

Santa Ynez Community Services District

Report

Comprehensive Wastewater Rate Study



SANTA YNEZ
COMMUNITY SERVICES DISTRICT



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Section 1 – Executive Summary

1.1 Introduction

Willdan Financial Services (Willdan) is pleased to submit to the Santa Ynez Community Services District (SYCSD or the District) the following Wastewater Rate Study report (Report) for your consideration. Willdan has completed this study of the District's wastewater rates which are established as fixed monthly charges and collected through the County of Santa Barbara secured property tax roll rather than through direct utility billing. While calculated monthly, these charges are aggregated annually and placed on each parcel's tax bill, ensuring efficient low-cost collection and a stable revenue stream for the District. The results of the investigations, analyses, and conclusions from this study are summarized in this Report.

1.1.1 Wastewater System Background

The Santa Ynez Community Services District was formed in 1971 and provides wastewater collection services to residential, commercial, and institutional customers within its service area, which encompasses approximately one square mile. The District currently serves approximately 1,443 Equivalent Residential Units (ERUs), representing a relatively stable customer base with limited but anticipated incremental growth.

The District owns and operates a wastewater collection system consisting of gravity sewer pipelines, manholes, and related appurtenances used to collect and convey wastewater from customer connections. The District is responsible solely for wastewater collection services and does not provide wastewater treatment services. Wastewater collected within SYCSD is conveyed to the City of Solvang Wastewater Treatment Plant (WWTP) 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, of which approximately 88,000 GPD are retained by the Chumash Tribe in the event of an emergency.

Based on available data and discussions with District staff, the District is currently operating within its available treatment capacity, with remaining capacity available to accommodate future growth. However, long-term system planning must consider potential increases in wastewater flows associated with customer growth, land use changes, and inflow and infiltration (I&I), as well as the need to maintain flows within contracted capacity limits.

The wastewater service charges are currently structured as fixed charges based on Equivalent Residential Units (ERUs). One ERU represents the estimated wastewater flow and strength of a single-family residential unit and serves as the basis for allocating costs among all customer classes. Non-residential customers are assigned ERU equivalents based on their contribution to system demand, including flow and strength characteristics, relative to a single-family residential dwelling unit. This ERU-based methodology is consistent with industry standards and provides a reasonable and proportionate basis for cost allocation, supporting compliance with Proposition 218 (Prop 218).

Wastewater service charges are collected through the County of Santa Barbara property tax roll. While charges are calculated monthly, they are billed annually as part of the secured property tax bill. This approach provides administrative efficiency and revenue stability; however, it requires the District to maintain adequate cash reserve funds to ensure sufficient liquidity between revenue collection periods.

The District maintains reserve funds to support the financial stability of the wastewater enterprise and to address both planned and unplanned expenditures. Key reserves include:

- **Operating Reserve** - intended to provide working capital and address cash flow variability;
- **Building Fund** - intended to support the maintenance, repair, and replacement of District-owned facilities and administrative buildings;
- **Fund/Replace/Expansion Reserve** - intended to fund capital replacement and system improvements; and
- **Future Capacity Reserve** - intended to fund the acquisition of additional treatment capacity, as needed.

These reserves are integral to maintaining reliable service levels and supporting long-term financial sustainability.

The District also has a Capital Improvement Plan (CIP) to address ongoing system needs, including repair and replacement of aging infrastructure and system expansion. The CIP includes the District's proportionate share of costs associated with regional wastewater treatment improvements, including approximately 20 percent of the costs related to the upgrade of the City of Solvang's WWTP. These regional treatment improvements represent the largest portion of the District's projected capital expenditures and are a primary driver of the recommended rate adjustments. Planned improvements also include projects such as the Horizon Line sewer extension. These types of projects introduce considerations related to capacity charges, annexation fees, and cost allocation to ensure that costs are assigned to benefiting properties in a proportionate manner.

Overall, the District's wastewater system is characterized by a fixed-charge rate structure, reliance on regional treatment capacity, and a need to balance ongoing capital investment, reserve funding, and equitable cost recovery.

1.1.2 Rate Study Background

The District has focused a significant amount of attention and effort on strategic planning measures in all areas of wastewater utility operations to ensure that the wastewater system is able to maintain critical infrastructure while providing a stable and well-functioning system that delivers uninterrupted service to its customers now and in the future. As part of its ongoing planning efforts, SYCSD commissioned Willdan to perform a wastewater rate study to evaluate the adequacy of existing revenues and to ensure that the wastewater utility remains financially

sustainable over the planning period. The study includes the development of a five-year financial plan that evaluates projected revenues, operating and maintenance (O&M) costs, capital improvement needs, and reserve requirements. The primary objectives of the rate study include:

- Full recovery of costs related to utility operations (i.e., operating and maintenance costs, debt, and other expenditure requirements);
- Development of a cost-based rate structure;
- Adherence to guidelines for wastewater ratemaking, as set forth by the Water Environment Federation (WEF);
- Equity among customer classes;
- Meeting substantive and procedural Proposition 218 requirements;
- Maximizing administrative efficiency (i.e., easy to understand and implement); and
- Funding a 5-Year Capital Improvement Plan (CIP).

In addition, the study considers system-specific factors, including planned capital improvements, customer growth, and the financial implications of system expansion projects such as the Horizon Line extension. The results of this study provide the basis for the recommended rate adjustments presented in this Report and are intended to support the District's long-term financial and operational objectives.

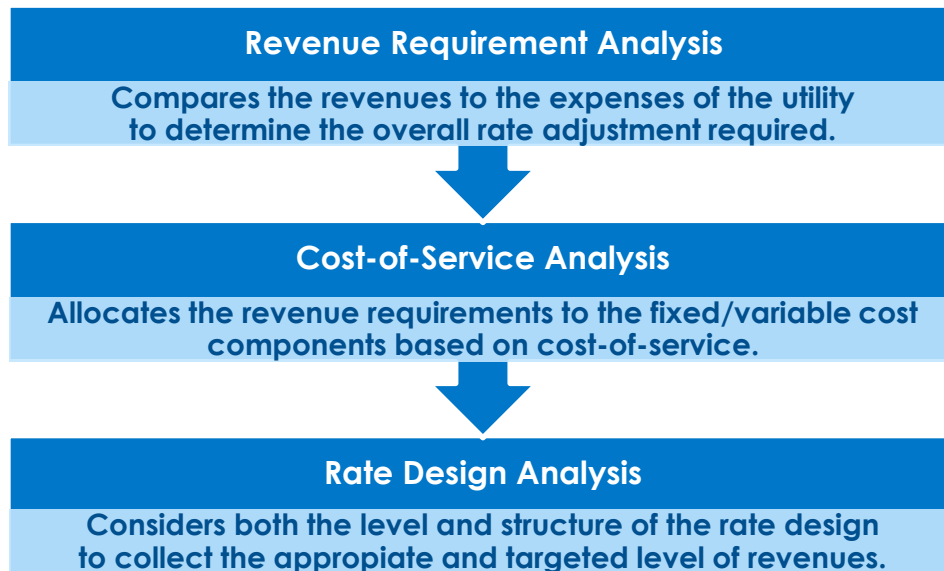
1.2 Overview of the Rate Study Process

This study includes the development and presentation of a pro forma wastewater financial plan for a 5-year planning period, as well as the development of cost-based rates through the cost-of-service and rate design analyses. Utility rates must be set at a level such that operating, maintenance, debt, and capital expenses are funded with the revenues received from customers. In addition, the revenues generated from utility rates must only be used for this purpose and for the wastewater system only. This is a significant point, as failure to achieve the revenues needed can lead to unacceptable service levels and inadequately maintained facilities. Therefore, a rate study typically consists of the following three interrelated analyses:

- I. **Financial Planning/Revenue Requirement Analysis:** Creates a five-year plan and identifies the required revenue amounts necessary to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, debt financing, and retirement of outstanding debt. In addition, the plan should fund and maintain appropriate reserve balances based on industry standards, as well as the District's fiscal policies and specific needs.
- II. **Cost-of-Service Analysis:** Identifies and apportions annual revenue requirements (i.e., expenditures) to operational and functional cost components based on the relative demand placed on the wastewater utility system by various groups and customer

classes. The purpose of this analysis is to develop customer rates that generate revenues proportionate to their share of the utility's costs. This objective is consistent with industry standards as well as the requirements of Proposition 218 (Prop 218).

- III. **Rate Design:** Develops an equitable and proportionate schedule of rates for the District's customer base consistent with the cost-of-service analysis. The policy objectives are coordinated with Prop 218 requirements and cost-of-service objectives to achieve a balance between customer equity and financial stability goals.



This rate study utilizes generally accepted rate-making principles and standards established by industry experts such as the WEF in its "Financing and Charges for Sewer Systems, Manual of Practice No. 27." The principles established by these entities are used as guidelines in the development of the proposed wastewater rates. The following subsection of this Report presents a discussion of some of the key principles of ratemaking.

1.3 Summary of Proposed Rates

The rate study methodology applied in the development of updated wastewater rates, outlined in this Report, consisted of reviewing the historical operating results of the wastewater utility system, analyzing the budget to identify the net revenue requirements to be recovered from user rate revenues, performing general cost-of-service allocations based on the rate components and functional cost categories, and revising the rates based on the applicable costs and expenditures to be recovered from user rates. In addition, an analysis of the District's customers was performed to identify the rate determinants since they drive the recommended rates, which are the primary source for generating revenues. The allocated revenue requirements were utilized in conjunction with the rate determinants and rate structure to develop the proposed wastewater rates.

The findings and conclusions of the rate analysis, as well as the resulting revised rate recommendations, were utilized to develop a projection of future operating results for a 5-year planning period from Fiscal Year (FY) 2027 (beginning July 1, 2026) through FY 2031 (ending June 30, 2031), herein referred to as the "Projection Period." The purpose for developing the 5-year projections is to demonstrate the financial capability of the wastewater revenues to support system operations and maintenance, and fund planned capital improvements. The analyses, findings and accompanying recommendations are presented in the subsequent sections of the Report.

The wastewater rate analysis described in the Report is performed based on the general guidelines of the defined objectives, as well as common industry standards and best practices for setting utility rates. In addition to focusing on these major objectives in designing the structure of rates for various customer categories, the rate analyses performed herein may also consider other factors when finalizing actual levels of recommended revenue and rate increases. As discussed in detail later in the Report, other rate considerations generally include sensitivity to the impact of rate changes on existing customers, relative comparability with neighboring utilities, and variations or changes (if any) from the District's existing rate structure.

The proposed wastewater rates for assumed implementation effective July 1, 2026 (or other such date as determined by the District) for FY 2026/27 (FY 2027, herein referred to as the "Test Year") are provided in **Table 1**. It is anticipated that the charges, based on these rates, will be submitted to the County of Santa Barbara for placement on Fiscal Year 2026/2027 Annual Secured Property Tax Bills, which are typically sent out in early fall each year. The existing rates are provided in **Table 2** in the following section of the Report.

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Table 1 – Proposed Monthly Wastewater Rates

Description	Proposed Rates
Monthly Fixed Charges:	
Residential Fixed Charges	
Single Family	\$ 92.42
Multi-family	\$ 92.42
Second Unit/Studios	\$ 68.78
Mobile Home/Trailers	
Manager Residence	\$ 92.42
Trailer Space	\$ 92.42
Mobile Home Park Laundry	\$ 60.18
Retirement Facility	
Manager Residence	\$ 92.42
Rooms w/o Kitchens	\$ 42.99
Rooms w/ Kitchens	\$ 64.48
Non-Residential Fixed Charges	
Motel/Hotel	
Manager Residence	\$ 92.42
Rooms w/o Kitchens	\$ 42.99
Rooms w/ Kitchens	\$ 64.48
Launderettes, per machine	\$ 68.78
Beauty & Barber Shops	\$ 92.42
Each Sink Over 2	\$ 42.99
Gas Station w/Restroom	\$ 139.71
Cocktail Lounge	\$ 184.84
Additional Seating	\$ 3.44
Market, Major	\$ 567.42
Convenience Market	\$ 92.42
Convenience Market w/Deli	\$ 204.27
Deli	\$ 111.76
Office & Retail	\$ 92.42
Units w/o Toilets	\$ 42.99
Restaurant Full Service	\$ 453.94
Additional Seating - Food	\$ 9.08
Additional Seating - Bar/Banquet	\$ 3.44
Coffee Specialty Retail	\$ 116.06
Restaurant - Fast Food	\$ 181.58
YMCA ^[1]	--
Institutional Fixed Charges:	
Church	\$ 92.42
Pre/Elementary School, Per Student	\$ 3.01
High School, per Student	\$ 3.87
Museum	\$ 92.42
Post Office	\$ 92.42
Public Park	\$ 214.93
Additional Sewer Service Fixed Charges:	
Senior Living	
Manager Residence	\$ 92.42
Per Bed	\$ 53.97
Food Service	\$ 453.94
Additional Seating (per seat)	\$ 9.08
Medical, Dental, Veterinarian	
Clinic or Building (per 1,000 sf)	\$ 148.30
Billiard/Café (per 1,000 sf)	\$ 74.15
Food Service	\$ 453.94
Additional Seating (per seat)	\$ 9.08
Cocktail Lounge with Food	\$ 184.84
Additional Seating	\$ 3.44
Car Wash	\$ 670.27
Winery and Wine Tasting	\$ 116.06
Notes:	
[1] Annual sewer charges are calculated by payment agreement based on flow.	

Section 2 – Revenue Sufficiency Analysis

2.1 Financial Planning Principles

While the individual rates for a utility system vary based on a variety of factors, rates should be consistent with common rate-making principles within the utility industry. The guiding principle is that rates designed for any utility should provide a reasonable balance between several key factors. In general, the utility rates should:

- Generate a stable revenue stream that, when combined with other sources of funds, is sufficient to meet the expenditure requirements and goals of the system;
- Be based upon the proportionate cost of providing the service and not exceed the cost of providing the service in compliance with Proposition 218;
- Be equitable; that is, they should generate revenue from each customer class in a manner which is reasonably in proportion to the cost of providing the service to that customer class;
- Be easy to understand by customers; and
- Be easy to administer by the utility.

Striking the appropriate balance between the principles of ratemaking is the result of a detailed process of evaluation of revenue requirements and cost-of-service, and how those translate into the rate design alternatives which meet legal requirements and the specific objectives of the utility under the circumstances in which it operates.

2.2 Existing Rates

As described in the Introduction, the Santa Ynez Community Services District (District) operates a wastewater enterprise to fund the maintenance and operation of its wastewater collection and conveyance system. The enterprise encompasses all properties within the District's service area that receive wastewater service. Wastewater service charges are established by the District's Board of Directors and are levied as property-related fees based on each parcel's assigned Equivalent Residential Units (ERUs). These charges are calculated monthly but are submitted annually to the County of Santa Barbara and collected through the secured property tax roll. Wastewater service charges represent the primary source of revenue for the District's wastewater enterprise and are used to fund the operation and maintenance of the collection system, the District's proportionate share of regional treatment costs, and capital improvements necessary to maintain and enhance system reliability.

The existing wastewater service charges are structured to allocate costs to customers based on their type, service characteristics, and their respective demand placed on the system, ensuring proportional cost recovery and compliance with applicable legal requirements outlined in Proposition 218. Customers are categorized by land use (e.g., residential, commercial,

institutional, and industrial) and based upon the density, levels, and type of usage and service requirements. The District's wastewater rates are structured as fixed monthly charges based on Equivalent Residential Units (ERUs), which are used to allocate costs in proportion to each customer's estimated use of the system. One ERU represents the typical wastewater flow and strength of a single-family residential unit and serves as the basis for assigning charges to all customer classes. Residential customers are generally assigned one ERU per dwelling unit, while non-residential customers are assigned ERU equivalents based on estimated wastewater flow and strength characteristics relative to a single-family residence. The existing rates for wastewater service are provided in **Table 2**.

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Table 2 – Existing Monthly Wastewater Rates

Description	Existing Rates
Monthly Fixed Charges:	
Residential Fixed Charges	
Single Family	\$ 90.56
Multi-family	\$ 90.56
Second Unit/Studios	\$ 67.41
Mobile Home/Trailers	
Manager Residence	\$ 90.56
Trailer Space	\$ 90.56
Mobile Home Park Laundry	\$ 58.96
Retirement Facility	
Manager Residence	\$ 90.56
Rooms w/o Kitchens	\$ 42.14
Rooms w/ Kitchens	\$ 63.18
Non-Residential Fixed Charges	
Motel/Hotel	
Manager Residence	\$ 90.56
Rooms w/o Kitchens	\$ 42.14
Rooms w/ Kitchens	\$ 63.18
Launderettes, per machine	\$ 67.41
Beauty & Barber Shops	\$ 90.56
Each Sink Over 2	\$ 42.14
Gas Station w/Restroom	\$ 136.91
Cocktail Lounge	\$ 181.12
Additional Seating	\$ 3.37
Market, Major	\$ 556.02
Convenience Market	\$ 90.56
Convenience Market w/Deli	\$ 200.17
Deli	\$ 109.51
Office & Retail	\$ 90.56
Units w/o Toilets	\$ 42.14
Restaurant Full Service	\$ 444.81
Additional Seating - Food	\$ 8.90
Additional Seating - Bar/Banquet	\$ 3.37
Coffee Specialty Retail	\$ 113.74
Restaurant - Fast Food	\$ 177.92
YMCA ^[1]	–
Institutional Fixed Charges:	
Church	\$ 90.56
Pre/Elementary School, Per Student	\$ 2.72
High School, per Student	\$ 3.79
Museum	\$ 90.56
Post Office	\$ 90.56
Public Park	\$ 210.62
Additional Sewer Service Fixed Charges:	
Senior Living	
Manager Residence	\$ 90.56
Per Bed	\$ 52.65
Food Service	\$ 444.81
Additional Seating (per seat)	\$ 8.90
Medical, Dental, Veterinarian	
Clinic or Building (per 1,000 sf)	\$ 145.31
Billiard/Café (per 1,000 sf)	\$ 72.66
Food Service	\$ 444.81
Additional Seating (per seat)	\$ 8.90
Cocktail Lounge with Food	\$ 318.78
Additional Seating	\$ 5.92
Car Wash	\$ 653.92
Winery and Wine Tasting	\$ 113.74
Notes:	
[1] Annual sewer charges are calculated by payment agreement based on flow.	

2.3 Revenue Sufficiency Process

In evaluating whether the existing rates will generate sufficient revenue to meet the expenditure requirements of the wastewater system, the annual expenditures required for the wastewater utility system (herein referred to as the "Revenue Requirements") must be developed. The Revenue Sufficiency Analysis compares the forecasted revenues for the wastewater utility system under existing rates (including customer growth) to the projected Revenue Requirements over the five-year period.

2.3.1 Budget

The Revenue Sufficiency Analysis performed as part of this study and summarized in this report utilizes the District's adopted budget for FY 2025/26 (the "Budget" for FY ending June 30, 2026) as one source of data and information to determine the gross revenue requirements to be recovered from user rates over the Projection Period. The budget, as prepared by the District, was provided to Willdan on a line-item basis, and is used for projecting the budgeted financial needs for the Test Year and the remainder of the Projection Period. In developing the rate analysis, certain adjustments are made such that the expenditures are categorized into either operating and maintenance (O&M) expenses or non-operating expenses. In addition, only recurring costs included in the current budget were included as part of the Revenue Sufficiency Analysis for the entirety of the Projection Period. One-time costs were identified and evaluated in discussions with District staff and removed if appropriate. Recurring annual costs were escalated using suitable cost indexes or escalation factors, again in discussion with District staff and based on historical expense trends experienced by SYCSD.

The O&M expenses are primarily those ongoing costs for labor, materials, utilities, supplies, services, etc., required to manage and operate the utility system on a day-to-day basis while maintaining a dependable level of service. The O&M requirements are generally a function of a budgetary process and are directly related to the level of service provided to customers of the utility system. The non-operating expenses include such items as capital outlay and any other non-operating expenses and transfers.

The budget also identifies estimated revenues derived from sources other than wastewater user rates. These revenue sources may include interest earnings on investments, and various other miscellaneous service charges. The revenues generated from the other sources are applied to the gross revenue requirements to reduce the amount of revenue required from user rates. The result is the net revenue requirement.

2.3.2 Capital Improvement Plan (CIP)

SYCSD provided Willdan with the Capital Improvement Plan (CIP) to be undertaken over the Projection Period. The CIP outlines the District's strategy for maintaining, rehabilitating, and upgrading its wastewater collection and conveyance infrastructure to ensure continued reliable service that is compliant with applicable regulatory requirements. The CIP identifies significant near-term investments, driven largely by aging facilities, regulatory requirements, and system performance needs, including the District's proportionate share of capital improvements associated with the City of Solvang's WWTP. These regional treatment improvements represent the largest component of the District's projected capital expenditures and are incorporated into the development of the gross revenue requirements. Funding for the CIP is primarily supported through wastewater rates on a pay-as-you-go basis, minimizing reliance on debt while maintaining adequate reserves. The importance of the CIP lies in its role in preserving system reliability, protecting public health and the environment, and ensuring regulatory compliance, while also promoting financial stability by proactively planning for capital needs rather than reacting to unexpected failures. The District also provided cost estimates for the identified capital projects by the fiscal year in which they are estimated to be undertaken. The funding for these capital projects was then used in the analysis, along with O&M and non-operating expenses, to determine the gross revenue requirement for the wastewater system. The capital projects included in the CIP, along with their assumed funding sources by fiscal year for the Projection Period, are provided in **Table 3**.

Table 3 – Anticipated Capital Spending

Description	Funding Source	2026	Fiscal Year Ending June 30					Total
			2027	2028	2029	2030	2031	
Sewer Main Repair Projects								
Gravity Main								
246 Gravity Main Condition Assess	Cash	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Gravity Main Condition Assess	Cash	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Force Main								
Force Main Condition Assessment	Cash	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Force Main Rehabilitation	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessment (4,300' of ACP)	Cash	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Install CIPP Liner - 4300'	Cash	\$ -	\$ 903,000	\$ -	\$ -	\$ -	\$ -	\$ 903,000
246 Lift Station								
Wet Well Liner	Cash	\$ -	\$ 36,750	\$ -	\$ -	\$ -	\$ -	\$ 36,750
Other Misc. Components	Cash	\$ -	\$ -	\$ -	\$ 28,941	\$ -	\$ -	\$ 28,941
Equipment								
Replace 2004 Chevy	Cash	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000
Ductile Iron Pipe Lining								
Alamo Pintado Bridge	Cash	\$ -	\$ 131,250	\$ -	\$ -	\$ -	\$ -	\$ 131,250
DIP Near Mavericks	Cash	\$ -	\$ 78,750	\$ -	\$ -	\$ -	\$ -	\$ 78,750
Misc. smaller areas of DIP	Cash	\$ -	\$ 78,750	\$ -	\$ -	\$ -	\$ -	\$ 78,750
Sewer Expansion Const. Docs	Cash	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000
Manholes								
Manhole Relining 2/year	Cash	\$ 45,000	\$ -	\$ 49,613	\$ -	\$ 54,698	\$ -	\$ 149,310
Manhole Relining	Cash	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Future System Improvements (5-Year)	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000
Total SYCSD Projects		\$ 380,000	\$ 1,228,500	\$ 49,613	\$ 28,941	\$ 54,698	\$ 225,000	\$ 1,966,751
Solvang Projects - Cash Funded	Cash	\$ 182,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,000
Solvang Projects - Cash/Debt Funded	Cash/Debt	\$ -	\$ 624,215	\$ 1,852,200	\$ 2,315,250	\$ -	\$ -	\$ 4,791,665
Total System Improvements		\$ 562,000	\$ 1,852,715	\$ 1,901,813	\$ 2,344,191	\$ 54,698	\$ 225,000	\$ 6,940,415

2.3.3 Debt Service

The District currently has one outstanding debt issue associated with the wastewater utility system, with an annual payment of approximately \$87K, as shown in **Table 4**. A minimum debt service coverage ratio of net revenue of at least 1.15 times the annual debt service payment is required to be maintained on an annual basis. In simple terms, this means the utility must have \$1.15 in net operating revenues for every \$1.00 in debt service they are committed to paying on outstanding debt. The debt service coverage is calculated by dividing net operating revenues (revenue less operations and maintenance expenses) by annual debt service. Based on discussions with District staff, it is anticipated that the City of Solvang will issue debt to finance a portion of the anticipated upgrades to the WWTP of which the District is responsible for approximately 20 percent, or \$4.8M. As such, the associated debt service, which represents 75 percent of the \$4.8M (\$3.6M of debt financing), is incorporated into the District's revenue requirements. This analysis incorporates anticipated debt repayment obligations for the projected debt associated with the District's portion of the Solvang WWTP upgrades. These estimates were developed and included for budgeting and planning purposes only. It is important to note that Willdan is not acting as a municipal/financial advisor for the District in connection with this rate study, nor for the structuring of projected bond or debt offerings over the course of the Projection Period. We are not providing debt service schedules, asserting any commitment to issue debt or assist with debt issuance, or providing advice or guidance related to the structure and terms of projected debt. Please refer to **Section 6.1.2** at the end of this Report for a more comprehensive municipal advisory disclaimer. The estimated annual debt payments over the Projection Period, which are included in the development of the gross revenue requirement, are provided in **Table 4**.

Table 4 – Anticipated Annual Debt Service Payments

Description	Projected for Fiscal Year Ending June 30				
	2027	2028	2029	2030	2031
Annual Debt Service					
Horizon Loan - Installment Sale Agreement #21-009	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816
Wastewater System Improvements - Revenue Bond ^[1]	186,000	186,000	186,000	186,000	186,000
Total Annual Debt Service	\$ 272,816	\$ 272,816	\$ 272,816	\$ 272,816	\$ 272,816
Notes:					
[1] Projected future debt service included in the analysis is for budgeting and planning purposes only. Willdan is not acting as a municipal/financial advisor for the District, nor structuring the project bond or debt offering.					

2.3.4 Gross and Net Revenue Requirement

The proposed wastewater rates developed in the Report are designed for assumed implementation for FY 2026/27 (the Test Year as previously defined). The projected Test Year gross and net revenue requirements are estimated by utilizing the budget, actual debt service requirements as provided in the applicable debt service schedules, capital project cost estimates and assumed funding sources for capital projects as provided by the District, along with anticipated transfers to reserves for funding capital projects. The Test Year revenue requirements that are used for developing the wastewater rates proposed herein are detailed in **Appendix A** at the end of this report and summarized in **Table 5**.

Table 5 – Test Year Revenue Requirements – FY 2027

Description	Total
Total O&M	\$ 1,978,754
Debt Service	272,816
Capital Outlay	-
Transfers to Operating & Capital Reserves	411,216
Gross Revenue Requirement	\$ 2,662,786
Less Other Revenues	\$(1,062,800)
Net Revenue Requirement	\$ 1,599,986

The projected revenue requirements for the wastewater system over the entire Projection Period are provided in **Table 6**.

Table 6 – Wastewater Revenue Requirements for the Projection Period

Description	Projected for Fiscal Year Ending June 30				
	2027	2028	2029	2030	2031
Total O&M	\$ 1,978,754	\$ 2,075,872	\$ 2,178,162	\$ 2,285,925	\$ 2,399,464
Debt Service	272,816	272,816	272,816	272,816	272,816
Capital Outlay	-	-	-	-	-
Transfers to Operating & Capital Reserves	411,216	382,772	351,528	317,342	279,961
Gross Revenue Requirement	\$ 2,662,786	\$ 2,731,460	\$ 2,802,506	\$ 2,876,083	\$ 2,952,241
Less Other Revenues	(1,062,800)	(1,085,500)	(1,109,300)	(1,134,300)	(1,160,500)
Net Revenue Requirement	\$ 1,599,986	\$ 1,645,960	\$ 1,693,206	\$ 1,741,783	\$ 1,791,741

2.4 Customer Data

The rate study described herein is heavily reliant upon a detailed analysis of system customers and demand characteristics. An analysis of SYCSD historical customer and billing data for the existing utility customer base provides the determinants utilized in the cost-of-service analysis, and ultimately in calculating the wastewater charges, which become the foundation for projecting future revenues generated by the wastewater system.

It is important to note that the customer analysis focuses primarily on the customer classifications that will be subject to and impacted by the user rates and charges to be developed in the Report. This consists of the general service (retail) customers that currently pay for utility service pursuant to the existing user rates and charges as previously detailed. For the purposes of the rate study, it is these customers that will generate revenues based upon the proposed user rates and charges.

2.4.1 Customer Billing Analysis

For the rate study, detailed billing information was provided by District staff for each individual parcel. This data offered a breakdown of parcels by land use type, usage characteristics, and billed charges. An analysis of the billing data was conducted to obtain an understanding of the existing parcels, land use types, and demand and usage characteristics per parcel. In accordance with the data and based on discussions with District staff, the utility system provides

service to various retail customers consisting of residential, commercial (non-residential), institutional, and industrial.

Each of these parcels embodies certain common characteristics in their utility use and service demand profiles that provide the basis for establishing an equitable allocation of system costs. The billing data was utilized to identify the number of customer accounts and billing units (e.g., dwelling units, machines, sinks, seats, etc.) within each parcel, the billable usage profiles, and wastewater strength characteristics (BOD and SS).

The historical customer data was also utilized to establish growth trends for each land use type. The growth trends were then used to project the average number of billing units associated with each land use type for the Test Year plus the remaining years of the Projection Period.

2.5 Financial Projections Under Existing Rates

The projected customers and accompanying billing units are applied to the existing rates to develop a projection of user revenues that would be generated under existing rates. The revenues are then compared to the projected revenue requirements and expenditures to determine if revenue adjustments would be needed to meet the calculated revenue requirements shown previously in **Tables 5** and **6**.

Based on this comparison, it is projected that under the existing rates, the wastewater system would meet its collective projected operating and maintenance (O&M) costs, debt service payments and coverage requirements, and costs of capital projects. However, the District would not be able to maintain its cash reserves at the recommended target levels over the Projection Period. Beyond the Projection Period, the District would be operating at a deficit and unable to meet its debt service coverage requirements and fund planned capital projects while maintaining cash reserves. Therefore, revenue increases are recommended to generate additional cash to fund projected costs of operations and capital projects and maintain adequate cash reserves.

The District has established an objective of maintaining at least 180 days of cash reserves in its Operating Reserve to help fund ongoing operations in the event of periodic fluctuations in cash flow, and to address unexpected needs that may require cash funding. The District also maintains a separate capital reserve (i.e., Fund/Replace/Expansion Reserve) and building reserve, a sub-category of the Fund/Replace/Expansion Reserve, to fund infrastructure needs and capital improvements. Since the District currently collects wastewater user revenues through the annual tax roll as opposed to receiving cash through monthly or bi-monthly billings, it is essential that there are adequate cash reserves to cover expenditures between cycles of revenue collection from annual tax roll payments. The cash-flow statement outlining the projected operating results under existing rates is summarized in **Table 7**. The proposed rates and projected financial results are addressed in the subsequent sections of this Report.

Table 7 – Wastewater System Projected Operating Results - Existing Rates

Description	Existing	Projected for Fiscal Year Ending June 30				
	2026	2027	2028	2029	2030	2031
Revenues:						
Sewer Service Fees	\$ 1,555,380	\$ 1,561,067	\$ 1,566,755	\$ 1,572,417	\$ 1,578,080	\$ 1,583,743
Other Revenues	1,041,200	1,062,800	1,085,500	1,109,300	1,134,300	1,160,500
Total Revenues	\$ 2,596,580	\$ 2,623,867	\$ 2,652,255	\$ 2,681,717	\$ 2,712,380	\$ 2,744,243
O&M Expenses	\$ 1,867,000	\$ 1,978,754	\$ 2,075,872	\$ 2,178,162	\$ 2,285,925	\$ 2,399,464
Net Income Available For Debt Service	\$ 729,580	\$ 645,113	\$ 576,383	\$ 503,555	\$ 426,455	\$ 344,779
Debt Service:						
Existing	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816
Future	-	186,000	186,000	186,000	186,000	186,000
Total Debt Service	\$ 86,816	\$ 272,816	\$ 272,816	\$ 272,816	\$ 272,816	\$ 272,816
Debt Service Coverage Ratio	8.40	2.36	2.11	1.85	1.56	1.26
Balance After Debt	\$ 642,764	\$ 372,297	\$ 303,567	\$ 230,739	\$ 153,639	\$ 71,963
Total Other Expenditures & Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Results	\$ 642,764	\$ 372,297	\$ 303,567	\$ 230,739	\$ 153,639	\$ 71,963
Fund Balance Activity:						
Operating Reserve						
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	372,297	303,567	230,739	153,639	71,963
Transfer to/(from) Building Fund	-	-	-	-	-	-
Transfer from/(to) Fund/Replace/Expansion Reserve	(746,552)	(317,185)	(255,674)	(180,295)	(100,496)	(15,971)
Ending Fund Balance	\$ 920,712	\$ 975,824	\$ 1,023,718	\$ 1,074,162	\$ 1,127,305	\$ 1,183,297
Days Cash on Hand	180	180	180	180	180	180
Building Fund						
Beginning Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Transfer from/(to) O&M Fund	-	-	-	-	-	-
Horizon Debt Service	-	-	-	-	-	-
Ending Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Fund/Replace/Expansion Reserve						
Beginning Fund Balance	\$ 4,102,078	\$ 4,286,630	\$ 3,219,261	\$ 2,962,273	\$ 2,534,814	\$ 2,580,612
Transfer from/(to) Operating Fund	746,552	317,185	255,674	180,295	100,496	15,971
Cash Funded Capital Projects	(562,000)	(1,384,554)	(512,663)	(607,753)	(54,698)	(225,000)
Ending Fund Balance	\$ 4,286,630	\$ 3,219,261	\$ 2,962,273	\$ 2,534,814	\$ 2,580,612	\$ 2,371,583
Total Ending Fund Balance	\$ 5,347,342	\$ 4,335,086	\$ 4,125,990	\$ 3,748,976	\$ 3,847,918	\$ 3,694,881

Section 3 – Cost-of-Service (COS) Analysis

3.1 General

The costs incurred by a wastewater utility system are generally driven by specific service requirements imposed on the system by its customers. There are several different options that can be used to perform a cost-of-service (COS) analysis, and the allocation methodology depends upon the operating profile of the utility, data availability, and basis applied. The wastewater cost-of-service analysis detailed in **Section 3.2** involves an examination of the number and type of customers served in accordance with the data provided by District staff.

3.2 Wastewater Cost-of-Service

The COS analysis for the District utilizes the revenue requirements for the Test Year as the cost basis. The Test Year revenue requirements are functionally unbundled, classified and allocated to customer classes to determine the cost-of-service by class. As stated in **Section 3.1**, the wastewater cost-of-service analysis involves an examination of the number and type of customers served in accordance with the data provided by the District. More details related to the wastewater COS approach can be found in **Appendix B**.

3.2.1 Functional Unbundling of Revenue Requirements

Since the District provides collection services only, the wastewater system costs are unbundled into Collection, Customer, and Administrative functions. A brief description of each component is as follows:

- **Collection** – costs associated with lines and facilities that transport and convey wastewater from customer properties to treatment facilities;
- **Customer** – costs associated with billing, and providing other services to customers (e.g., printing, delivering and collecting utility bills, recordkeeping, etc.);
- **Administration** – various overhead and other non-operating costs.

The allocation of the functionally unbundled revenue requirements for the Test Year is summarized in **Table 8**.

Table 8 - Functional Unbundled Cost Allocations

Description	Test Year
Total O&M	\$ 1,978,754
Existing Debt Service	86,816
Future Debt Service	186,000
Other Expenditures & Transfers	411,216
O&M Revenue Requirement	\$ 2,662,786
Less Other Revenues	(1,062,800)
Total Revenue Requirement	\$ 1,599,986
Functional Unbundled Revenue Requirement	
Collection	\$ 81,870
Administration	1,741,547
Pumping	155,337
CIP	1,384,554
Existing Debt	86,816
New Debt	186,000
Non-Rate Revenue & Fund Balance ^[1]	(2,036,138)
Total	\$ 1,599,986
Notes:	
[1] Includes a transfer from reserves to provide funding for capital outlay and CIP costs.	

3.2.2 Classification of Revenue Requirements

The functionally unbundled revenue requirements for the wastewater system are classified into fixed and volumetric customer components based on methodology consistent with the WEF, Manual of Practice No. 27. It is anticipated that the allocation percentages will not change materially during the Projection Period. However, it is important to note that COS analyses are based on the data at a specific point in time (i.e., the most recent fiscal year). To the extent that weather conditions, economic conditions and customer usage characteristics change during the Projection Period, the cost allocations can be impacted. The system-wide costs by service characteristics are shown in **Table 9**.

Table 9 - Classification of Unbundled Revenue Requirements

Description	Collection	Total
Collection	\$ 81,870	\$ 81,870
Administration	1,741,547	1,741,547
Pumping	155,337	155,337
CIP	1,384,554	1,384,554
Existing Debt	86,816	86,816
New Debt	186,000	186,000
Non-Rate Revenue & Fund Balance	(2,036,138)	(2,036,138)
Total	\$ 1,599,986	\$ 1,599,986

3.2.3 Allocation to Customer Classes and Unit Cost Development

The functionalized and classified revenue requirements are allocated to customer classes utilizing a unit cost approach as follows:

- **Collection** – Based on relative percentage of daily wastewater usage, expressed in gallons per day (GPD);
- **Customer** – Based on relative percentage of billing units by customer class.

The units of service for each component of cost by customer land use type (if applicable) are provided in **Table 10**. The units of service consist of the number of customer parcels and estimated annual units. Customer parcels are based on the number of customers as provided in the customer data. The ERUs are based on the total billing units applied to each parcel.

Table 10 – Units of Service

Description	Total Customers	GPD Per Unit ^[1]	Strength Factor ^[2]	ERU Multiplier ^[3]	Calculated ERUs	Annual ERUs ^[4]
RESIDENTIAL						
Residential:						
Single Family Dwelling	610	215	1.00	1.00	610.00	222,650.00
Single Family + 1 Unit	56	375	1.00	1.74	97.67	35,651.16
Single Family + 2 Units	1	535	1.00	2.49	2.49	908.26
2 Single Family Dwellings	25	430	1.00	2.00	50.00	18,250.00
2 Single Family Dwellings + 1 Unit	2	590	1.00	2.74	5.49	2,003.26
3 Single Family Dwellings	1	645	1.00	3.00	3.00	1,095.00
Sub-Total Residential	695				768.65	280,557.67
COMMERCIAL						
Residential:						
Single Family Residential	3	215	1.00	1.00	3.00	1,095.00
Multi-Family Residential	36	215	1.00	1.00	36.00	13,140.00
Studios	8	160	1.00	0.74	5.95	2,173.02
Retirement Facility						
Manager Residence	1	215	1.00	1.00	1.00	365.00
Rooms w/ Kitchens	3	150	1.00	0.70	2.09	763.95
Rooms w/o Kitchens	33	100	1.00	0.47	15.35	5,602.33
Launderettes, per machine	3	160	1.00	0.74	2.23	814.88
Sub-Total Residential	87				65.63	23,954.19
Non-Residential:						
Beauty & Barber Shops	9	215	1.00	1.00	9.00	3,285.00
Each Sink Over 2	11	100	1.00	0.47	5.12	1,867.44
Billiard/Café (per 1,000 sf)	0	0	0.00	0.00	0.00	0.00
Billiard/Café (per 1,000 sf)	1	150	1.15	0.80	0.80	292.85
Food Service	1	600	1.76	4.91	4.91	1,792.74
Church	1	215	1.00	1.00	1.00	365.00
Cocktail Lounge						
Cocktail Lounge	2	430	1.00	2.00	4.00	1,460.00
Additional Seating	2	8	1.00	0.04	0.07	27.16
Coffee Specialty Retail	4	270	1.00	1.26	5.02	1,833.49
Convenience Market						
Convenience Market	1	215	1.00	1.00	1.00	365.00
Convenience Market with Deli	1	270	1.76	2.21	2.21	806.73
Deli	2	260	1.00	1.21	2.42	882.79



Table 10 – Units of Service (Cont.)

Description	Total Customers	GPD Per Unit ^[1]	Strength Factor ^[2]	ERU Multiplier ^[3]	Calculated ERUs	Annual ERUs ^[4]
COMMERCIAL (Cont.)						
Non-Residential:						
Gas Station w/ Restroom	1	325	1.00	1.51	1.51	551.74
Major Market	1	750	1.76	6.14	6.14	2,240.93
Medical, Dental, Veterinarian Clinic	4	300	1.15	1.60	6.42	2,342.79
Mobile Home Park						
Trailer Space	68	215	1.00	1.00	68.00	24,820.00
Mobile Home Park Laundry	1	140	1.00	0.65	0.65	237.67
Motel/Hotel						
Manager Residence	1	215	1.00	1.00	1.00	365.00
Rooms w/ Kitchens	1	150	1.00	0.70	0.70	254.65
Rooms w/o Kitchens	56	100	1.00	0.47	26.05	9,506.98
Launderettes, per machine	2	160	1.00	0.74	1.49	543.26
Office & Retail						
Office & Retail w/ Toilets	89	215	1.00	1.00	89.00	32,485.00
Office & Retail w/o Toilets	29	100	1.00	0.47	13.49	4,923.26
Pre/Elementary School, Per Student	170	7	1.00	0.03	5.53	2,020.23
Restaurant						
Restaurant - Fast Food	3	240	1.76	1.96	5.89	2,151.29
Plus: Additional Seating - Food	19	12	1.76	0.10	1.87	681.24
Restaurant Full Service	11	600	1.76	4.91	54.03	19,720.19
Plus: Additional Seating - Food	452	12	1.76	0.10	44.40	16,206.41
Plus: Additional Seating - Bar/Banquet	151	8	1.00	0.04	5.62	2,050.79
Residence	1	215	1.00	1.00	1.00	365.00
Winery and Wine Tasting	3	270	1.00	1.26	3.77	1,375.12
YMCA ^[5]	1	2,094	1.00	9.74	9.74	3,554.93
Chumash Gas Station ^[5]	1	5,019	1.00	23.34	23.34	8,520.63
Sub-Total Non-Residential	1,100				405.19	147,895.32
MONTHLY BILLED CUSTOMERS						
College School District						
Pre/Elementary School, Per Student	471	7	1.00	0.03	15.33	5,597.23
Office	1	215	1.00	1.00	1.00	365.00
County of Santa Barbara General Services						
Public Park	1	500	1.00	2.33	2.33	848.84
Office	1	215	1.00	1.00	1.00	365.00
Golden Inn Village Family, LP	30	215	1.00	1.00	30.00	10,950.00
Golden Inn Village Senior, LP	50	215	1.00	1.00	50.00	18,250.00
Harry's House LP						
Manager Residence	1	215	1.00	1.00	1.00	365.00
Office & Retail w/ Toilets	4	215	1.00	1.00	4.00	1,460.00
Office & Retail w/o Toilets	4	100	1.00	0.47	1.86	679.07
Restaurant						
Restaurant Full Service	1	600	1.76	4.91	4.91	1,792.74
Additional Seating (per seat)	47	12	1.76	0.10	4.62	1,685.18
Second Unit/Studios	59	160	1.00	0.74	43.91	16,026.05
Launderettes, per machine	4	160	1.00	0.74	2.98	1,086.51
SYRWCDID#1	1	215	1.00	1.00	1.00	365.00
Santa Ynez Valley Historical Society	1	215	1.00	1.00	1.00	365.00
Santa Ynez Union High School District	890	9	1.00	0.04	37.26	13,598.37
USPS	1	215	1.00	1.00	1.00	365.00
Sub-Total Monthly Billed Customers	1,567				203.19	74,163.99
Total	3,449				1,442.66	526,571.17

Notes:

- [1] The gallons per day (GPD) for each customer classification used to calculate the ERU multiplier was provided by the District.
- [2] The strength factor for each customer classification used to calculate the ERU multiplier was provided by the District.
- [3] The ERU multiplier for each customer classification is calculated by dividing the gallons per day (GPD) per unit by 215 GPD, the estimated daily flow for a single-family residential customer.
- [4] The annual ERUs were determined by multiplying the calculated ERUs by 365 days for each customer classification.
- [5] The calculated ERUs are only an estimate as annual sewer charges are calculated by payment agreement based on flow.

The revenue requirement for each cost component is divided by its respective unit of service to calculate a unit cost. The annual collection cost per unit applies to all customers of the wastewater utility system. The unit cost is shown in **Table 11**.

Table 11 – Cost Per Unit

Description	Collection	Total
Total Revenue Requirement	\$ 1,599,986	\$ 1,599,986
Total Units of Service	526,571	
Unit Type	ERU	
Cost per Unit	\$ 3.0385	
Per Unit Type	ERU	

The allocation of the revenue requirement to each land use type is based on the Collection unit cost multiplied by the total units for each land use type. The total costs to be recovered from each land use are shown in **Table 12**.

Table 12 – Cost-of-Service by Land Use Type & Cost Component

Description	Collection	Total
RESIDENTIAL		
Residential:		
Single Family Dwelling	\$ 676,522	\$ 676,522
Single Family + 1 Unit	108,326	108,326
Single Family + 2 Units	2,760	2,760
2 Single Family Dwellings	55,453	55,453
2 Single Family Dwellings + 1 Unit	6,087	6,087
3 Single Family Dwellings	3,327	3,327
Sub-Total Residential	\$ 852,474	\$ 852,474
COMMERCIAL		
Residential:		
Single Family Residential	\$ 3,327	\$ 3,327
Multi-Family Residential	39,926	39,926
Studios	6,603	6,603
Retirement Facility		
Manager Residence	1,109	1,109
Rooms w/ Kitchens	2,321	2,321
Rooms w/o Kitchens	17,023	17,023
Launderettes, per machine	2,476	2,476
Sub-Total Residential	\$ 72,785	\$ 72,785
Non-Residential:		
Beauty & Barber Shops		
Beauty & Barber Shops	\$ 9,981	\$ 9,981
Each Sink Over 2	5,674	5,674
Billiard/Café (per 1,000 sf)		
Billiard/Café (per 1,000 sf)	890	890
Food Service	5,447	5,447
Church	1,109	1,109
Cocktail Lounge		
Cocktail Lounge	4,436	4,436
Additional Seating	83	83



Table 12 – Cost-of-Service by Land Use Type & Cost Component (Cont.)

Description	Collection	Total
COMMERCIAL (Cont.)		
Non-Residential:		
Coffee Specialty Retail	5,571	5,571
Convenience Market		
Convenience Market	1,109	1,109
Convenience Market with Deli	2,451	2,451
Deli	2,682	2,682
Gas Station w/ Restroom	1,676	1,676
Major Market	6,809	6,809
Medical, Dental, Veterinarian Clinic	7,119	7,119
Mobile Home Park		
Trailer Space	75,416	75,416
Mobile Home Park Laundry	722	722
Motel/Hotel		
Manager Residence	1,109	1,109
Rooms w/ Kitchens	774	774
Rooms w/o Kitchens	28,887	28,887
Launderettes, per machine	1,651	1,651
Office & Retail		
Office & Retail w/ Toilets	98,706	98,706
Office & Retail w/o Toilets	14,959	14,959
Pre/Elementary School, Per Student	6,138	6,138
Restaurant		
Restaurant - Fast Food	6,537	6,537
Plus: Additional Seating - Food	2,070	2,070
Restaurant Full Service	59,920	59,920
Plus: Additional Seating - Food	49,243	49,243
Plus: Additional Seating - Bar/Banquet	6,231	6,231
Residence	1,109	1,109
Winery and Wine Tasting	4,178	4,178
YMCA ^[1]	10,802	10,802
Chumash Gas Station ^[1]	25,890	25,890
Sub-Total Non-Residential	\$ 449,380	\$ 449,380
MONTHLY BILLED CUSTOMERS		
College School District		
Pre/Elementary School, Per Student	\$ 17,007	\$ 17,007
Office	1,109	1,109
County of Santa Barbara General Services		
Public Park	2,579	2,579
Office	1,109	1,109
Golden Inn Village Family, LP	33,272	33,272
Golden Inn Village Senior, LP	55,453	55,453
Harry's House LP		
Manager Residence	1,109	1,109
Office & Retail w/ Toilets	4,436	4,436
Office & Retail w/o Toilets	2,063	2,063
Restaurant		
Restaurant Full Service	5,447	5,447
Additional Seating (per seat)	5,120	5,120
Second Unit/Studios	48,695	48,695
Launderettes, per machine	3,301	3,301
SYRWCDID#1	1,109	1,109
Santa Ynez Valley Historical Society	1,109	1,109

Table 12 – Cost-of-Service by Land Use Type & Cost Component (Cont.)

Description	Collection	Total
MONTHLY BILLED CUSTOMERS (Cont.)		
Santa Ynez Union High School District	41,319	41,319
USPS	1,109	1,109
Sub-Total Monthly Billed Customers	\$ 225,347	\$ 225,347
Total	\$1,599,986	\$1,599,986
Notes:		
[1] The revenue requirement (i.e., wastewater costs) is only an estimate as annual sewer charges are billed by payment agreement based on flow.		

3.2.4 Cost-of-Service and Revenue Check

Once the unit cost is developed and the costs associated with each land use based on the number of units are determined in **Section 3.2.3**, rates can be developed to ensure that each land use is generating sufficient revenues to cover their allocated cost of service. The proposed rate structure for the wastewater rates is as follows:

- **Residential Customers (Single-Family, Multi-Family, Second Units, Mobile Homes, and Retirement Facility)** – Residential customers are generally charged a fixed monthly rate that is billed annually based on Equivalent Residential Units (ERUs), with one ERU assigned per dwelling unit to represent the typical wastewater flow and strength of a single-family residence. The standard ERU is defined using an average daily wastewater flow of approximately 215 gallons per day, along with typical strength characteristics. This approach assumes relatively consistent wastewater generation across residential units and provides a uniform and administratively efficient basis for assigning charges. Wastewater service charges for residential customers are calculated by applying the single-family residential rate to the assigned ERU, ensuring proportional cost recovery consistent with the level of service demand.
- **Commercial, Institutional, and Other Non-Residential Customers** – These customers are also charged a fixed monthly rate that is billed annually based on Equivalent Residential Units (ERUs), which reflect their wastewater flow and strength characteristics relative to a single-family residential unit. One ERU is defined as the flow and strength of a typical single-family residence, expressed in terms of average daily flow (GPD) and wastewater strength parameters. For non-residential customers, an ERU factor is calculated as the ratio of the customer's estimated flow to the single-family residential flow, multiplied by a strength factor. Wastewater service charges are then determined by applying the assigned ERU multiplier to the single-family residential rate, ensuring that charges are proportional to the relative demand each customer places on the system.

The revenues generated by each land use compared to the cost allocated to each land use are provided in **Table 13**.



Table 13 – Proposed Rate Revenues vs. COS

Description	[A] Monthly Customers	[B] Proposed Monthly Fixed Fee	[C]=[A]*[B]*12 Total Fixed Fee Revenue	[D] Billable Annual Volume (CCF)	[E] Proposed Volumetric Rate	[F]=[D]*[E] Total Volumetric Rate Revenues	[G]=[C]+[F] Total Calculated Revenues	[H] Total COS	[I]=[H]-[G] Difference Calc vs COS
RESIDENTIAL									
Residential:									
Single Family Dwelling	610	\$ 92.42	\$ 676,522	N/A	N/A	N/A	\$ 676,522	\$ 676,522	\$ -
Single Family + 1 Unit	56	\$ 161.20	\$ 108,326	N/A	N/A	N/A	\$ 108,326	\$ 108,326	\$ -
Single Family + 2 Units	1	\$ 229.98	\$ 2,760	N/A	N/A	N/A	\$ 2,760	\$ 2,760	\$ -
2 Single Family Dwellings	25	\$ 184.84	\$ 55,453	N/A	N/A	N/A	\$ 55,453	\$ 55,453	\$ -
2 Single Family Dwellings + 1 Unit	2	\$ 253.62	\$ 6,087	N/A	N/A	N/A	\$ 6,087	\$ 6,087	\$ -
3 Single Family Dwellings	1	\$ 277.26	\$ 3,327	N/A	N/A	N/A	\$ 3,327	\$ 3,327	\$ -
Sub-Total Residential	695		\$ 852,474				\$ 852,474	\$ 852,474	\$ -
COMMERCIAL									
Residential:									
Single Family Residential	3	\$ 92.42	\$ 3,327	N/A	N/A	N/A	\$ 3,327	\$ 3,327	\$ -
Multi-Family Residential	36	\$ 92.42	\$ 39,926	N/A	N/A	N/A	\$ 39,926	\$ 39,926	\$ -
Studios	8	\$ 68.78	\$ 6,603	N/A	N/A	N/A	\$ 6,603	\$ 6,603	\$ -
Retirement Facility									
Manager Residence	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Rooms w/ Kitchens	3	\$ 64.48	\$ 2,321	N/A	N/A	N/A	\$ 2,321	\$ 2,321	\$ -
Rooms w/o Kitchens	33	\$ 42.99	\$ 17,023	N/A	N/A	N/A	\$ 17,023	\$ 17,023	\$ -
Laundrettes, per machine	3	\$ 68.78	\$ 2,476	N/A	N/A	N/A	\$ 2,476	\$ 2,476	\$ -
Sub-Total Residential	87		\$ 72,785				\$ 72,785	\$ 72,785	\$ -
Non-Residential:									
Beauty & Barber Shops									
Beauty & Barber Shops	9	\$ 92.42	\$ 9,981	N/A	N/A	N/A	\$ 9,981	\$ 9,981	\$ -
Each Sink Over 2	11	\$ 42.99	\$ 5,674	N/A	N/A	N/A	\$ 5,674	\$ 5,674	\$ -
Billiard/Café (per 1,000 sf)									
Billiard/Café (per 1,000 sf)	1	\$ 74.15	\$ 890	N/A	N/A	N/A	\$ 890	\$ 890	\$ -
Food Service	1	\$ 453.94	\$ 5,447	N/A	N/A	N/A	\$ 5,447	\$ 5,447	\$ -
Church	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Cocktail Lounge									
Cocktail Lounge	2	\$ 184.84	\$ 4,436	N/A	N/A	N/A	\$ 4,436	\$ 4,436	\$ -
Additional Seating	2	\$ 3.44	\$ 83	N/A	N/A	N/A	\$ 83	\$ 83	\$ -
Coffee Specialty Retail	4	\$ 116.06	\$ 5,571	N/A	N/A	N/A	\$ 5,571	\$ 5,571	\$ -
Convenience Market									
Convenience Market	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Convenience Market with Deli	1	\$ 204.27	\$ 2,451	N/A	N/A	N/A	\$ 2,451	\$ 2,451	\$ -
Deli	2	\$ 111.76	\$ 2,682	N/A	N/A	N/A	\$ 2,682	\$ 2,682	\$ -
Gas Station w/ Restroom	1	\$ 139.71	\$ 1,676	N/A	N/A	N/A	\$ 1,676	\$ 1,676	\$ -
Major Market	1	\$ 567.42	\$ 6,809	N/A	N/A	N/A	\$ 6,809	\$ 6,809	\$ -
Medical, Dental, Veterinarian Clinic	4	\$ 148.30	\$ 7,119	N/A	N/A	N/A	\$ 7,119	\$ 7,119	\$ -
Mobile Home Park									
Trailer Space	68	\$ 92.42	\$ 75,416	N/A	N/A	N/A	\$ 75,416	\$ 75,416	\$ -
Mobile Home Park Laundry	1	\$ 60.18	\$ 722	N/A	N/A	N/A	\$ 722	\$ 722	\$ -
Motel/Hotel									
Manager Residence	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Rooms w/ Kitchens	1	\$ 64.48	\$ 774	N/A	N/A	N/A	\$ 774	\$ 774	\$ -
Rooms w/o Kitchens	56	\$ 42.99	\$ 28,887	N/A	N/A	N/A	\$ 28,887	\$ 28,887	\$ -
Laundrettes, per machine	2	\$ 68.78	\$ 1,651	N/A	N/A	N/A	\$ 1,651	\$ 1,651	\$ -
Office & Retail									
Office & Retail w/ Toilets	89	\$ 92.42	\$ 98,706	N/A	N/A	N/A	\$ 98,706	\$ 98,706	\$ -
Office & Retail w/o Toilets	29	\$ 42.99	\$ 14,959	N/A	N/A	N/A	\$ 14,959	\$ 14,959	\$ -
Pre/Elementary School, Per Student	170	\$ 3.01	\$ 6,138	N/A	N/A	N/A	\$ 6,138	\$ 6,138	\$ -
Restaurant									
Restaurant - Fast Food	3	\$ 181.58	\$ 6,537	N/A	N/A	N/A	\$ 6,537	\$ 6,537	\$ -
Plus: Additional Seating - Food	19	\$ 9.08	\$ 2,070	N/A	N/A	N/A	\$ 2,070	\$ 2,070	\$ -
Restaurant Full Service	11	\$ 453.94	\$ 59,920	N/A	N/A	N/A	\$ 59,920	\$ 59,920	\$ -
Plus: Additional Seating - Food	452	\$ 9.08	\$ 49,243	N/A	N/A	N/A	\$ 49,243	\$ 49,243	\$ -
Plus: Additional Seating - Bar/Banquet	151	\$ 3.44	\$ 6,231	N/A	N/A	N/A	\$ 6,231	\$ 6,231	\$ -
Residence	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Winery and Wine Tasting	3	\$ 116.06	\$ 4,178	N/A	N/A	N/A	\$ 4,178	\$ 4,178	\$ -
YMCA ^[1]	1	\$ 900.14	\$ 10,802	N/A	N/A	N/A	\$ 10,802	\$ 10,802	\$ -
Chumash Gas Station ^[1]	1	\$ 2,157.49	\$ 25,890	N/A	N/A	N/A	\$ 25,890	\$ 25,890	\$ -
Sub-Total Non-Residential	1,100		\$ 449,380				\$ 449,380	\$ 449,380	\$ -



Table 13 – Proposed Rate Revenues vs. COS (Cont.)

Description	[A] Monthly Customers	[B] Proposed Monthly Fixed Fee	[C]=[A]*[B]*12 Total Fixed Fee Revenue	[D] Billable Annual Volume (CCF)	[E] Proposed Volumetric Rate	[F]=[D]*[E] Total Volumetric Rate Revenues	[G]=[C]+[F] Total Calculated Revenues	[H] Total COS	[I]=[H]-[G] Difference Calc vs COS
MONTHLY BILLED CUSTOMERS									
College School District									
Pre/Elementary School, Per Student	471	\$ 3.01	\$ 17,007	N/A	N/A	N/A	\$ 17,007	\$ 17,007	\$ -
Office	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
County of Santa Barbara General Services									
Public Park	1	\$ 214.93	\$ 2,579	N/A	N/A	N/A	\$ 2,579	\$ 2,579	\$ -
Office	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Golden Inn Village Family, LP	30	\$ 92.42	\$ 33,272	N/A	N/A	N/A	\$ 33,272	\$ 33,272	\$ -
Golden Inn Village Senior, LP	50	\$ 92.42	\$ 55,453	N/A	N/A	N/A	\$ 55,453	\$ 55,453	\$ -
Harry's House LP									
Manager Residence	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Office & Retail w/ Toilets	4	\$ 92.42	\$ 4,436	N/A	N/A	N/A	\$ 4,436	\$ 4,436	\$ -
Office & Retail w/o Toilets	4	\$ 42.99	\$ 2,063	N/A	N/A	N/A	\$ 2,063	\$ 2,063	\$ -
Restaurant Full Service	1	\$ 453.94	\$ 5,447	N/A	N/A	N/A	\$ 5,447	\$ 5,447	\$ -
Additional Seating (per seat)	47	\$ 9.08	\$ 5,120	N/A	N/A	N/A	\$ 5,120	\$ 5,120	\$ -
Second Unit/Studios	59	\$ 68.78	\$ 48,695	N/A	N/A	N/A	\$ 48,695	\$ 48,695	\$ -
Laundrettes, per machine	4	\$ 68.78	\$ 3,301	N/A	N/A	N/A	\$ 3,301	\$ 3,301	\$ -
SYRWCDID#1	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Santa Ynez Valley Historical Society	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Santa Ynez Union High School District	890	\$ 3.87	\$ 41,319	N/A	N/A	N/A	\$ 41,319	\$ 41,319	\$ -
USPS	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	\$ 1,109	\$ -
Sub-Total Monthly Billed Customers	1,567		\$ 225,347				\$ 225,347	\$ 225,347	
Total	3,449		\$ 1,599,986				\$ 1,599,986	\$1,599,986	\$ -
Notes:									
[1] The proposed monthly fee is only an estimate as annual sewer charges are billed by payment agreement based on flow.									



Section 4 – Proposed Test Year Rates

4.1 General

The methodology used to calculate the recommended wastewater rates proposed herein involves applying the projected customers units of service to the user rates developed in the preceding cost-of-service and rate design analyses to calculate the estimated revenues that would be generated. Then, these projected revenues are compared to the estimated Test Year revenue requirements, and the wastewater rates are adjusted on a percentage basis as necessary until the revenues generated are sufficient to meet the revenue needs of the wastewater utility system.

When reviewing potential rate structure options in conjunction with the need for additional revenues, it was determined that revenue adjustments are needed, and the existing rate structure needs to be adjusted based on the COS analysis. The proposed wastewater rates for the Test Year are provided again in **Table 14**.

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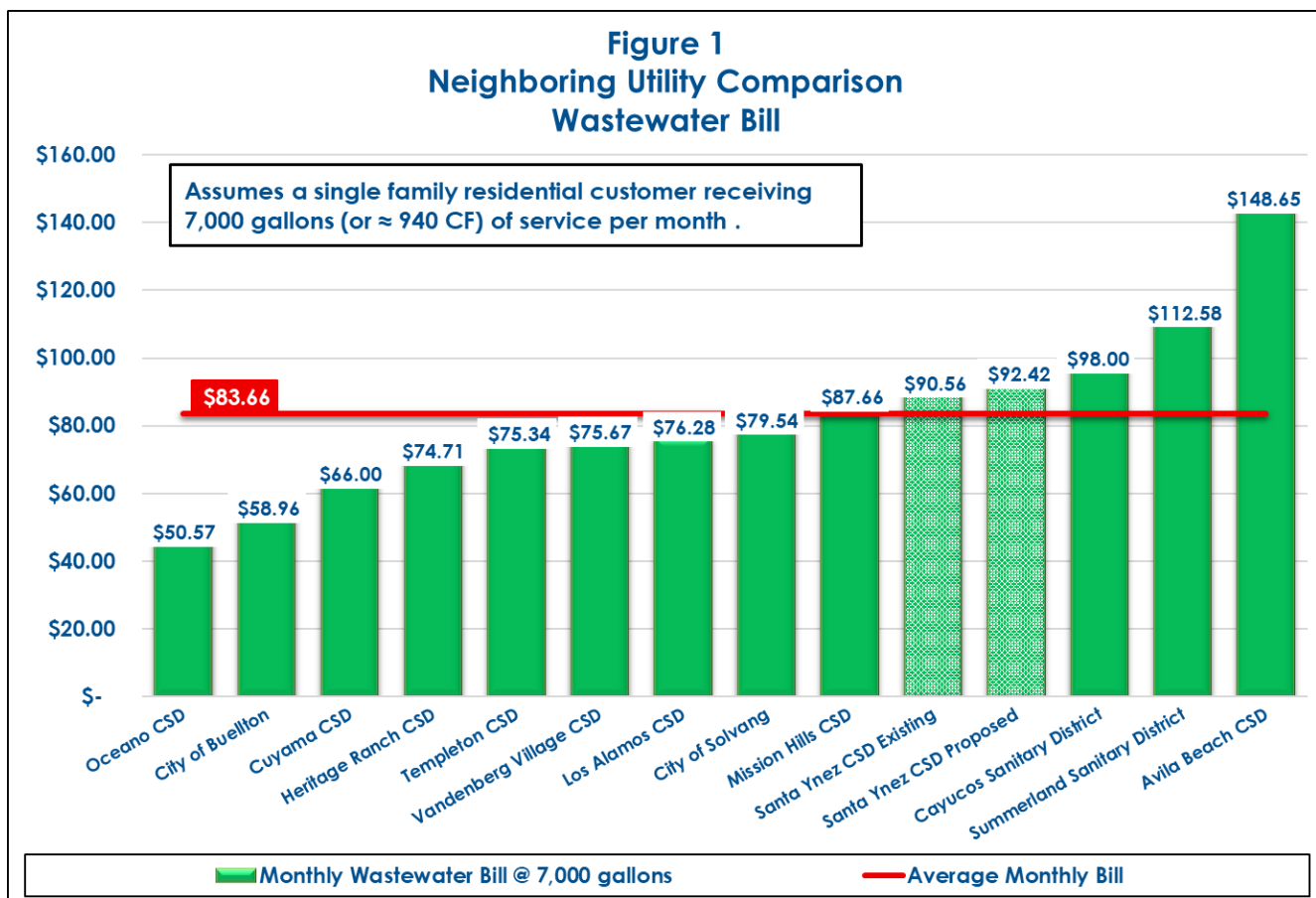


Table 14 – Proposed Monthly Wastewater Rates

Description	Proposed Rates
Monthly Fixed Charges:	
Residential Fixed Charges	
Single Family	\$ 92.42
Multi-family	\$ 92.42
Second Unit/Studios	\$ 68.78
Mobile Home/Trailers	
Manager Residence	\$ 92.42
Trailer Space	\$ 92.42
Mobile Home Park Laundry	\$ 60.18
Retirement Facility	
Manager Residence	\$ 92.42
Rooms w/o Kitchens	\$ 42.99
Rooms w/ Kitchens	\$ 64.48
Non-Residential Fixed Charges	
Motel/Hotel	
Manager Residence	\$ 92.42
Rooms w/o Kitchens	\$ 42.99
Rooms w/ Kitchens	\$ 64.48
Launderettes, per machine	\$ 68.78
Beauty & Barber Shops	\$ 92.42
Each Sink Over 2	\$ 42.99
Gas Station w/Restroom	\$ 139.71
Cocktail Lounge	\$ 184.84
Additional Seating	\$ 3.44
Market, Major	\$ 567.42
Convenience Market	\$ 92.42
Convenience Market w/Deli	\$ 204.27
Deli	\$ 111.76
Office & Retail	\$ 92.42
Units w/o Toilets	\$ 42.99
Restaurant Full Service	\$ 453.94
Additional Seating - Food	\$ 9.08
Additional Seating - Bar/Banquet	\$ 3.44
Coffee Specialty Retail	\$ 116.06
Restaurant - Fast Food	\$ 181.58
YMCA ^[1]	–
Institutional Fixed Charges:	
Church	\$ 92.42
Pre/Elementary School, Per Student	\$ 3.01
High School, per Student	\$ 3.87
Museum	\$ 92.42
Post Office	\$ 92.42
Public Park	\$ 214.93
Additional Sewer Service Fixed Charges:	
Senior Living	
Manager Residence	\$ 92.42
Per Bed	\$ 53.97
Food Service	\$ 453.94
Additional Seating (per seat)	\$ 9.08
Medical, Dental, Veterinarian	
Clinic or Building (per 1,000 sf)	\$ 148.30
Billiard/Café (per 1,000 sf)	\$ 74.15
Food Service	\$ 453.94
Additional Seating (per seat)	\$ 9.08
Cocktail Lounge with Food	\$ 184.84
Additional Seating	\$ 3.44
Car Wash	\$ 670.27
Winery and Wine Tasting	\$ 116.06
Note:	
[1] Annual sewer charges are calculated by payment agreement based on flow.	

4.2 Rate Comparison with Other Utilities

To provide the District with additional insight and context regarding the proposed rate levels, the analysis includes a comparison of both the existing and proposed user rates relative to the user rates imposed by other wastewater utility systems located in the same region. A summary analysis is provided comparing the cost of the monthly wastewater service for a typical residential customer calculated under the existing and proposed rates of the District with those of the other utilities. The rates utilized for the other neighboring utilities bills shown in **Figure 1** were in effect as of March 2026 and are exclusive of local taxes, outside surcharges, franchise fees, regulatory fees, or other rate adjustments. A summary comparison with other utilities for a single-family residential customer using 7,000 gallons per month is illustrated in **Figure 1**.



It should be noted that when making comparisons of wastewater service, several factors affect the level of rates and charges. Such factors may include:

- Terms of wholesale service agreements;
- Time since last rate update for comparison providers;
- Level of treatment and effluent disposal methods of wastewater service;



-
- Anticipated capital improvement programs and capital financing methods;
 - Plant capacity utilization, age of facilities, and assistance in construction by federal or state grants, connection fees, developer contributions, etc.;
 - General Fund and/or administrative fee transfers made by other systems which may account for differences in the level of rates charged; and
 - Bond covenants and funding requirements of the rates.

For the utilities included in the rate comparisons, no analysis has been carried out with consideration of the above-mentioned factors as they relate to the reported wastewater rates currently being charged.

Section 5 – Projected Operating Results

5.1 General

As a conclusion to the study, a pro forma operating statement is developed for the wastewater system. The statement summarizes the projected financial results based on the system's revenues, expenses and other revenue requirements anticipated in future years.

The individual operating statements cover the 5-fiscal year Projection Period through June 30, 2031, and are prepared on a cash-flow basis. In addition, the pro forma statement includes the applicable annual percentage rate adjustments necessary to meet the projected revenue requirements. The following discussions describe the development of the major components of the projected operating results.

5.2 Projected User Rate Revenues

The projected user rate revenues are estimated by applying the existing and proposed rates to the projected customers and units of service. The resulting revenues are then compared to the projected revenue requirements (i.e., O&M expenses, debt service payments and coverage requirements, capital outlay, CIP, transfers, cash reserve policies, etc.) in each fiscal year to determine if the revenues are sufficient to satisfy the expenditure needs of the system. To the extent that there are revenue shortfalls in any given year of the Projection Period, the wastewater rates developed from the COS and rate design analyses outlined in **Section 3** of this Report are adjusted on a percentage basis, as necessary, to generate the required level of revenues. The projected wastewater user rate revenues are provided in **Table 15**.

Table 15 – Projected User Rate Revenues

Description	Existing Rates	Proposed Rates	Projected for Fiscal Year Ending June 30			
	2026	2027	2028	2029	2030	2031
Total Annual Wastewater Revenues	\$ 1,555,380	\$1,599,986	\$ 1,645,960	\$1,693,206	\$1,741,783	\$ 1,791,741

The projected revenues include the annual wastewater rate adjustments anticipated for the remaining years of the Projection Period beyond the Test Year. The proposed user rates, for which the projected operating results are developed for the entire 5-fiscal year Projection Period, are provided in **Table 16**. The rates identified in the proceeding table reflect the cost of providing service to individual customers based on their allocated ERUs associated with their land use type.

Table 16 – Proposed Monthly Wastewater Rates

Description	Existing Rates	Projected for Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
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
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

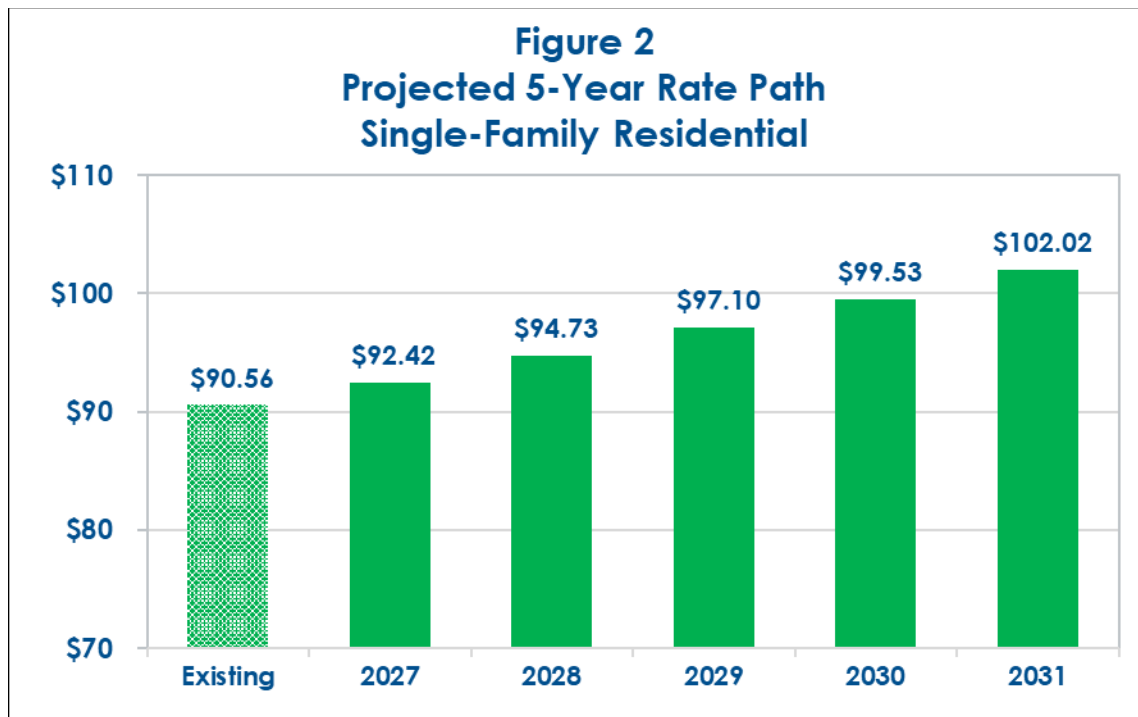
Table 16 – Proposed Monthly Wastewater Rates (Cont.)

Description	Existing Rates	Projected for Fiscal Year Ending June 30				
		2027	2028	2029	2030	2031
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.

The projected user rates provided herein for the periods beyond the Test Year are intended for strategic planning purposes, and to provide the District with the estimated future rates that may be needed to satisfy the projected cash flow requirements. The rates are developed in accordance with the assumed customer, ERU, expenditure, and revenue estimates projected in this rate study. It is important to note that, since it is necessary to utilize numerous assumptions to develop the projected operating results, to the extent that actual customers, ERUs and/or system expenditures differ from those assumed herein, additional rate adjustments may be required. For informative purposes, the monthly bill for a single-family residential customer based on the projected rates for each fiscal year of the Projection Period is included herein. An illustration of the projected bill path for a single-family residential customer is provided in **Figure 2**.



5.3 Debt Service Coverage

The wastewater operating statement also includes a calculation of the annual debt service coverage. Debt service coverage is generally viewed as an indicator of the financial strength of the utility. The debt service coverage ratio is broadly calculated by dividing the net revenues by the annual debt service requirement. For the purposes of the debt service coverage calculation developed herein, the net revenues consist of the total operating revenues (user rate revenues plus other revenues) less O&M expenses. It is important to note that the coverage results are provided for informative purposes only and are not intended as a legally supportable calculation for representation to bondholders. The debt service coverage for the wastewater system over the projection period is provided in **Table 17**.

Table 17 – Wastewater Utility System Projected Debt Service Coverage Ratio

Fiscal Year	Projected
2027	2.51
2028	2.40
2029	2.29
2030	2.16
2031	2.03

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5.4 Summary of Projected Operating Results

The cash-flow statement outlining the projected operating results is summarized in **Table 17** for the wastewater system. The results demonstrate that the proposed rates and charges along with the other system revenues are anticipated to be sufficient to satisfy the projected revenue requirements and capital needs of the utility system. To see the full cash-flow statement for the Projection Period, please refer to **Appendix C**.

Table 17 – Wastewater System Projected Operating Results - Proposed Rates

Description	Existing	Projected for Fiscal Year Ending June 30				
	2026	2027	2028	2029	2030	2031
Revenues:						
Sewer Service Fees	\$ 1,555,380	\$ 1,599,986	\$ 1,645,960	\$ 1,693,206	\$ 1,741,783	\$ 1,791,741
Other Revenues	1,041,200	1,062,800	1,085,500	1,109,300	1,134,300	1,160,500
Total Revenues	\$ 2,596,580	\$ 2,662,786	\$ 2,731,460	\$ 2,802,506	\$ 2,876,083	\$ 2,952,241
O&M Expenses	\$ 1,867,000	\$ 1,978,754	\$ 2,075,872	\$ 2,178,162	\$ 2,285,925	\$ 2,399,464
Net Income Available For Debt Service	\$ 729,580	\$ 684,032	\$ 655,588	\$ 624,344	\$ 590,158	\$ 552,777
Debt Service:						
Existing	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816
Future	-	186,000	186,000	186,000	186,000	186,000
Total Debt Service	\$ 86,816	\$ 272,816	\$ 272,816	\$ 272,816	\$ 272,816	\$ 272,816
Debt Service Coverage Ratio	8.40	2.51	2.40	2.29	2.16	2.03
Balance After Debt	\$ 642,764	\$ 411,216	\$ 382,772	\$ 351,528	\$ 317,342	\$ 279,961
Total Other Expenditures & Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Results	\$ 642,764	\$ 411,216	\$ 382,772	\$ 351,528	\$ 317,342	\$ 279,961
Fund Balance Activity:						
Operating Reserve						
Beginning Fund Balance	\$ 1,024,500	\$ 920,712	\$ 975,824	\$ 1,023,717	\$ 1,074,162	\$ 1,127,305
Deposit/(Withdrawal) from Operations	642,764	411,216	382,772	351,528	317,342	279,961
Transfer to/(from) Building Fund	-	-	-	-	-	-
Transfer from/(to) Fund/Replace/Expansion Reserve	(746,552)	(356,105)	(334,879)	(301,083)	(264,199)	(223,969)
Ending Fund Balance	\$ 920,712	\$ 975,824	\$ 1,023,717	\$ 1,074,162	\$ 1,127,305	\$ 1,183,297
Days Cash on Hand	180	180	180	180	180	180
Building Fund						
Beginning Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Transfer from/(to) O&M Fund	-	-	-	-	-	-
Horizon Debt Service	-	-	-	-	-	-
Ending Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Fund/Replace/Expansion Reserve						
Beginning Fund Balance	\$ 4,102,078	\$ 4,286,630	\$ 3,258,181	\$ 3,080,397	\$ 2,773,727	\$ 2,983,228
Transfer from/(to) Operating Fund	746,552	356,105	334,879	301,083	264,199	223,969
Cash Funded Capital Projects	(562,000)	(1,384,554)	(512,663)	(607,753)	(54,698)	(225,000)
Ending Fund Balance	\$ 4,286,630	\$ 3,258,181	\$ 3,080,397	\$ 2,773,727	\$ 2,983,228	\$ 2,982,198
Total Ending Fund Balance	\$ 5,347,342	\$ 4,374,005	\$ 4,244,115	\$ 3,987,890	\$ 4,250,534	\$ 4,305,495

Section 6 – Conclusions and Recommendations

6.1 Disclaimers

6.1.1 General Disclaimer

In the development of the proposed user rates and charges, certain historical reviews and analyses have been performed, together with the application of assumptions based on prudent financial, operational, and ratemaking relationships. The cost criteria and customer usage characteristics associated with general ratemaking procedures are representative of averages and are not intended as indicators of any individual customer.

In the preparation of the rate study, certain assumptions have been made with respect to conditions that may occur in the future. While it is believed that these assumptions are reasonable for the purpose of this update, they are dependent upon future events and actual conditions may differ from those assumed. In addition, the study has used and relied upon certain information that was provided by other parties not associated with Willdan. Such information includes, among other things, the District's audited financial statements, annual operating budgets, periodic reports, and other information and data provided by the District, its independent auditors, and other sources. While the sources are believed to be reliable, there has been no independent verification of the information, and no assurances are offered with respect thereto. To the extent that future conditions differ from those assumed herein or provided by others, the actual results may vary from those projected.

6.1.2 Municipal Advisory Disclaimer

Unless the Santa Ynez Community Services District (the "District") has a written engagement from Willdan Financial Services ("Willdan") for municipal advisory services, Willdan is not advising or recommending any action be taken by the recipient of this information with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms and other similar matters concerning such financial products or issues). The District shall discuss any such information and material contained in Willdan's work product with any and all internal and/or external advisors and experts, including its own municipal advisor, that it deems appropriate before acting on the information and material.

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 District with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the District, (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 District, 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, including any revisions or amendments thereto.

6.2 Conclusions

As previously addressed, the purpose of this study is to provide a review of District's existing utility rates to determine if rate adjustments are necessary to meet the budgeted and/or projected financial needs in future years. This Report is the result of the collaborative efforts of representatives from both the District and Willdan. District staff were diligent and cooperative in their efforts to ensure the availability and quality of source data on financial and operating matters. Based on the reviews, analyses and assumptions discussed herein, it is concluded that:

1. The proposed user rates and charges are anticipated to generate sufficient revenues to meet the revenue requirements of the system based upon the projected expenditures, capital project timing and costs, transfers, and billable customer units estimated for the Test Year. The proposed rates are based on an assumed implementation date of July 1, 2026. To the extent that the implementation date varies from the assumed implementation date, additional rate adjustments and/or appropriations from existing reserves may be necessary.
2. The estimated revenues and resulting rate adjustments for the remaining years of the Projection Period beyond the Test Year are developed based on the customer growth assumptions generated from historical analyses and discussions with District staff. If the customer growth projections are not realized, additional rate adjustments may be necessary.
3. Future capital improvement projects are assumed to occur as reported by the District in its Capital Improvement Plan. To the extent that the timing of such projects may change from that estimated herein, the cost of such projects and resulting impact on future rates and charges may vary from those indicated.
4. The proposed rates and rate structure are consistent with industry standards for rate-setting practices, comply with Proposition 218 and conform to the District's financial policies and objectives with respect to:
 - a. Equitably recovering costs;
 - b. Being based upon the proportionate cost of providing services; and
 - c. Generating sufficient revenue to recover system revenue requirements, meet debt service coverage requirements, fund capital needs, and meet reserve requirements.

6.3 Recommendations

Based on the reviews, analyses and assumptions addressed herein, as well as the resulting conclusions provided above, it is respectfully recommended that the District:

1. Adopt the proposed wastewater rates.
2. Enact the proposed rates to become effective as of July 1, 2026 (or other such date as determined by the District). Based on the timing of the project and the required public hearing procedures and noticing requirements, it is expected that the proposed wastewater rates will become effective on the recommended date.
3. Readdress the COS analysis portion of this study every three to five years to ensure costs are recovered consistently with COS principles and customer characteristics.

We appreciate the opportunity to be of service to the District in this engagement. In addition, we would like to thank District staff for the valuable assistance provided during the completion of the rate study.

Respectfully Yours,

WILLDAN FINANCIAL SERVICES

Santa Ynez Community Services District

Comprehensive Wastewater Rate Study

Appendices

A	Revenue Requirement for User Rates
B	Wastewater Cost-of-Service Analysis
C	5-Year Financial Projections

Santa Ynez Community Services District

Comprehensive Wastewater Rate Study

Appendix A	Revenue Requirement for User Rates
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APPENDIX - A

SANTA YNEZ COMMUNITY SERVICES DISTRICT

DEVELOPMENT OF RATE REVENUE REQUIREMENTS - WASTEWATER

Line No:	Description	[A]	[B]	[C]=[A]*[B]
		Test Year for Rate Revenue Requirement		
		FY 2027	% to Wastewater	Wastewater
1	Total Operating Revenues	\$ 2,662,786		\$ 2,662,786
	Less:			
	<u>Other Operating Revenues</u>			
2	Sewer Benefit Fees	\$ 39,200	100%	\$ 39,200
3	Other Charges for Services	4,900	100%	4,900
4	Property Taxes	224,400	100%	224,400
5	Annexation Fees	3,300	100%	3,300
6	Chumash Reservation Contract	488,000	100%	488,000
7	Investment Earnings	183,000	100%	183,000
8	Other Revenue	16,200	100%	16,200
9	Capacity Fees	103,800	100%	103,800
10	Total Other Operating Revenues	\$ 1,062,800		\$ 1,062,800
11	Total Rate Revenue Requirement	\$ 1,599,986	100%	\$ 1,599,986

Santa Ynez Community Services District

Comprehensive Wastewater Rate Study

Appendix B	Wastewater Cost-of-Service Analysis
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APPENDIX - B
SANTA YNEZ COMMUNITY SERVICES DISTRICT
ALLOCATION OF TEST YEAR COSTS TO WASTEWATER FUNCTION

Test Year Revenue Requirement		
Line No:	Expense Group	FY 2027
1	Collection	\$ 81,870
2	Administration	1,741,547
3	Pumping	155,337
4	Existing Debt	86,816
5	CIP	1,384,554
6	Total	\$ 3,636,124

APPENDIX - B
SANTA YNEZ COMMUNITY SERVICES DISTRICT
WASTEWATER CUSTOMER & STENGTH CHARACTERISTICS BY CUSTOMER CLASS - TEST YEAR FY 2027

Line No:	Description	Total Customers	GPD Per Unit ^[1]	Strength Factor ^[2]	ERU Multiplier ^[3]	Calculated ERUs	Annual ERUs ^[4]
RESIDENTIAL							
Residential:							
1	Single Family Dwelling	610	215	1.00	1.00	610.00	222,650.00
2	Single Family + 1 Unit	56	375	1.00	1.74	97.67	35,651.16
3	Single Family + 2 Units	1	535	1.00	2.49	2.49	908.26
4	2 Single Family Dwellings	25	430	1.00	2.00	50.00	18,250.00
5	2 Single Family Dwellings + 1 Unit	2	590	1.00	2.74	5.49	2,003.26
6	3 Single Family Dwellings	1	645	1.00	3.00	3.00	1,095.00
7	Sub-Total Residential	695				768.65	280,557.67
COMMERCIAL							
Residential:							
8	Single Family Residential	3	215	1.00	1.00	3.00	1,095.00
9	Multi-Family Residential	36	215	1.00	1.00	36.00	13,140.00
10	Studios	8	160	1.00	0.74	5.95	2,173.02
Retirement Facility							
11	Manager Residence	1	215	1.00	1.00	1.00	365.00
12	Rooms w/ Kitchens	3	150	1.00	0.70	2.09	763.95
13	Rooms w/o Kitchens	33	100	1.00	0.47	15.35	5,602.33
14	Launderettes, per machine	3	160	1.00	0.74	2.23	814.88
15	Sub-Total Residential	87				65.63	23,954.19
Non-Residential:							
Beauty & Barber Shops							
16	Beauty & Barber Shops	9	215	1.00	1.00	9.00	3,285.00
17	Each Sink Over 2	11	100	1.00	0.47	5.12	1,867.44
Billiard/Café (per 1,000 sf)							
18	Billiard/Café (per 1,000 sf)	1	150	1.15	0.80	0.80	292.85
19	Food Service	1	600	1.76	4.91	4.91	1,792.74
20	Church	1	215	1.00	1.00	1.00	365.00
Cocktail Lounge							
21	Cocktail Lounge	2	430	1.00	2.00	4.00	1,460.00
22	Additional Seating	2	8	1.00	0.04	0.07	27.16
23	Coffee Specialty Retail	4	270	1.00	1.26	5.02	1,833.49
Convenience Market							
24	Convenience Market	1	215	1.00	1.00	1.00	365.00
25	Convenience Market with Deli	1	270	1.76	2.21	2.21	806.73
26	Deli	2	260	1.00	1.21	2.42	882.79
27	Gas Station w/ Restroom	1	325	1.00	1.51	1.51	551.74
28	Major Market	1	750	1.76	6.14	6.14	2,240.93
29	Medical, Dental, Veterinarian Clinic	4	300	1.15	1.60	6.42	2,342.79
Mobile Home Park							
30	Trailer Space	68	215	1.00	1.00	68.00	24,820.00
31	Mobile Home Park Laundry	1	140	1.00	0.65	0.65	237.67
Motel/Hotel							
32	Manager Residence	1	215	1.00	1.00	1.00	365.00
33	Rooms w/ Kitchens	1	150	1.00	0.70	0.70	254.65
34	Rooms w/o Kitchens	56	100	1.00	0.47	26.05	9,506.98
35	Launderettes, per machine	2	160	1.00	0.74	1.49	543.26
Office & Retail							
36	Office & Retail w/ Toilets	89	215	1.00	1.00	89.00	32,485.00
37	Office & Retail w/o Toilets	29	100	1.00	0.47	13.49	4,923.26
38	Pre/Elementary School, Per Student	170	7	1.00	0.03	5.53	2,020.23
Restaurant							
39	Restaurant - Fast Food	3	240	1.76	1.96	5.89	2,151.29
40	Plus: Additional Seating - Food	19	12	1.76	0.10	1.87	681.24
41	Restaurant Full Service	11	600	1.76	4.91	54.03	19,720.19

APPENDIX - B
SANTA YNEZ COMMUNITY SERVICES DISTRICT
WASTEWATER CUSTOMER & STENGTH CHARACTERISTICS BY CUSTOMER CLASS - TEST YEAR FY 2027

Line No:	Description	Total Customers	GPD Per Unit ^[1]	Strength Factor ^[2]	ERU Multiplier ^[3]	Calculated ERUs	Annual ERUs ^[4]
42	Plus: Additional Seating - Food	452	12	1.76	0.10	44.40	16,206.41
43	Plus: Additional Seating - Bar/Banquet	151	8	1.00	0.04	5.62	2,050.79
44	Residence	1	215	1.00	1.00	1.00	365.00
45	Sub-Total Restaurants	637				112.81	41,174.92
46	Winery and Wine Tasting	3	270	1.00	1.26	3.77	1,375.12
47	YMCA ^[5]	1	2,094	1.00	9.74	9.74	3,554.93
48	Chumash Gas Station ^[5]	1	5,019	1.00	23.34	23.34	8,520.63
49	Sub-Total Non-Residential	1,100				405.19	147,895.32
<u>MONTHLY BILLED CUSTOMERS</u>							
College School District							
50	Pre/Elementary School, Per Student	471	7	1.00	0.03	15.33	5,597.23
51	Office	1	215	1.00	1.00	1.00	365.00
County of Santa Barbara General Services							
52	Public Park	1	500	1.00	2.33	2.33	848.84
53	Office	1	215	1.00	1.00	1.00	365.00
54	Golden Inn Village Family, LP	30	215	1.00	1.00	30.00	10,950.00
55	Golden Inn Village Senior, LP	50	215	1.00	1.00	50.00	18,250.00
Harry's House LP							
56	Manager Residence	1	215	1.00	1.00	1.00	365.00
57	Office & Retail w/ Toilets	4	215	1.00	1.00	4.00	1,460.00
58	Office & Retail w/o Toilets	4	100	1.00	0.47	1.86	679.07
Restaurant							
59	Restaurant Full Service	1	600	1.76	4.91	4.91	1,792.74
60	Additional Seating (per seat)	47	12	1.76	0.10	4.62	1,685.18
61	Second Unit/Studios	59	160	1.00	0.74	43.91	16,026.05
62	Launderettes, per machine	4	160	1.00	0.74	2.98	1,086.51
63	SYRWCDID# 1	1	215	1.00	1.00	1.00	365.00
64	Santa Ynez Valley Historical Society	1	215	1.00	1.00	1.00	365.00
65	Santa Ynez Union High School District	890	9	1.00	0.04	37.26	13,598.37
66	USPS	1	215	1.00	1.00	1.00	365.00
67	Sub-Total Monthly Billed Customers	1,567				203.19	74,163.99
68	Total	3,449.00				1,442.66	526,571.17

Notes:

- [1] The gallons per day (GPD) for each customer classification used to calculate the ERU multiplier was provided by the District.
- [2] The strength factor for each customer classification used to calculate the ERU multiplier was provided by the District.
- [3] The ERU multiplier for each customer classification is calculated by dividing the gallons per day (GPD) per unit by 215 GPD, the estimated daily flow for a single-family residential customer.
- [4] The annual ERUs were determined by multiplying the calculated ERUs by 365 days for each customer classification.
- [5] The calculated ERUs are only an estimate as annual sewer charges are calculated by payment agreement based on flow.

APPENDIX - B

SANTA YNEZ COMMUNITY SERVICES DISTRICT

ALLOCATION OF WASTEWATER COSTS - TEST YEAR FY 2027

Line No:	Description	Wastewater Costs	Collection	Total (Check)
Allocation Factors:				
1	Collection		100.00%	100.00%
2	Administration		100.00%	100.00%
3	Pumping		100.00%	100.00%
4	CIP		100.00%	100.00%
5	Existing Debt		100.00%	100.00%
Allocation of Costs:				
6	Collection	\$ 81,870	\$ 81,870	\$ 81,870
7	Administration	1,741,547	1,741,547	1,741,547
8	Pumping	155,337	155,337	155,337
9	CIP	1,384,554	1,384,554	1,384,554
10	Existing Debt	86,816	86,816	86,816
11	Non-Rate Revenue & Fund Balance ^[1]	(2,036,137)	(2,036,138)	(2,036,138)
12	Total	\$ 1,599,986	\$ 1,599,986	\$ 1,599,986
Total Units of Service				
Units			526,571	
Cost Per ERU			\$ 3.0385	

Notes:

[1] Includes a transfer from reserves to provide funding for capital outlay and CIP costs.

APPENDIX - B
SANTA YNEZ COMMUNITY SERVICES DISTRICT
WASTEWATER COST OF SERVICE BY COST COMPONENT & CUSTOMER CLASS - TEST YEAR FY 2027

Line No:	Description	[A]		[B]	
		Collection		Total	
<u>RESIDENTIAL</u>					
Residential:					
1	Single Family Dwelling	\$	676,522	\$	676,522
2	Single Family + 1 Unit		108,326		108,326
3	Single Family + 2 Units		2,760		2,760
4	2 Single Family Dwellings		55,453		55,453
5	2 Single Family Dwellings + 1 Unit		6,087		6,087
6	3 Single Family Dwellings		3,327		3,327
7	Sub-Total Residential	\$	852,474	\$	852,474
<u>COMMERCIAL</u>					
Residential:					
8	Single Family Residential	\$	3,327	\$	3,327
9	Multi-Family Residential		39,926		39,926
10	Studios		6,603		6,603
	Retirement Facility				
11	Manager Residence		1,109		1,109
12	Rooms w/ Kitchens		2,321		2,321
13	Rooms w/o Kitchens		17,023		17,023
14	Laundrettes, per machine		2,476		2,476
15	Sub-Total Residential	\$	72,785	\$	72,785
Non-Residential:					
	Beauty & Barber Shops				
16	Beauty & Barber Shops	\$	9,981	\$	9,981
17	Each Sink Over 2		5,674		5,674
	Billiard/Café (per 1,000 sf)				
18	Billiard/Café (per 1,000 sf)		890		890
19	Food Service		5,447		5,447
20	Church		1,109		1,109
	Cocktail Lounge				
21	Cocktail Lounge		4,436		4,436
22	Additional Seating		83		83
23	Coffee Specialty Retail		5,571		5,571
	Convenience Market				
24	Convenience Market		1,109		1,109
25	Convenience Market with Deli		2,451		2,451
26	Deli		2,682		2,682
27	Gas Station w/ Restroom		1,676		1,676
28	Major Market		6,809		6,809
29	Medical, Dental, Veterinarian Clinic		7,119		7,119
	Mobile Home Park				
30	Trailer Space		75,416		75,416
31	Mobile Home Park Laundry		722		722
	Motel/Hotel				
32	Manager Residence		1,109		1,109
33	Rooms w/ Kitchens		774		774
34	Rooms w/o Kitchens		28,887		28,887

APPENDIX - B
SANTA YNEZ COMMUNITY SERVICES DISTRICT
WASTEWATER COST OF SERVICE BY COST COMPONENT & CUSTOMER CLASS - TEST YEAR FY 2027

Line No:	Description	[A]		[B]	
		Collection		Total	
35	Launderettes, per machine		1,651		1,651
	Office & Retail				
36	Office & Retail w/ Toilets		98,706		98,706
37	Office & Retail w/o Toilets		14,959		14,959
38	Pre/Elementary School, Per Student		6,138		6,138
	Restaurant				
39	Restaurant - Fast Food		6,537		6,537
40	Plus: Additional Seating - Food		2,070		2,070
41	Restaurant Full Service		59,920		59,920
42	Plus: Additional Seating - Food		49,243		49,243
43	Plus: Additional Seating - Bar/Banquet		6,231		6,231
44	Residence		1,109		1,109
45	Sub-Total Restaurants	\$	125,110	\$	125,110
46	Winery and Wine Tasting		4,178		4,178
47	YMCA ^[1]		10,802		10,802
48	Chumash Gas Station ^[1]		25,890		25,890
49	Sub-Total Non-Residential	\$	449,380	\$	449,380
	<u>MONTHLY BILLED CUSTOMERS</u>				
	College School District				
50	Pre/Elementary School, Per Student	\$	17,007	\$	17,007
51	Office		1,109	\$	1,109
	County of Santa Barbara General Services				
52	Public Park		2,579	\$	2,579
53	Office		1,109	\$	1,109
54	Golden Inn Village Family, LP		33,272	\$	33,272
55	Golden Inn Village Senior, LP		55,453	\$	55,453
	Harry's House LP				
56	Manager Residence		1,109	\$	1,109
57	Office & Retail w/ Toilets		4,436	\$	4,436
58	Office & Retail w/o Toilets		2,063	\$	2,063
	Restaurant				
59	Restaurant Full Service		5,447	\$	5,447
60	Additional Seating (per seat)		5,120	\$	5,120
61	Second Unit/Studios		48,695	\$	48,695
62	Launderettes, per machine		3,301	\$	3,301
63	SYRWCDID# 1		1,109	\$	1,109
64	Santa Ynez Valley Historical Society		1,109	\$	1,109
65	Santa Ynez Union High School District		41,319	\$	41,319
66	USPS		1,109	\$	1,109
67	Sub-Total Monthly Billed Customers	\$	225,347	\$	225,347
68	Total	\$	1,599,986	\$	1,599,986

Notes:

- [1] The revenue requirement (i.e., wastewater costs) is only an estimate as annual sewer charges are billed by payment agreement based on flow.

APPENDIX - B

SANTA YNEZ COMMUNITY SERVICES DISTRICT

WASTEWATER RATE CALCULATION - TEST YEAR FY 2027

Line No:	Description	[A]	[B]	[C]	[D]	[E]
		Fixed Rate Costs	Monthly Customers	Proposed Monthly Fixed Fee	Existing Monthly Fixed Fee	Monthly Fixed Fee Difference
<u>RESIDENTIAL</u>						
Residential:						
1	Single Family Dwelling	\$ 676,522	610	\$ 92.42	\$ 90.56	\$ 1.86
2	Single Family + 1 Unit	\$ 108,326	56	\$ 161.20	\$ 157.97	\$ 3.23
3	Single Family + 2 Units	\$ 2,760	1	\$ 229.98	\$ 225.38	\$ 4.60
4	2 Single Family Dwellings	\$ 55,453	25	\$ 184.84	\$ 181.12	\$ 3.72
5	2 Single Family Dwellings + 1 Unit	\$ 6,087	2	\$ 253.62	\$ 248.53	\$ 5.09
6	3 Single Family Dwellings	\$ 3,327	1	\$ 277.26	\$ 271.68	\$ 5.58
7	Sub-Total Residential	\$ 852,474	695			
<u>COMMERCIAL</u>						
Residential:						
8	Single Family Residential	\$ 3,327	3	\$ 92.42	\$ 90.56	\$ 1.86
9	Multi-Family Residential	\$ 39,926	36	\$ 92.42	\$ 90.56	\$ 1.86
10	Studios	\$ 6,603	8	\$ 68.78	\$ 67.41	\$ 1.37
Retirement Facility						
11	Manager Residence	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
12	Rooms w/ Kitchens	\$ 2,321	3	\$ 64.48	\$ 63.18	\$ 1.30
13	Rooms w/o Kitchens	\$ 17,023	33	\$ 42.99	\$ 42.14	\$ 0.85
14	Laundrettes, per machine	\$ 2,476	3	\$ 68.78	\$ 67.41	\$ 1.37
15	Sub-Total Residential	\$ 72,785	87			
Non-Residential:						
Beauty & Barber Shops						
16	Beauty & Barber Shops	\$ 9,981	9	\$ 92.42	\$ 90.56	\$ 1.86
17	Each Sink Over 2	\$ 5,674	11	\$ 42.99	\$ 42.14	\$ 0.85
Billiard/Café (per 1,000 sf)						
18	Billiard/Café (per 1,000 sf)	\$ 890	1	\$ 74.15	\$ 72.66	\$ 1.49
19	Food Service	\$ 5,447	1	\$ 453.94	\$ 444.81	\$ 9.13
20	Church	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
Cocktail Lounge						
21	Cocktail Lounge	\$ 4,436	2	\$ 184.84	\$ 181.12	\$ 3.72
22	Additional Seating	\$ 83	2	\$ 3.44	\$ 3.37	\$ 0.07
23	Coffee Specialty Retail	\$ 5,571	4	\$ 116.06	\$ 113.74	\$ 2.32
Convenience Market						
24	Convenience Market	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
25	Convenience Market with Deli	\$ 2,451	1	\$ 204.27	\$ 200.17	\$ 4.10
26	Deli	\$ 2,682	2	\$ 111.76	\$ 109.51	\$ 2.25
27	Gas Station w/ Restroom	\$ 1,676	1	\$ 139.71	\$ 136.91	\$ 2.80
28	Major Market	\$ 6,809	1	\$ 567.42	\$ 556.02	\$ 11.40
29	Medical, Dental, Veterinarian Clinic	\$ 7,119	4	\$ 148.30	\$ 145.31	\$ 2.99
Mobile Home Park						
30	Trailer Space	\$ 75,416	68	\$ 92.42	\$ 90.56	\$ 1.86
31	Mobile Home Park Laundry	\$ 722	1	\$ 60.18	\$ 58.96	\$ 1.22
Motel/Hotel						
32	Manager Residence	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
33	Rooms w/ Kitchens	\$ 774	1	\$ 64.48	\$ 63.18	\$ 1.30
34	Rooms w/o Kitchens	\$ 28,887	56	\$ 42.99	\$ 42.14	\$ 0.85
35	Laundrettes, per machine	\$ 1,651	2	\$ 68.78	\$ 67.41	\$ 1.37

APPENDIX - B

SANTA YNEZ COMMUNITY SERVICES DISTRICT

WASTEWATER RATE CALCULATION - TEST YEAR FY 2027

Line No:	Description	[A]	[B]	[C]	[D]	[E]
		Fixed Rate Costs	Monthly Customers	Proposed Monthly Fixed Fee	Existing Monthly Fixed Fee	Monthly Fixed Fee Difference
Office & Retail						
36	Office & Retail w/ Toilets	\$ 98,706	89	\$ 92.42	\$ 90.56	\$ 1.86
37	Office & Retail w/o Toilets	\$ 14,959	29	\$ 42.99	\$ 42.14	\$ 0.85
38	Pre/Elementary School, Per Student	\$ 6,138	170	\$ 3.01	\$ 2.72	\$ 0.29
Restaurant						
39	Restaurant - Fast Food	\$ 6,537	3	\$ 181.58	\$ 177.92	\$ 3.66
40	Plus: Additional Seating - Food	\$ 2,070	19	\$ 9.08	\$ 8.90	\$ 0.18
41	Restaurant Full Service	\$ 59,920	11	\$ 453.94	\$ 444.81	\$ 9.13
42	Plus: Additional Seating - Food	\$ 49,243	452	\$ 9.08	\$ 8.90	\$ 0.18
43	Plus: Additional Seating - Bar/Banquet	\$ 6,231	151	\$ 3.44	\$ 3.37	\$ 0.07
44	Residence	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
45	Sub-Total Restaurants	\$ 125,110	637			
46	Winery and Wine Tasting	\$ 4,178	3	\$ 116.06	\$ 113.74	\$ 2.32
47	YMCA ^[1]	\$ 10,802	1	\$ 900.14	\$ 1,042.40	\$ (142.26)
48	Chumash Gas Station ^[1]	\$ 25,890	1	\$ 2,157.49	\$ 1,042.40	\$ 1,115.09
49	Sub-Total Non-Residential	\$ 449,380	1,100			
MONTHLY BILLED CUSTOMERS						
College School District						
50	Pre/Elementary School, Per Student	\$ 17,007	471	\$ 3.01	\$ 2.72	\$ 0.29
51	Office	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
County of Santa Barbara General Services						
52	Public Park	\$ 2,579	1	\$ 214.93	\$ 210.62	\$ 4.31
53	Office	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
54	Golden Inn Village Family, LP	\$ 33,272	30	\$ 92.42	\$ 90.56	\$ 1.86
55	Golden Inn Village Senior, LP	\$ 55,453	50	\$ 92.42	\$ 90.56	\$ 1.86
Harry's House LP						
56	Manager Residence	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
57	Office & Retail w/ Toilets	\$ 4,436	4	\$ 92.42	\$ 90.56	\$ 1.86
58	Office & Retail w/o Toilets	\$ 2,063	4	\$ 42.99	\$ 42.14	\$ 0.85
59	Restaurant Full Service	\$ 5,447	1	\$ 453.94	\$ 444.81	\$ 9.13
60	Additional Seating (per seat)	\$ 5,120	47	\$ 9.08	\$ 8.90	\$ 0.18
61	Second Unit/Studios	\$ 48,695	59	\$ 68.78	\$ 67.41	\$ 1.37
62	Laundrettes, per machine	\$ 3,301	4	\$ 68.78	\$ 67.41	\$ 1.37
63	SYRWCDID#1	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
64	Santa Ynez Valley Historical Society	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
65	Santa Ynez Union High School District	\$ 41,319	890	\$ 3.87	\$ 3.79	\$ 0.08
66	USPS	\$ 1,109	1	\$ 92.42	\$ 90.56	\$ 1.86
67	Sub-Total Monthly Billed Customers	\$ 225,347	1,567			
68	Total	\$ 1,599,986	3,449			

Notes:

[1] The proposed monthly fee is only an estimate as annual sewer charges are billed by payment agreement based on flow.

APPENDIX - B

SANTA YNEZ COMMUNITY SERVICES DISTRICT

WASTEWATER REVENUE VS COST OF SERVICE BY CUSTOMER CLASS CHECK - TEST YEAR FY 2027

Line No:	Description	[A]	[B]	[C]=[A]*[B]*12	[D]	[E]	[F]=[D]*[E]	[G]=[C]+[F]	[H]	[I]=[H]-[G]
		Monthly Customers	Proposed Monthly Fixed Fee	Total Fixed Fee Revenue	Billable Annual Volume (CCF)	Proposed Volumetric Rate	Total Volumetric Rate Revenues	Total Calculated Revenues	Total COS	Difference Calc vs COS
RESIDENTIAL										
Residential:										
1	Single Family Dwelling	610	\$ 92.42	\$ 676,522	N/A	N/A	N/A	\$ 676,522	\$ 676,522	\$ -
2	Single Family + 1 Unit	56	\$ 161.20	\$ 108,326	N/A	N/A	N/A	\$ 108,326	108,326	\$ -
3	Single Family + 2 Units	1	\$ 229.98	\$ 2,760	N/A	N/A	N/A	\$ 2,760	2,760	\$ -
4	2 Single Family Dwellings	25	\$ 184.84	\$ 55,453	N/A	N/A	N/A	\$ 55,453	55,453	\$ -
5	2 Single Family Dwellings + 1 Unit	2	\$ 253.62	\$ 6,087	N/A	N/A	N/A	\$ 6,087	6,087	\$ -
6	3 Single Family Dwellings	1	\$ 277.26	\$ 3,327	N/A	N/A	N/A	\$ 3,327	3,327	\$ -
7	Sub-Total Residential	695		\$ 852,474				\$ 852,474	\$ 852,474	\$ -
COMMERCIAL										
Residential:										
8	Single Family Residential	3	\$ 92.42	\$ 3,327	N/A	N/A	N/A	\$ 3,327	3,327	\$ -
9	Multi-Family Residential	36	\$ 92.42	\$ 39,926	N/A	N/A	N/A	\$ 39,926	39,926	\$ -
10	Studios	8	\$ 68.78	\$ 6,603	N/A	N/A	N/A	\$ 6,603	6,603	\$ -
	Retirement Facility									
11	Manager Residence	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
12	Rooms w/ Kitchens	3	\$ 64.48	\$ 2,321	N/A	N/A	N/A	\$ 2,321	2,321	\$ -
13	Rooms w/o Kitchens	33	\$ 42.99	\$ 17,023	N/A	N/A	N/A	\$ 17,023	17,023	\$ -
14	Launderettes, per machine	3	\$ 68.78	\$ 2,476	N/A	N/A	N/A	\$ 2,476	2,476	\$ -
15	Sub-Total Residential	87		\$ 72,785				\$ 72,785	\$ 72,785	\$ -
Non-Residential:										
	Beauty & Barber Shops									
16	Beauty & Barber Shops	9	\$ 92.42	\$ 9,981	N/A	N/A	N/A	\$ 9,981	9,981	\$ -
17	Each Sink Over 2	11	\$ 42.99	\$ 5,674	N/A	N/A	N/A	\$ 5,674	5,674	\$ -
	Billiard/Café (per 1,000 sf)									
18	Billiard/Café (per 1,000 sf)	1	\$ 74.15	\$ 890	N/A	N/A	N/A	\$ 890	890	\$ -
19	Food Service	1	\$ 453.94	\$ 5,447	N/A	N/A	N/A	\$ 5,447	5,447	\$ -
20	Church	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
	Cocktail Lounge									
21	Cocktail Lounge	2	\$ 184.84	\$ 4,436	N/A	N/A	N/A	\$ 4,436	4,436	\$ -
22	Additional Seating	2	\$ 3.44	\$ 83	N/A	N/A	N/A	\$ 83	83	\$ -
23	Coffee Specialty Retail	4	\$ 116.06	\$ 5,571	N/A	N/A	N/A	\$ 5,571	5,571	\$ -
	Convenience Market									
24	Convenience Market	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
25	Convenience Market with Deli	1	\$ 204.27	\$ 2,451	N/A	N/A	N/A	\$ 2,451	2,451	\$ -
26	Deli	2	\$ 111.76	\$ 2,682	N/A	N/A	N/A	\$ 2,682	2,682	\$ -
27	Gas Station w/ Restroom	1	\$ 139.71	\$ 1,676	N/A	N/A	N/A	\$ 1,676	1,676	\$ -
28	Major Market	1	\$ 567.42	\$ 6,809	N/A	N/A	N/A	\$ 6,809	6,809	\$ -
29	Medical, Dental, Veterinarian Clinic	4	\$ 148.30	\$ 7,119	N/A	N/A	N/A	\$ 7,119	7,119	\$ -
	Mobile Home Park									
30	Trailer Space	68	\$ 92.42	\$ 75,416	N/A	N/A	N/A	\$ 75,416	75,416	\$ -
31	Mobile Home Park Laundry	1	\$ 60.18	\$ 722	N/A	N/A	N/A	\$ 722	722	\$ -
	Motel/Hotel									
32	Manager Residence	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
33	Rooms w/ Kitchens	1	\$ 64.48	\$ 774	N/A	N/A	N/A	\$ 774	774	\$ -
34	Rooms w/o Kitchens	56	\$ 42.99	\$ 28,887	N/A	N/A	N/A	\$ 28,887	28,887	\$ -
35	Launderettes, per machine	2	\$ 68.78	\$ 1,651	N/A	N/A	N/A	\$ 1,651	1,651	\$ -
	Office & Retail									
36	Office & Retail w/ Toilets	89	\$ 92.42	\$ 98,706	N/A	N/A	N/A	\$ 98,706	98,706	\$ -
37	Office & Retail w/o Toilets	29	\$ 42.99	\$ 14,959	N/A	N/A	N/A	\$ 14,959	14,959	\$ -
38	Pre/Elementary School, Per Student	170	\$ 3.01	\$ 6,138	N/A	N/A	N/A	\$ 6,138	6,138	\$ -
	Restaurant									
39	Restaurant - Fast Food	3	\$ 181.58	\$ 6,537	N/A	N/A	N/A	\$ 6,537	6,537	\$ -
40	Plus: Additional Seating - Food	19	\$ 9.08	\$ 2,070	N/A	N/A	N/A	\$ 2,070	2,070	\$ -
41	Restaurant Full Service	11	\$ 453.94	\$ 59,920	N/A	N/A	N/A	\$ 59,920	59,920	\$ -

APPENDIX - B
SANTA YNEZ COMMUNITY SERVICES DISTRICT
WASTEWATER REVENUE VS COST OF SERVICE BY CUSTOMER CLASS CHECK - TEST YEAR FY 2027

Line No:	Description	[A]	[B]	[C]=[A]*[B]*12	[D]	[E]	[F]=[D]*[E]	[G]=[C]+[F]	[H]	[I]=[H]-[G]
		Monthly Customers	Proposed Monthly Fixed Fee	Total Fixed Fee Revenue	Billable Annual Volume (CCF)	Proposed Volumetric Rate	Total Volumetric Rate Revenues	Total Calculated Revenues	Total COS	Difference Calc vs COS
42	Plus: Additional Seating - Food	452	\$ 9.08	\$ 49,243	N/A	N/A	N/A	\$ 49,243	49,243	\$ -
43	Plus: Additional Seating - Bar/Banquet	151	\$ 3.44	\$ 6,231	N/A	N/A	N/A	\$ 6,231	6,231	\$ -
44	Residence	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
45	Sub-Total Restaurants	637		\$ 125,110				\$ 125,110	\$ 125,110	
46	Winery and Wine Tasting	3	\$ 116.06	\$ 4,178	N/A	N/A	N/A	\$ 4,178	4,178	\$ -
47	YMCA ^[1]	1	\$ 900.14	\$ 10,802	N/A	N/A	N/A	\$ 10,802	10,802	\$ -
48	Chumash Gas Station ^[1]	1	\$ 2,157.49	\$ 25,890	N/A	N/A	N/A	\$ 25,890	25,890	\$ -
49	Sub-Total Non-Residential	1,100		\$ 449,380				\$ 449,380	\$ 449,380	\$ -
MONTHLY BILLED CUSTOMERS										
College School District										
50	Pre/Elementary School, Per Student	471	\$ 3.01	\$ 17,007	N/A	N/A	N/A	\$ 17,007	17,007	\$ -
51	Office	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
County of Santa Barbara General Services										
52	Public Park	1	\$ 214.93	\$ 2,579	N/A	N/A	N/A	\$ 2,579	2,579	\$ -
53	Office	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
54	Golden Inn Village Family, LP	30	\$ 92.42	\$ 33,272	N/A	N/A	N/A	\$ 33,272	33,272	\$ -
55	Golden Inn Village Senior, LP	50	\$ 92.42	\$ 55,453	N/A	N/A	N/A	\$ 55,453	55,453	\$ -
Harry's House LP										
56	Manager Residence	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
57	Office & Retail w/ Toilets	4	\$ 92.42	\$ 4,436	N/A	N/A	N/A	\$ 4,436	4,436	\$ -
58	Office & Retail w/o Toilets	4	\$ 42.99	\$ 2,063	N/A	N/A	N/A	\$ 2,063	2,063	\$ -
59	Restaurant Full Service	1	\$ 453.94	\$ 5,447	N/A	N/A	N/A	\$ 5,447	5,447	\$ -
60	Additional Seating (per seat)	47	\$ 9.08	\$ 5,120	N/A	N/A	N/A	\$ 5,120	5,120	\$ -
61	Second Unit/Studios	59	\$ 68.78	\$ 48,695	N/A	N/A	N/A	\$ 48,695	48,695	\$ -
62	Launderettes, per machine	4	\$ 68.78	\$ 3,301	N/A	N/A	N/A	\$ 3,301	3,301	\$ -
63	SYRWCDID#1	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
64	Santa Ynez Valley Historical Society	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
65	Santa Ynez Union High School District	890	\$ 3.87	\$ 41,319	N/A	N/A	N/A	\$ 41,319	41,319	\$ -
66	USPS	1	\$ 92.42	\$ 1,109	N/A	N/A	N/A	\$ 1,109	1,109	\$ -
67	Sub-Total Monthly Billed Customers	1,567		\$ 225,347				\$ 225,347	\$ 225,347	
68	Total	3,449		\$ 1,599,986				\$ 1,599,986	\$ 1,599,986	\$ -

Notes:
[1] The proposed monthly fee is only an estimate as annual sewer charges are billed by payment agreement based on flow.

Santa Ynez Community Services District

Comprehensive Wastewater Rate Study

Appendix C	5-Year Financial Projections
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APPENDIX - C
SANTA YNEZ COMMUNITY SERVICES DISTRICT
WASTEWATER SYSTEM
PROJECTED OPERATING RESULTS - WASTEWATER

Line	Description	Existing 2026	Proposed 2027	Projected for Fiscal Year Ending June 30					
				2028	2029	2030	2031		
REVENUES									
Operating Revenues									
1	Sewer Service Fees	\$ 1,555,380	\$ 1,599,986	\$ 1,645,960	\$ 1,693,206	\$ 1,741,783	\$ 1,791,741		
Other Operating Revenues									
2	Sewer Fees	\$ 42,500	\$ 42,500	\$ 42,500	\$ 42,500	\$ 42,500	\$ 42,500		
3	Property Taxes	224,400	224,400	224,400	224,400	224,400	224,400		
4	Chumash Reservation Contract	466,400	488,000	510,700	534,500	559,500	585,700		
5	Other Revenue	21,100	21,100	21,100	21,100	21,100	21,100		
6	Capacity Fees	103,800	103,800	103,800	103,800	103,800	103,800		
Other Non-Operating Revenues									
7	Investment Earnings	\$ 183,000	\$ 183,000	\$ 183,000	\$ 183,000	\$ 183,000	\$ 183,000		
8	Total Revenues	\$ 2,596,580	\$ 2,662,786	\$ 2,731,460	\$ 2,802,506	\$ 2,876,083	\$ 2,952,241		
Current Expenses									
9	Operations Expense	\$ 1,084,600	\$ 1,161,701	\$ 1,222,509	\$ 1,286,746	\$ 1,354,625	\$ 1,426,357		
10	General And Administrative Expenses	318,000	331,043	344,656	358,864	373,694	389,174		
11	Building Expenses	24,000	25,230	26,538	27,930	29,411	30,987		
12	Chumash WWTP Expenses	360,100	376,508	393,716	411,765	430,699	450,564		
13	Reservation Collection System Expenses	80,300	84,272	88,453	92,857	97,496	102,382		
14	Capital Projects	-	-	-	-	-	-		
15	Debt Service	-	-	-	-	-	-		
19	Total Current Expenses	\$ 1,867,000	\$ 1,978,754	\$ 2,075,872	\$ 2,178,162	\$ 2,285,925	\$ 2,399,464		
20	Income Available for Debt Service	\$ 729,580	\$ 684,032	\$ 655,588	\$ 624,344	\$ 590,158	\$ 552,777		

APPENDIX - C
SANTA YNEZ COMMUNITY SERVICES DISTRICT
WASTEWATER SYSTEM
PROJECTED OPERATING RESULTS - WASTEWATER

Line	Description	Existing 2026	Proposed 2027	Projected for Fiscal Year Ending June 30			
				2028	2029	2030	2031
DEBT SERVICE							
<u>Parity Indebtedness</u>							
21	Horizon Loan - Installment Sale Agreement #21-009	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816
22	Total Parity Indebtedness	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816	\$ 86,816
<u>New Debt</u>							
23	Wastewater System Improvements - Revenue Bond	-	186,000	186,000	186,000	186,000	186,000
24	Total New Debt	\$ -	\$ 186,000	\$ 186,000	\$ 186,000	\$ 186,000	\$ 186,000
25	Total Indebtedness	\$ 86,816	\$ 272,816	\$ 272,816	\$ 272,816	\$ 272,816	\$ 272,816
26	Net Results of Operations	\$ 642,764	\$ 411,216	\$ 382,772	\$ 351,528	\$ 317,342	\$ 279,961
DEBT SERVICE COVERAGE							
<u>Debt Service Coverage - Total Indebtedness</u>							
<u>Including Operating Reserves</u>							
33	Calculated	8.40	2.51	2.40	2.29	2.16	2.03
34	Targeted	1.50	1.50	1.50	1.50	1.50	1.50
35	Required	1.15	1.15	1.15	1.15	1.15	1.15
36	Capital Outlay	-	-	-	-	-	-
37	Transfers In	-	-	-	-	-	-
38	Transfers Out	-	-	-	-	-	-
39	Net Results	\$ 642,764	\$ 411,216	\$ 382,772	\$ 351,528	\$ 317,342	\$ 279,961

APPENDIX - C
SANTA YNEZ COMMUNITY SERVICES DISTRICT
WASTEWATER SYSTEM
PROJECTED OPERATING RESULTS - WASTEWATER

Line	Description	Existing 2026	Proposed 2027	Projected for Fiscal Year Ending June 30			
				2028	2029	2030	2031
<u>RESERVE FUND BALANCE ACTIVITY</u>							
<u>Operating Reserve</u>							
40	Beginning Fund Balance	\$ 1,024,500	\$ 920,712	\$ 975,824	\$ 1,023,717	\$ 1,074,162	\$ 1,127,305
41	Deposit/(Withdrawal) from Operations	642,764	411,216	382,772	351,528	317,342	279,961
42	Transfer to/(from) Building Fund	-	-	-	-	-	-
43	Transfer from/(to) Fund/Replace/Expansion Reserve	(746,552)	(356,105)	(334,879)	(301,083)	(264,199)	(223,969)
44	Ending Fund Balance	\$ 920,712	\$ 975,824	\$ 1,023,717	\$ 1,074,162	\$ 1,127,305	\$ 1,183,297
45	Targeted Fund Balance	\$ 920,712	\$ 975,824	\$ 1,023,718	\$ 1,074,162	\$ 1,127,305	\$ 1,183,297
46	Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Days Cash on Hand	180	180	180	180	180	180
48	Targeted Days Cash on Hand	180	180	180	180	180	180
<u>Building Fund</u>							
49	Beginning Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
50	Transfer from/(to) O&M Fund	-	-	-	-	-	-
51	Horizon Debt Service	-	-	-	-	-	-
52	Ending Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
	Targeted Fund Balance	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
<u>Fund/Replace/Expansion Reserve</u>							
53	Beginning Fund Balance	\$ 4,102,078	\$ 4,286,630	\$ 3,258,181	\$ 3,080,397	\$ 2,773,727	\$ 2,983,228
54	Transfer from/(to) Operating Fund	746,552	356,105	334,879	301,083	264,199	223,969
55	Cash Funded Capital Projects	(562,000)	(1,384,554)	(512,663)	(607,753)	(54,698)	(225,000)
56	Ending Fund Balance	\$ 4,286,630	\$ 3,258,181	\$ 3,080,397	\$ 2,773,727	\$ 2,983,228	\$ 2,982,198
57	Total Fund Balance	\$ 5,347,342	\$ 4,374,005	\$ 4,244,115	\$ 3,987,890	\$ 4,250,534	\$ 4,305,495



SANTA YNEZ
COMMUNITY SERVICES DISTRICT



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