value (RCLD) [1]	\$1,860,731	\$347,530	\$347,530	\$2,555,791
2	System-wide CIP Improvements/Replacements [2]	2,399,300	1,184,100	1,184,100	4,767,500
3	Solvang Future Capacity Reserve [3]	328,699	281,900	281,900	892,500
4	Repair/Replacement Reserve [4]	2,700,311	21,844	21,844	2,744,000
5	Building Reserve [5]	81,439	29,280	29,280	140,000
6	Total Existing and Planned System-wide Value	\$7,370,480	\$1,864,655	\$1,864,655	\$11,099,791
7	Planned System Capacity [6]	201,400	605	504	-
8	Capacity Charge per unit [7]	\$36.596	\$3,081.694	\$3,698.032	
		gpd	lb/day BOD	lb/day SS	

[1] From Table 7 Replacement Cost less Depreciation (RCLD).

[2] From Table 6.

[3] Allocated to component based on net plant investment and CIP in Solvang Wastewater Plant.

[4] Allocated to component based on total net plant investment plus total CIP less Solvang investment and CIP.

[5] Allocated to component based on total net plant investment plus CIP.

[6] Capacity at the end of the CIP period, reduced by 5% per contract with City of Solvang from Table 1.

[7] Total Existing and Planned System-wide Value divided by Planned System Capacity.

Table 3				
Single-family Residential Capacity Charge				
	Volume	Wastewater		Total
		BOD	SS	
Capacity Charge				
1	Capacity Charge per unit	\$36,596	\$3,081.694	\$3,698.032
2	Single-family Residential Demand [1]	215 gpd	0.3138 lb/day BOD	0.3138 lb/day SS
3	Capacity Charge	\$7,868.14 gpd	\$967.01 lb/day BOD	\$1,160.41 lb/day SS
				\$9,995.56

[1] SFR strengths include 175 mg/l BOD and 175 mg/l SS.

Table 4			
Example Residential Capacity Charges			
	ERU Factor ^[1]	Charge	
Wastewater Residential			
1	Single Family	1.00	\$9,995.56
2	Multi-family [2]	1.00	\$9,995.56
3	Second Unit/Studios [2]	0.74	\$7,438.56
4	Trailer Space [3]	1.00	\$9,995.56
Retirement Facility			
5	Rooms w/o Kitchens	0.47	\$4,649.10
6	Rooms w/ Kitchens	0.70	\$6,973.65
7	Senior Living per Bed	0.58	\$5,811.38

[1] Equivalent Residential Unit (ERU) Factor from Table 5.

[2] Per dwelling unit.

[3] Per space.

**Table 5
Proposed Schedule of Capacity Charges**

User Classification	ERU Multiple	Current Charge	Proposed [1] 2020-21
Residential Fixed Charges			
Single Family	1.00	\$6,336.98	\$9,995.56
Multi-family	1.00	\$6,336.98	\$9,995.56
Second Unit/Studios	0.74	\$4,716.47	\$7,439.47
Mobile Home/Trailers			
Manager Residence	1.00	\$6,336.98	\$9,995.56
Trailer Space	1.00	\$6,336.98	\$9,995.56
Mobile Home Park Laundry	0.65	\$4,126.29	\$6,508.55
Retirement Facility			
Manager Residence	1.00	\$6,336.98	\$9,995.56
Rooms w/o Kitchens	0.47	\$2,947.92	\$4,649.86
Rooms w/ Kitchens	0.70	\$4,421.38	\$6,974.01
Non-Residential Fixed Charges			
Motel/Hotel			
Manager Residence	1.00	\$6,336.98	\$9,995.56
Rooms w/o Kitchens	0.47	\$2,947.92	\$4,649.86
Rooms w/ Kitchens	0.70	\$4,421.38	\$6,974.01
Laundrettes, per machine	0.74	\$4,716.47	\$7,439.47
Beauty & Barber Shops	1.00	\$6,336.98	\$9,995.56
Each Sink Over 2	0.47	\$2,947.92	\$4,649.86
Gas Station w/Restroom	1.51	\$9,579.99	\$15,110.88
Cocktail Lounge	2.00	\$12,674.95	\$19,992.69
Additional Seating	0.04	\$235.48	\$371.42
Market, Major	6.14	\$38,908.14	\$61,371.30
Convenience Market	1.00	\$6,336.98	\$9,995.56
Convenience Market w/Deli	2.21	\$14,007.33	\$22,094.29
Deli	1.21	\$7,663.39	\$12,087.76
Office & Retail	1.00	\$6,336.98	\$9,995.56
Units w/o Toilets	0.47	\$2,947.92	\$4,649.86
Restaurant Full Service	4.91	\$31,126.51	\$49,097.04
Additional Seating - Food	0.10	\$622.97	\$982.63
Additional Seating - Bar/Banquet	0.04	\$235.48	\$371.42
Coffee Specialty Retail	1.26	\$7,958.48	\$12,553.22
Restaurant - Fast Food	1.96	\$12,460.41	\$19,638.50
YMCA [2]			

[1] To be adjusted annually each April.

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

**Table 5 (cont.)
Proposed Schedule of Capacity Charges**

User Classification	ERU Multiple	Current Charge	Proposed [1] 2020-21
Institutional			
Church	1.00	\$6,336.98	\$9,995.56
Pre/Elementary School, Per Student	0.03	\$189.77	\$299.33
High School, per Student	0.04	\$285.28	\$418.44
Museum	1.00	\$6,336.98	\$9,995.56
Post Office	1.00	\$6,336.98	\$9,995.56
Public Park	2.33	\$14,737.60	\$23,246.18
Additional Sewer Service Charges			
Senior Living			
Manager Residence	1.00	\$6,336.98	\$9,995.56
per Bed	0.58	\$3,684.29	\$5,811.37
Food Service	4.91	\$31,126.51	\$49,097.04
Additional Seating (per seat)	0.10	\$622.97	\$982.63
Recovery Ranch			
Manager Residence	1.00	\$6,336.98	\$9,995.56
per Bed	0.33	\$2,063.20	\$3,254.37
Food Service	4.91	\$31,126.51	\$49,097.04
Additional Seating (per seat)	0.10	\$622.97	\$982.63
Medical, Dental, Veterinarian			
Clinic or Building (per 1,000 sf)	1.60	\$10,168.64	\$16,039.39
Billiard/Café (per 1,000 sf)	0.80	\$5,084.32	\$8,019.69
Food Service	4.91	\$31,126.51	\$49,097.04
Additional Seating (per seat)	0.10	\$622.97	\$982.63
Cocktail Lounge with Food	3.52	\$22,306.17	\$35,184.37
Additional Seating	0.07	\$415.00	\$654.59
Car Wash	7.22	\$45,758.89	\$72,177.24
Winery and Wine Tasting	1.26	\$7,958.07	\$12,552.56
Wine Tasting with Food	3.52	\$22,306.17	\$35,184.37
Additional Seating	0.07	\$415.00	\$654.59

[1] To be adjusted annually each April.

**Table 6
Sewer Capital Improvement Program**

Description	Total	Percent		Growth-Related	System-wide		Growth-Related	Cost Component			
		System-wide	Percent Growth Related		System-wide	Volume		BOD	SS	General	
Current Capital Improvement Projects (CIP) [1]											
Solvang Projects											
WWTP Water Quality Project	3,480,000	100%	0%	-	3,480,000	-	-	1,183,200	1,148,400	1,148,400	
Belt Press Rehabilitation	7,400	100%	0%	-	7,400	-	-		3,700	3,700	
Fjord Lift Station Upgrades	180,000	100%	0%	-	180,000	-	-	180,000			
SYCSD Projects											
Sewer Main Repair Projects	535,000	100%	0%	-	535,000	-	-	535,000			
Force Main Bracing	200,000	100%	0%	-	200,000	-	-	200,000			120,000
Operations Vehicle	120,000	100%	0%	-	120,000	-	-				
Sewer Camera	50,000	100%	0%	-	50,000	-	-	50,000			
Finance Software	45,000	100%	0%	-	45,000	-	-				45,000
Office Space Upgrade	50,000	100%	0%	-	50,000	-	-				50,000
Rate Study	20,000	100%	0%	-	20,000	-	-				20,000
Hydrojetter	30,000	100%	0%	-	30,000	-	-	30,000			
Manhole Cover Replacements	50,000	100%	0%	-	50,000	-	-	50,000			
Total Wastewater CIP	\$4,767,400			\$0	\$4,767,400		\$0	\$2,228,200	\$1,152,100	\$1,152,100	\$235,000
Total Capital Assets (from Table 7).											
Allocation of CIP G&A											
Total Wastewater CIP								\$827,687	\$154,588	\$154,588	
								171,100	32,000	32,000	-
								\$2,399,300	\$1,184,100	\$1,184,100	

[1] CIP Source: FY20-21 CIP.

Table 7
 Solvang Cost Less Depreciation Allocated to Cost Component
 Santa Ynez CSD
 Fixed Asset List
 June 30, 2020

Description	Building Accumulated Depreciation	Bank Value	OC ENR Index	Current ENR Index	Replacement Cost	2018-2020 Replacement Cost Less Depreciation	Percent System-wide	% Growth Related	Value System-wide Impr	Value Growth-Related Impr	System-wide Improvements - Cost Component			Total
											Volume	BOC	CSA	
LAND & PROPERTY RIGHTS (FARADAY LOT)		149,108.64	8.578	11,628	202,125.82	202,125.82	100.0%	0.0%	202,125.82	-			202,125.82	
STRUCTURES & IMPROVEMENTS														
Sewer System	[1] 2,468,452.03	1,107,336.37	4,110	11,628	10,116,610.10	3,132,872.83	0.0%	0.0%	-	-			-	
Lines & Facilities	25,044.02	-	4,201	11,628	69,319.65	-	100.0%	0.0%	-	-			-	
Labor	17,893.42	-	4,303	11,628	48,353.40	(0.00)	100.0%	0.0%	(0.00)	-			(0.00)	
Lateral	13,285.77	-	4,387	11,628	35,241.22	-	100.0%	0.0%	-	-			-	
Lateral & Lines	48,073.07	-	4,489	11,628	127,115.54	-	100.0%	0.0%	-	-			-	
Manhole Rehabilitation	18,679.51	752.69	4,892	11,628	46,189.92	1,789.81	100.0%	0.0%	1,789.81	-			1,789.81	
Sewer Lines	10,322.29	1,478.55	5,381	11,628	25,503.03	3,197.20	100.0%	0.0%	3,197.20	-			3,197.20	
Sewer Lines	11,456.12	3,487.88	5,863	11,628	29,638.21	6,917.45	100.0%	0.0%	6,917.45	-			6,917.45	
Sewer Lines Project 2 (westside)	57,545.46	24,664.80	5,986	11,628	159,696.11	47,912.17	100.0%	0.0%	47,912.17	-			47,912.17	
Sewer Lines Project 1 (westside)	346,938.96	148,887.24	6,039	11,628	954,320.49	286,294.95	100.0%	0.0%	286,294.95	-			286,294.95	
Rebuild Manhole Covers	4,715.00	2,185.00	6,127	11,628	13,095.02	4,146.76	100.0%	0.0%	4,146.76	-			4,146.76	
Sewer Line Extensions	48,808.52	21,780.01	6,128	11,628	133,905.17	41,290.04	100.0%	0.0%	41,290.04	-			41,290.04	
Capacity Right	19,315.00	16,901.00	7,721	11,628	54,542.11	25,453.29	100.0%	0.0%	25,453.29	-			25,453.29	
Sewer Relining Project	92,321.00	105,596.67	7,700	11,628	298,750.00	159,333.31	100.0%	0.0%	159,333.31	-			159,333.31	
Faraday Sewer Extension	11,232.71	14,688.22	7,939	11,628	37,967.02	21,514.83	100.0%	0.0%	21,514.83	-			21,514.83	
District Building	241,553.39	856,416.49	8,578	11,628	1,488,364.86	1,160,924.57	100.0%	0.0%	1,160,924.57	-			1,160,924.57	
Manhole S9 & 62 Rehab	879.50	8,815.50	10,442	11,628	10,907.51	9,816.76	100.0%	0.0%	9,816.76	-			9,816.76	
Sewer Creek Crossing	2,505.18	4,327.15	8,578	11,628	9,261.64	5,865.71	100.0%	0.0%	5,865.71	-			5,865.71	
Sewer Creek Crossing	12,050.51	24,101.03	8,805	11,628	47,782.20	31,828.14	100.0%	0.0%	31,828.14	-			31,828.14	
Sewer Creek Crossing	1,850.90	4,552.07	9,053	11,628	8,352.65	5,846.85	100.0%	0.0%	5,846.85	-			5,846.85	
HWY 246 Sewer Line Replacement	[1] 5,101.27	14,028.46	9,936	11,628	22,387.33	16,417.37	0.0%	0.0%	-	-			-	
Sewer Creek Crossing	3,305.02	9,088.79	9,172	11,628	15,712.52	11,522.51	100.0%	0.0%	11,522.51	-			11,522.51	
HWY 246 Pump Station Replacement	[1] 6,327.09	20,788.96	9,542	11,628	33,043.96	25,333.69	0.0%	0.0%	-	-			-	
Sewer Creek Crossing	[1] 38,375.80	126,091.87	9,376	11,628	203,970.78	156,377.59	0.0%	0.0%	-	-			-	
HWY 246 Sewer Line Replacement	[1] 1,972.30	6,890.36	9,494	11,628	10,363.51	7,945.35	100.0%	0.0%	7,945.35	-			7,945.35	
Sewer Creek Crossing	4,574.40	1,143.60	10,315	11,628	6,445.85	1,289.17	100.0%	0.0%	1,289.17	-			1,289.17	
Smart Cover Systems	3,744.48	9,361.17	11,068	11,628	13,768.75	9,834.81	100.0%	0.0%	9,834.81	-			9,834.81	
Smart Cover Systems	1,914.64	11,487.81	11,068	11,628	14,080.56	12,069.05	100.0%	0.0%	12,069.05	-			12,069.05	
HWY 246 Pump Station	[1] 77,315.77	308,263.17	9,800	11,628	458,687.75	366,950.21	0.0%	0.0%	-	-			-	
Bal to CL	0.09	-												
TOTAL STRUCTURES & IMPROVEMENTS	3,698,783.13	2,853,400.16	14,493,338.87		14,493,338.87	5,652,744.42			1,854,792.73	-	8,399.58	8,399.58	1,160,924.57	1,854,792.73
SOLVANG WASTEWATER TREATMENT PLANT														
JCF River Crossing	[1] 200,000.00	-	4,110	11,628	565,899.42	-	0.0%	0.0%	-	-			-	
Wastewater Treatment Plant	[1] 300,000.00	-	4,110	11,628	848,759.12	-	0.0%	0.0%	-	-			-	
Belt Press	68,014.84	-	4,732	11,628	167,133.68	-	100.0%	0.0%	-	-			-	
WWTP Added Capacity	542,980.87	147,448.06	5,744	11,628	1,397,283.01	298,087.05	100.0%	0.0%	298,087.05	-			298,087.05	
WWTP & JCF Additions	61,449.42	23,038.49	5,895	11,628	172,571.57	45,443.85	100.0%	0.0%	45,443.85	-			45,443.85	
Perculation Ponds	24,840.89	81,620.43	9,542	11,628	129,735.21	99,463.67	100.0%	0.0%	99,463.67	-			99,463.67	
TOTAL SOLVANG WWTP	1,200,286.13	251,907.87	3,281,332.81		3,281,332.81	443,984.57			443,984.57	-	146,184.21	146,184.21	-	443,984.57
TOTAL STRUCTURES AND IMPROVEMENTS	4,787,649.26	3,105,304.13	17,774,684.89		17,774,684.89	6,096,738.89			2,287,787.30	-	154,887.79	154,887.79	1,160,924.57	2,287,787.30

[1] Assets included into Amortization Fee.

Table 7
Replacement Cost Less Depreciation Allocated to Cost Component

	Fixed Asset List	June 30, 2020	Existing Accumulated Depreciation	Book Value	OC-ENR Index	Current ENR Index	Replacement Cost	2018-2020 Replacement Cost/Less Depreciation	Percent System-wide Replaced	Value System-wide Impr	Value Growth-Related Impr	System-wide Improvements - Cost Component			Total
												BOO	ES	GEA	
FURNITURE AND EQUIPMENT															
	Cherry Truck 2004		31,517.57	-	6.957	11.628	52,678.78	-	100.0%	-	-	-	-	-	-
	Smoke Tester		2,547.83	-	11.116	11.628	2,665.18	-	100.0%	-	-	-	-	-	-
	Camera/Video System		27,934.19	0.00	11.183	11.628	29,045.76	0.00	100.0%	0.00	-	0.00	0.00	0.00	0.00
	Line Locator		3,528.82	(0.00)	11.183	11.628	3,669.24	(0.00)	100.0%	(0.00)	-	(0.00)	(0.00)	(0.00)	(0.00)
	Shifter		2,077.42	-	11.184	11.628	2,159.89	-	100.0%	-	-	-	-	-	-
	Flow Meter		4,885.09	0.00	11.186	11.628	5,078.12	0.00	100.0%	0.00	-	0.00	0.00	0.00	0.00
	Sampler		2,482.48	0.00	10.889	11.628	2,650.96	0.00	100.0%	0.00	-	0.00	0.00	0.00	0.00
	Shoring		2,712.29	678.77	10.889	11.628	3,621.20	724.83	100.0%	724.83	-	-	-	724.83	724.83
	Weld Cargo Trailer		3,776.28	-	7.692	11.628	5,708.60	-	100.0%	-	-	-	-	-	-
	Modem Connection To Ford LPI Station		3,554.79	-	7.888	11.628	5,240.25	-	100.0%	-	-	-	-	-	-
	Pump Trailer		34,692.01	2,478.02	7.763	11.628	55,676.04	3,711.76	100.0%	3,711.76	-	-	-	3,711.76	3,711.76
	Cherry Truck 2007		23,998.29	-	7.911	11.628	35,215.14	-	100.0%	-	-	-	-	-	-
	Rope Hammer Nozzles		7,398.98	0.00	7.942	11.628	9,342.54	0.00	100.0%	0.00	-	-	-	0.00	0.00
	Arise Seeker Push Camera		7,409.97	-	9.173	11.628	9,393.12	-	100.0%	-	-	-	-	-	-
	Pipe Hunter - Jitter		36,030.00	24,070.00	9.668	11.628	72,223.98	28,893.59	100.0%	28,893.59	-	-	-	28,893.59	28,893.59
	Bal to CL														
	TOTAL FURNITURE AND EQUIPMENT		189,446.01	27,176.78			288,450.81	31,326.19		31,326.19	-	-	-	31,326.19	31,326.19
GENERAL PLANT															
	Flow Meter		6,309.20	-	6.741	11.628	10,883.16	-	100.0%	-	-	-	-	-	-
	Impellers (2)		2,934.02	-	6.741	11.628	5,061.09	-	100.0%	-	-	-	-	-	-
	Volks 246 Pump Station		2,901.76	511.28	6.771	11.628	5,861.30	878.03	100.0%	878.03	-	-	-	878.03	878.03
	Valve Rig		3,677.61	-	11.183	11.628	3,823.95	-	100.0%	-	-	-	-	-	-
	2 Valve Smith & Loveless		3,867.73	-	7.692	11.628	5,846.85	-	100.0%	-	-	-	-	-	-
	Kohler Generator		12,948.30	14,787.76	7.939	11.628	40,638.77	21,673.81	100.0%	21,673.81	-	-	-	21,673.81	21,673.81
	Honda Generator		3,936.90	-	9.080	11.628	5,041.66	-	100.0%	-	-	-	-	-	-
	TOTAL GENERAL PLANT		36,575.52	15,389.04			77,198.77	21,651.84		21,651.84	-	-	-	21,651.84	21,651.84
	TOTAL EQUIPMENT AND GENERAL PLANT		226,021.53	42,465.83			385,649.58	52,978.03		52,978.03	-	-	-	52,978.03	52,978.03
	Bal to gl														
	TOTAL CAPITAL ASSETS		5,023,070.79	3,296,502.60			16,344,392.29	6,433,742.84		6,433,742.84	-	-	-	6,433,742.84	6,433,742.84
	Total Capital Assets														
	Allocation of General and Administration														
	Total Capital Assets		827,687.14	154,587.79			1,033,043.64	192,942.39		1,033,043.64	1,418,928.42	154,587.79	192,942.39	1,418,928.42	1,418,928.42

[1] Assets included into Annexation Fee.

