



## **Regular Board of Directors Meeting**

Thursday, February 13, 2025, at 3:00 p.m.  
2435 Wallace Avenue, Summerland CA 93067

### **NOTES**

This meeting will be held at the District's office at 2435 Wallace Avenue in Summerland. The public may listen to the meeting telephonically by calling +1 669 900 6833 (San Jose) Meeting Code ID: 983 226 8568, **Passcode 123** or through the internet at

<https://us02web.zoom.us/j/9832268568?pwd=nlt8jNgA5DOkwx950nKL4h0nmahQbj.1&omn=86049252946>

The public may also attend the meeting in person. Should you wish to participate by offering comments on either non-agenda or agenda-related items, please follow the instructions set forth in Item IV of the agenda.

Materials related to an item on this agenda, which are part of the agenda packet, are available for public inspection on the District's website at [www.summerlandsd.org](http://www.summerlandsd.org), or during normal business hours (8:00 a.m. - 4:00 p.m. weekdays) in the District's office.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (805) 969-4344. Notification 24 hours prior to the meeting will help the Clerk make reasonable arrangements to ensure accessibility to this meeting.

### **AGENDA**

- I. **CALL TO ORDER/ROLL CALL**
- II. **PLEDGE OF ALLEGIANCE**
- III. **APPROVAL OF THE AGENDA** [Action Item]  
The Board President will ask the Board, public, and staff if there are any additions or modifications to the Agenda.
- IV. **PUBLIC COMMENT** [Non-Agenda Items]  
The public may address the Governing Board on items of interest to the public that are not already on the agenda and are within the subject matter jurisdiction of the Board.  
The three-minute time limit is pursuant to District regulation.
- V. **APPROVAL OF THE MINUTES FOR THE REGULAR BOARD MEETING OF JANUARY 9 AND THE SPECIAL BOARD MEETING OF JANUARY 30, 2025**  
[Action Item]
- VI. **APPROVAL OF THE MONTHLY EXPENDITURES FOR JANUARY 2025, INCLUDING PAYROLL AND PETTY CASH** [Action Item]
- VII. **COMMITTEE REPORTS**
  - A. Finance Committee Report
  - B. Administrative, Operations & Personnel Committee Report
  - C. Ad-Hoc Strategic Committee Report
  - D. Ad-Hoc Rate Study Committee Report

**SUMMERLAND SANITARY DISTRICT**  
**Regular Board of Directors Meeting**  
**AGENDA**

**VIII. NEW BUSINESS ITEMS**

**A. Presentation of Draft Sewer Cost of Service Study Report [Action Item]**

**Description:** The Board will review the Draft Sewer Cost of Service Report from the Rate Consultant Ms. Alison Lechowicz. Mr. Michael G. Colantuono, Esq will also be present to answer any questions the Board may have.

The Board will be requested to consider the following:

- I. To accept the COS report and to call for a Town Hall Meeting to discuss findings with the Summerland Sanitary District Rate Payers.
- II. To instruct the Administrative Manager and Legal Rate Making Consultant Mr. Colantuono to prepare a District Sewer Service Charges Ordinance based on the COS Study.

**IX. FINANCIAL STATUS REPORT [Action Item]**

The Board will receive Financial Status and Cash Balance Reports for Funds 5215, 5216, and 5217 and may ask staff for explanations. The Board will be asked to accept the reports as presented.

**X. OPERATIONS MANAGER REPORT**

The Operations Manager will provide a written report on operations, facility, collection system maintenance, and regulatory affairs and will provide explanations as requested.

**XI. ADMINISTRATIVE MANAGER REPORT**

The Administrative Manager will provide a written report on the District's administrative and financial affairs and will provide explanations as requested.

**XII. BOARD COMMUNICATIONS**

- A. Board Communications
- B. Items for future Board meetings
- C. Next Board meeting date

**XIII. ADJOURNMENT**



## Minutes of the Regular Board of Directors Meeting

Thursday, January 9, 2025, at 3:00 p.m.

These are the minutes of the Summerland Sanitary District Governing Board meeting held at the District's office at 2435 Wallace Avenue, Summerland, California.

The public was able to listen to the meeting telephonically by calling +1 669 900 6833 (San Jose) Meeting Code ID: 983 226 8568 Passcode 123 or through the internet at <https://us02web.zoom.us/j/9832268568?pwd=nl8jNgA5DOkwx950nKL4h0nmahQbj.1&omn=85964199693>.

The agenda notice for this meeting, including instructions for the public to provide comments and/or participate in the electronic meeting, was posted on the district's website and bulletin board and at the Post Office at least 72 hours in advance of the meeting.

PRESIDENT G. ROBINSON CALLED THE REGULAR BOARD MEETING TO ORDER AT 3:00 P.M.

I. CALL TO ORDER/ROLL CALL

DIRECTORS PRESENT

JOLENE COLOMY  
JOHN FRANKLIN  
TRICIA PRICE  
GARY ROBINSON  
JAMES WITMER

ABSENT

-

OTHERS PRESENT

DAVID LEWIS	Operations Manager
MARJON (MAR) SOUZA	Administrative Manager

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE AGENDA

President G. Robinson asked if there were any modifications or changes. Hearing no objections, the agenda was approved as submitted.

IV. PUBLIC COMMENT [Non-Agenda Items]

President G. Robinson asked the Clerk of the Board M. Souza if there were any public comments. No public comments were submitted in advance and no member of the public was present in person or via Zoom videoconference.

V. APPROVAL OF THE MINUTES FOR THE REGULAR BOARD MEETING AND ORGANIZATIONAL MEETING OF DECEMBER 12, 2024 [Action Item]

Director J. Colomy made a motion to approve the regular board meeting minutes of December 12, 2024. The motion was seconded by Director John Franklin and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

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VI. APPROVAL OF THE MONTHLY EXPENDITURES FOR DECEMBER 2024, INCLUDING PAYROLL AND PETTY CASH [Action Item]

District Management answered the Board's questions and clarified information about the payout of bills. Director J. Colomy made a motion to approve the monthly expenditures, including payroll and petty cash totaling \$85,852 from Operations Fund 5215 and \$4,164 from Capital Expenditure Fund 5217. The motion was seconded by Director T. Price, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

VII. COMMITTEE REPORTS

A. Finance Committee Report

Did not meet.

B. Administration, Operations & Personnel (AOP) Committee

Did not meet.

C. Ad-Hoc Strategic Committee

The committee did not meet. An update report on the "Outfall Pipeline Rehabilitation and/or Replacement Information Gathering" was included in the board meeting package.

D. Ad-Hoc Rate Study Committee

The Committee met on December 19<sup>th</sup> and December 31<sup>st</sup>. A Special Board Meeting has been scheduled for January 30, 2025, at 3:00 p.m. to present the Draft Cost-of-Service Report.

VIII. NEW BUSINESS ITEMS

A. **Financial Statements FY2023-24 and Management Report June 30, 2024 [Action Item]**

The Board received a presentation of the Financial Statements FY2023-24 and Management Report June 30, 2024, presented by Tracey Solomon, and Michael Shaner of Bartlett, Pringle & Wolf, LLP.

The Board was requested to accept the Financial Statements FY2023-24 and Management Report June 30, 2024, as presented.

Director J. Colomy made a motion to accept the Annual Financial Report and Management Report FY 2023-24 as submitted. The motion was seconded by Director J. Franklin, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

B. **Study Report: Montecito Sanitary District Collection System and Flow Equalization Analysis for Montecito Water District [Action-Item]**

SSD, MSD, MWD, and the SB County Water Agency contracted with Carollo Engineering to perform a connection/flow equalization analysis between SSD-MSD. This study was completed in October 2024. The Board received a presentation of this Study report on December 12<sup>th</sup>. A



Summerland Sanitary District  
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copy of the final connection/flow equalization analysis SSD-MSD study was included in the board meeting package.

Director J. Franklin made a motion to accept the “connection/flow equalization analysis SSD-MSD study report” as submitted. The motion was seconded by Director J. Witmer, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

X. FINANCIAL STATUS REPORT – DECEMBER 2024 [Action Item]

The Board received Financial Status and Cash balance reports for Funds 5215, 5216, and 5217, and staff provided explanations as requested.

Director J. Franklin made a motion to accept the Financial Status Report as presented. The motion was seconded by Director J. Colomy and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

XI. OPERATIONS MANAGER REPORT

Operations Manager D. Lewis provided a written and oral report and answered Board questions.

XII. ADMINISTRATIVE MANAGER REPORT

Administrative Manager M. Souza provided a written and oral report and answered Board questions. The Board was informed of the Notice of Violation Letter that was sent by legal counsel on January 3, 2025, to the property owners of 121 Hollister Street.

IX. BOARD COMMUNICATIONS

- A. Board Communications: none
- B. Items for future Board meetings: Draft Cost-of-Service analysis Rate Study, Special Board Meeting Thursday, January 30, 2025, at 3:00 p.m.
- C. Next regular board meeting: February 13, 2025.

X. ADJOURNMENT

President G. Robinson adjourned the meeting at 4:35 p.m.

Respectfully submitted:

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Jolene Colomy  
Secretary

Date: February 13, 2025

Minutes prepared by M. Souza



## Minutes of the Special Board of Directors Meeting

Thursday January 30, 2025, at 3:00 p.m.

### NOTES

These are the minutes of the special board meeting of the Governing Board of the Summerland Sanitary District held at 2435 Wallace Avenue, Summerland, CA.

The public was able to listen to the meeting telephonically by calling +1 669 900 6833 (San Jose) 983 226 8568, access code 123, or through the internet at

<https://us02web.zoom.us/j/9832268568?pwd=nlt8jNgA5DOkwx950nKL4h0nmahQbj.1&omn=87244691635> The public was also invited to attend the meeting in person.

The agenda notice for this meeting, including instructions for the public to provide comments and/or participate in the electronic meeting, was posted on the district's website, bulletin board, and at the post office at least 24 hours in advance of the meeting.

PRESIDENT G. ROBINSON CALLED THE SPECIAL BOARD MEETING TO ORDER AT 3:01 P.M.

#### I. ROLL CALL

##### DIRECTORS PRESENT

JOLENE COLOMY  
JOHN FRANKLIN  
TRICIA PRICE  
GARY ROBINSON  
JAMES WITMER

##### ABSENT

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##### OTHERS PRESENT

DAVID LEWIS                      Operations Manager  
MARJON (Mar) SOUZA           Administrative Manager

##### ZOOM VIDEOCONFERENCE PARTICIPATION

ALISON LECHOWICZ              Rate Study Consultant  
MICHAEL COLANTUONO          Legal Consultant- Rate Making

#### II. PLEDGE OF ALLEGIANCE

#### III. APPROVAL OF THE AGENDA

President G. Robinson asked if there were any modifications and/or changes to the agenda. Hearing none, the agenda was approved as submitted.

#### IV. PUBLIC COMMENT

No public comments were submitted in advance. No members of the public were present at the meeting location and via Zoom.

#### V. ITEMS DISCUSSED

##### A. Presentation of Draft Rate Tables for the 2025 Rate Study Technical Report [Action Item]

The Board received a presentation from Alison Lechowicz from Lechowicz + Tseng Municipal Consultants for the Draft Rate Tables and legal advice was provided by Mr. Michael Cuolantuono.

The PowerPoint Presentation and the Rate Table Document that were included in the board packet were reviewed. The board discussed the recommended targets. The board selected Target Option 3: "5 years of \$150,000 accumulated each year into a partial sinking fund for upcoming Capital Projects depending on Study Outcome", since the Coastal Hazard Monitoring Plan Phase One (Coastal Hazard Monitoring Plan) and Phase Two (Life Expectancy Analysis) Study needs to be completed, as required by the State Water Resources Control Board. The Study results will determine if the District can move forward, or not, with the replacement or rehabilitation of the Ocean Outfall Pipeline, or if other efforts need to be considered. The Study results are expected to come in late April 2025.

For the Residential Equivalent Dwelling Unit Cost Allocation, the Board decided after discussing and recommendations that Table 7B was the most desirable option moving forward for the preparation of the ratemaking report.

A motion was made by Director J. Franklin to instruct the Rate Study Consultant to include Target Option 3 and Table 7B for the preparation of the Ratemaking Report. The motion was seconded by Director J. Witmer, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, Tricia Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

- B. Discussion of the Timetable for the Rate Study [Non-Action Item]  
The Board reviewed the timetable and its upcoming actions.

VI. ADJOURNMENT

The meeting was adjourned at 4:10 p.m.

Respectfully submitted:

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Jolene Colomy  
Board Secretary

Date: February 13, 2025

Minutes prepared by M. Souza

# Expenditure Transactions

From January 1, 2025 through January 31, 2025

From 1/1/2025 to 1/31/2025

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

## Fund 5215 -- SummerInd San Dist Running Exp

Document	Post On	Dept	LIACct	Description	Amount	Vendor	Vendor Name
CLM - 0816584	1/2/2025		7516	Dig Alert ticket cost December 2024	19.25	828128	UNDERGROUND SERVICE ALERT
JE - 0276238	1/2/2025		6475	HRA Administrative Fee - DEC 2024	13.50		
CLM - 0817670	1/9/2025		7530	Legal Notice, Ordinance 21	390.00	835590	COASTAL VIEW
CLM - 0817692	1/9/2025		7121	460 Gallons of Sodium Bisulfite	2,172.75	214614	UNIVAR SOLUTIONS USA INC
CLM - 0817694	1/9/2025		7053	Internet Dec 27- Jan 26, 2025	107.54	776537	COX COMMUNICATIONS - BUSINESS
CLM - 0817695	1/9/2025		7731	Gasoline December 2024	67.71	522736	McCormix Corporation
CLM - 0817697	1/9/2025		6600	Medical Benefits February 2025	6,247.79	002073	SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
CLM - 0817702	1/9/2025		7508	Rate Making Legal Advice December 2024	2,106.00	062817	COLANTUONO HIGHSMITH & WHATLEY PC
CLM - 0817703	1/9/2025		7110	Comp. Agenda Setting Meeting 1/2/2025	175.00	167410	GARY W ROBINSON
MIC - 0204907	1/9/2025		7763	Water delivery 12/26/24	24.56	067307	CULLIGAN OF VENTURA COUNTY
MIC - 0204907	1/9/2025		7763	Water delivery 12/11/24	24.56	067307	CULLIGAN OF VENTURA COUNTY
CLM - 0819629	1/13/2025		7053	Monthly Charge Plant/Office Phone 01/13-02/12	266.73	075391	FRONTIER
CLM - 0818818	1/15/2025		6100	Regular Salaries January 1-15, 2025	17,877.65	790178	Summerland Sanitary District
CLM - 0818818	1/15/2025		6270	Standby <del>October</del> January 1-15, 2025	890.92	790178	Summerland Sanitary District
CLM - 0818818	1/15/2025		6300	Overtime <del>October</del> January 1-15, 2025	604.60	790178	Summerland Sanitary District
CLM - 0818818	1/15/2025		6500	Medicare and Fica January 1-15, 2025	1,569.60	790178	Summerland Sanitary District
CLM - 0818818	1/15/2025		6600	Healthcare Contr. D.L. January 1-15, 2025	300.00	790178	Summerland Sanitary District
JE - 0277002	1/15/2025		6400	Retirement Contr. Employer & EE Payroll 01-15-2025	6,156.32		
JE - 0277002	1/15/2025		6475	Healthcare Contr. 401(h) Retirees 01-15-2025	300.19		
CLM - 0818655	1/16/2025		7070	Household Supplies	111.61	790180	Summerland Sanitary District
CLM - 0818655	1/16/2025		7362	Space Heater for Lab	96.96	790180	Summerland Sanitary District
CLM - 0818655	1/16/2025		7363	Vehicle Code Reader/Scanner	52.79	790180	Summerland Sanitary District
CLM - 0818655	1/16/2025		7450	Note Pads (large) Book Ends (4)	32.28	790180	Summerland Sanitary District
CLM - 0818655	1/16/2025		7450	Laser Jet Toner Set (4) XXL	857.74	790180	Summerland Sanitary District
CLM - 0818655	1/16/2025		7450	Note Pads (small) 2025 Planner/Agenda	25.45	790180	Summerland Sanitary District
CLM - 0818655	1/16/2025		7454	Zoom & Office MS 365 Monthly Subscription	24.24	790180	Summerland Sanitary District
CLM - 0818655	1/16/2025		7459	Logitech Webcamera Office	75.41	790180	Summerland Sanitary District
CLM - 0818655	1/16/2025		7653	Holiday Luncheon Board & Staff	350.73	790180	Summerland Sanitary District
CLM - 0818655	1/16/2025		7653	Study Book SWRCB Grade II Certification	37.24	790180	Summerland Sanitary District

Credit  
Card  
Exp.

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# Expenditure Transactions

From 1/1/2025 to 1/31/2025

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

## Fund 5215 -- SummerInd San Dist Running Exp

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name	Credit Card Exp.
CLM - 0818655	1/16/2025		7763	bottled water	19.12	790180	Summerland Sanitary District	
CLM - 0818826	1/16/2025		7110	Comp. Regular Board Meeting 1/9/2025	175.00	215753	TRICIA THORSELL PRICE	
CLM - 0818829	1/16/2025		7110	Comp. Regular Board Meeting 1/9/2025	175.00	167410	GARY W ROBINSON	
CLM - 0818830	1/16/2025		7110	Comp. Regular Board Meeting 1/9/2025	175.00	091927	JAMES WITMER	
CLM - 0818831	1/16/2025		7110	Comp. Regular Board Meeting 1/9/2025	175.00	765907	John Franklin	
CLM - 0818833	1/16/2025		7110	Comp. Regular Board Meeting 1/9/2025	175.00	009934	JOLENE M COLOMY	
CLM - 0818836	1/16/2025		7324	Audit Work /Prep 3rd Bill	8,741.50	067460	BARTLETT PRINGLE & WOLF	
CLM - 0818838	1/16/2025		7763	Water Usage December 2024	157.97	556712	MONTECITO WATER DISTRICT	
CLM - 0818841	1/16/2025		7053	Phone Wireless December 2024	164.44	297454	VERIZON WIRELESS	
CLM - 0818843	1/16/2025		7731	Gasoline January 1-15, 2025	113.61	522736	McCormix Corporation	
CLM - 0818848	1/16/2025		7363	Total Chlorine Sensor, Maint. Kit	610.57	835122	USA BLUEBOOK	
CLM - 0819621	1/23/2025		7510	Annual Fire Extinguishers inspection & Serv.	225.00	424150	JOY EQUIPMENT PROTECTION INC	
CLM - 0819621	1/23/2025		7653	Fire Extinguishers Training Class Staff	225.00	424150	JOY EQUIPMENT PROTECTION INC	
CLM - 0819624	1/23/2025		7110	Comp. Ad Hoc Rate Study Com. Meeting 1/15/2025	175.00	009934	JOLENE M COLOMY	
CLM - 0819625	1/23/2025		7110	Comp. Ad Hoc Rate Study Com. Meeting 1/15/2025	175.00	765907	John Franklin	
CLM - 0819626	1/23/2025		7460	Rate Study 2025 Invoice #2	9,940.00	169424	LECHOWICZ & TSENG MUNICIPAL CONSULTANTS	
CLM - 0819630	1/23/2025		7761	Electric Bill 12/03/2024- 01/02/2025	4,828.02	767200	SOUTHERN CALIFORNIA EDISON	
CLM - 0819635	1/23/2025		7363	Gas Can Type II 5GAL	154.28	004980	ULINE INC	
CLM - 0819639	1/23/2025		7764	Trash Service December 2024	385.11	509950	MARBORG INDUSTRIES	
CLM - 0819640	1/23/2025		7404	FGL Lab testing 11/18 -12/13/2024	1,825.00	270150	FGL ENVIRONMENTAL INC	
CLM - 0820616	1/30/2025		6100	Reg. Salaries Jan 31, 2025 and Final Check V.A.	22,676.80	790178	Summerland Sanitary District	
CLM - 0820616	1/30/2025		6270	Standby January 16-31, 2025	1,016.30	790178	Summerland Sanitary District	
CLM - 0820616	1/30/2025		6300	Overtime January 16-31, 2025	320.24	790178	Summerland Sanitary District	
CLM - 0820616	1/30/2025		6500	Medicare and Fica January 16-31, 2025	1,928.19	790178	Summerland Sanitary District	
CLM - 0820616	1/30/2025		6600	Healthcare Contr. D.L. January 16-31, 2025	300.00	790178	Summerland Sanitary District	
CLM - 0820618	1/30/2025		7053	Monthly Charge LS Alarm Phones 01/13-02/25/25	315.98	075391	FRONTIER	
CLM - 0820622	1/30/2025		7530	Advertisement Operator-In-Training Craigslist posting	103.00	835590	COASTAL VIEW	
JE - 0277356	1/30/2025		7324	FIN Billing FY 24-25: Summerland Sanitary Dis	3,319.00			
JE - 0277585	1/31/2025		6400	Retirement Contr. Employer & EE Payroll 01-31-2025	6,368.42			
JE - 0277585	1/31/2025		6475	Healthcare Contr. 401(h) Retirees 01-31-2025	300.19			



# Expenditure Transactions

From 1/1/2025 to 1/31/2025

Selection Criteria: Fund = 5215, 5216, 5217  
Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

## Fund 5217 -- SummerInd San Dist-Capital Rep

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name
Total SummerInd San Dist Running Exp					106,241.86	total for Fund 5215	
CLM - 0818655	1/16/2025		8300	Gantry Crane, 1 Ton Push Beam Trolley	1,124.13	790180	Summerland Sanitary District
Total SummerInd San Dist-Capital Rep					1,124.13	total for fund 5217	

# Financial Status

As of January 31, 2025

As of: 1/31/2025 (59% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5215 -- SummerInd San Dist Running Exp

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	1/31/2025 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Taxes</b>				
3010 -- Property Tax-Current Secured	350,012.00	205,858.52	-144,153.48	58.81 %
3011 -- Property Tax-Unitary	4,299.00	2,464.09	-1,834.91	57.32 %
3015 -- PT PY Corr/Escapes Secured	0.00	471.13	471.13	--
3020 -- Property Tax-Current Unsecd	12,950.00	13,040.05	90.05	100.70 %
3023 -- PT PY Corr/Escapes Unsecured	0.00	327.80	327.80	--
3040 -- Property Tax-Prior Secured	0.00	35.25	35.25	--
3050 -- Property Tax-Prior Unsecured	0.00	224.27	224.27	--
3054 -- Supplemental Pty Tax-Current	4,275.00	3,036.15	-1,238.85	71.02 %
3056 -- Supplemental Pty Tax-Prior	0.00	35.19	35.19	--
Taxes	371,536.00	225,492.45	-146,043.55	60.69 %
<b>Fines, Forfeitures, and Penalties</b>				
3057 -- PT-506 Int, 480 CIOS/CIC Pen	0.00	39.58	39.58	--
Fines, Forfeitures, and Penalties	0.00	39.58	39.58	--
<b>Use of Money and Property</b>				
3380 -- Interest Income	11,000.00	8,865.29	-2,134.71	80.59 %
Use of Money and Property	11,000.00	8,865.29	-2,134.71	80.59 %
<b>Intergovernmental Revenue-State</b>				
4220 -- Homeowners Property Tax Relief	1,181.00	612.87	-568.13	51.89 %
Intergovernmental Revenue-State	1,181.00	612.87	-568.13	51.89 %
<b>Charges for Services</b>				
5091 -- Planning & Engrng-Plan Ck Fes	2,100.00	1,258.00	-842.00	59.90 %
5430 -- Sanitation Services	1,067,017.00	590,543.00	-476,474.00	55.35 %
5433 -- Inspection Fees	2,500.00	2,382.00	-118.00	95.28 %
5746 -- Administrative Revenue	3,700.00	2,184.00	-1,516.00	59.03 %





# Financial Status

As of: 1/31/2025 (59% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5215 -- SummerInd San Dist Running Exp

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	1/31/2025 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
Charges for Services	1,075,317.00	596,367.00	-478,950.00	55.46 %
Revenues	1,459,034.00	831,377.19	-627,656.81	56.98 %
<b>Expenditures</b>				
<b>Salaries and Employee Benefits</b>				
6100 -- Regular Salaries	451,481.00	262,074.20	189,406.80	58.05 %
6270 -- Stand-by Pay	22,000.00	15,406.37	6,593.63	70.03 %
6300 -- Overtime	7,500.00	3,616.56	3,883.44	48.22 %
6400 -- Retirement Contribution	129,301.00	73,711.04	55,589.96	57.01 %
6475 -- Retiree Medical OPEB	9,000.00	4,432.25	4,567.75	49.25 %
6500 -- FICA Contribution	36,285.00	21,958.07	14,326.93	60.52 %
6600 -- Health Insurance Contrib	79,157.00	52,681.78	26,475.22	66.55 %
6900 -- Workers Compensation	17,101.00	18,194.37	-1,093.37	106.39 %
Salaries and Employee Benefits	751,825.00	452,074.64	299,750.36	60.13 %
<b>Services and Supplies</b>				
7030 -- Clothing and Personal	3,860.00	2,991.01	868.99	77.49 %
7053 -- Telephone Service Local	10,271.00	5,747.30	4,523.70	55.96 %
7070 -- Household Supplies	1,300.00	1,009.71	290.29	77.67 %
7090 -- Insurance	67,000.00	64,977.58	2,022.42	96.98 %
7110 -- Directors Fees	22,050.00	9,567.50	12,482.50	43.39 %
7121 -- Operating Supplies	43,626.00	28,176.37	15,449.63	64.59 %
7324 -- Audit and Accounting Fees	29,000.00	27,819.00	1,181.00	95.93 %
7362 -- Building Maintenance	10,500.00	5,572.91	4,927.09	53.08 %
7363 -- Equipment Maintenance	16,375.00	13,760.36	2,614.64	84.03 %
7404 -- Public Health Lab Serv	27,425.00	20,728.00	6,697.00	75.58 %
7430 -- Memberships	8,660.00	7,663.00	997.00	88.49 %
7450 -- Office Expense	3,300.00	2,708.00	592.00	82.06 %
7454 -- Books & Subscriptions	460.00	309.66	150.34	67.32 %



# Financial Status

As of: 1/31/2025 (59% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5215 -- SummerInd San Dist Running Exp

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	1/31/2025 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
7459 -- IT Professional Services	4,000.00	1,511.23	2,488.77	37.78 %
7460 -- Professional & Special Service	59,572.00	15,746.85	43,825.15	26.43 %
7508 -- Legal Fees	35,000.00	7,356.70	27,643.30	21.02 %
7510 -- Contractual Services	9,825.00	1,101.07	8,723.93	11.21 %
7516 -- Permitting Services	12,403.00	10,158.05	2,244.95	81.90 %
7530 -- Publications & Legal Notices	600.00	493.00	107.00	82.17 %
7546 -- Administrative Expense	3,200.00	0.00	3,200.00	0.00 %
7630 -- Small Tools & Instruments	500.00	457.83	42.17	91.57 %
7653 -- Training Fees & Supplies	4,850.00	3,615.99	1,234.01	74.56 %
7671 -- Special Projects	7,220.00	7,220.00	0.00	100.00 %
7730 -- Transportation and Travel	750.00	844.71	-94.71	112.63 %
7731 -- Gasoline-Oil-Fuel	3,500.00	2,800.93	699.07	80.03 %
7761 -- Electricity	68,440.00	36,537.90	31,902.10	53.39 %
7763 -- Water	2,720.00	1,430.71	1,289.29	52.60 %
7764 -- Refuse	4,525.00	2,673.27	1,851.73	59.08 %
Services and Supplies	460,932.00	282,978.64	177,953.36	61.39 %
Expenditures	1,212,757.00	735,053.28	477,703.72	60.61 %
<b>Other Financing Sources &amp; Uses</b>				
<b>Other Financing Uses</b>				
7901 -- Oper Trf (Out)	0.00	2,052.73	-2,052.73	--
Other Financing Uses	0.00	2,052.73	-2,052.73	--
Other Financing Sources & Uses	0.00	-2,052.73	-2,052.73	--
SummerInd San Dist Running Exp	246,277.00	94,271.18	-152,005.82	38.28 %
Revenues minus Expenses				

# Financial Status

As of: 1/31/2025 (59% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5216 -- Summerland San Cap Facilities

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	1/31/2025 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Use of Money and Property</b>				
3380 -- Interest Income	4,000.00	3,713.86	-286.14	92.85 %
Use of Money and Property	4,000.00	3,713.86	-286.14	92.85 %
<b>Charges for Services</b>				
5432 -- Connection Fees	12,385.00	14,460.00	2,075.00	116.75 %
Charges for Services	12,385.00	14,460.00	2,075.00	116.75 %
<b>Revenues</b>	16,385.00	18,173.86	1,788.86	110.92 %
Summerland San Cap Facilities	16,385.00	18,173.86	1,788.86	110.92 %

# Financial Status

As of: 1/31/2025 (59% Elapsed)  
Accounting Period: CLOSED

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

## Fund 5217 -- SummerInd San Dist-Capital Rep

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	1/31/2025 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
<b>Revenues</b>				
<b>Use of Money and Property</b>				
3380 -- Interest Income	25,000.00	25,591.75	591.75	102.37 %
Use of Money and Property	25,000.00	25,591.75	591.75	102.37 %
Revenues	25,000.00	25,591.75	591.75	102.37 %
<b>Expenditures</b>				
<b>Services and Supplies</b>				
7671 -- Special Projects	58,915.00	0.00	58,915.00	0.00 %
Services and Supplies	58,915.00	0.00	58,915.00	0.00 %
<b>Capital Assets</b>				
8200 -- Structures&Struct Improvements	15,000.00	0.00	15,000.00	0.00 %
8300 -- Equipment	20,000.00	9,953.07	10,046.93	49.77 %
8400 -- Infrastructure	45,000.00	4,164.00	40,836.00	9.25 %
Capital Assets	80,000.00	14,117.07	65,882.93	17.65 %
Expenditures	138,915.00	14,117.07	124,797.93	10.16 %
<b>Other Financing Sources &amp; Uses</b>				
<b>Other Financing Sources</b>				
5910 -- Oper Trf (In)-General Fund	0.00	2,052.73	2,052.73	--
Other Financing Sources	0.00	2,052.73	2,052.73	--
Other Financing Sources & Uses	0.00	2,052.73	2,052.73	--
SummerInd San Dist-Capital Rep	-113,915.00	13,527.41	127,442.41	-11.88 %
Net Financial Impact	148,747.00	125,972.45	-22,774.55	84.69 %

# Cash Balances

As of: 1/31/2025  
Accounting Period: CLOSED

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund	1/1/2025 Beginning Balance	Month-To-Date Cash Receipts (+)	Month-To-Date Treasury Credits (+)	Month-To-Date Warrants and Wire Transfers (-)	Month-To-Date Treasury Debits (-)	1/31/2025 Ending Balance
5215 -- SummerInd San Dist Running Exp	1,044,513.27	0.00	806,268.72	0.00	896,788.42	953,993.57
5216 -- Summerland San Cap Facilities	250,686.57	0.00	1,918.36	0.00	0.00	252,604.93
5217 -- SummerInd San Dist-Capital Rep	1,695,201.28	0.00	13,000.46	0.00	1,124.13	1,707,077.61
Total Report	2,990,401.12	0.00	821,187.54	0.00	897,912.55	2,913,676.11





# **Sewer Cost of Service Study for the Summerland Sanitary District**

**Draft Report  
February 13, 2025**



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## SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

---

### 1.1 Background

The Summerland Sanitary District (Summerland SD or District) was established in 1957 in Summerland, California, an unincorporated community in Santa Barbara County. The District provides wastewater (sewer) collection, treatment, and disposal for about 480 parcels consisting of the following land use types: single family dwelling, duplex, apartments, mobile homes, offices, retail, restaurants, schools, and other non-residential land uses. In recent years, the District has experienced growth in the number of accessory dwelling units in its service area. The District bills customers annually for service on the Santa Barbara County property tax roll; rates were last increased in July 2022.

The District is currently generating positive net revenues such that current revenues are adequate to cover current operating costs as well as making payments on an existing loan. However, rate adjustments are proposed to accumulate a sinking fund for future capital improvements not funded by current rates as well as to recover current and projected costs from customers. The rates proposed in this report apportion costs to customers based on updated wastewater flow and pollutant loading estimates.

### 1.2 Requirements of Proposition 218

The implementation of public agency utility rates in California is governed by the substantive and procedural requirements of Proposition 218 the “Right to Vote on Taxes Act” which is codified as Articles XIII C and XIII D of the California Constitution. The District must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. **Noticing Requirement** – The District must mail a notice of the proposed rate increases to all affected property owners. The notice must specify the amount of the fees, the basis upon which they were calculated, the reason for the fees, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.
2. **Public Hearing** – The District must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. **Rate Increases Subject to Majority Protest** – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners (counted one per parcel) submit timely written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to sewer rates and charges, including:

1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** – The amount of the fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of service attributable to that parcel. Caselaw allows this determination to be made customer class-by-customer class rather than parcel-by-parcel.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property. Standby charges are approved as assessments on real property.
5. **General Government Services** – No property-related fee or charge may be imposed for general governmental services available to the public at large, as police and some fire services are.

Charges for sewer service are exempt from additional voting requirements of Proposition 218 for other property-related fees, provided the charges do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218.

### 1.3 Rate Study Process

The following is a brief description of the rate study process:

1. **Revenue Requirement** – Revenue requirements are analyzed via a cash flow projection based on the best information currently available, such as the District’s historical operating results, budgets, audits, and input from District staff. The cash flow serves as a roadmap for funding future operating costs and capital expenditures while maintaining long-term fiscal stability, all of which is calculated in this study to produce rates that will be necessary to recover only the projected cost of the sewer service per parcel under these proposed sewer rates.
2. **Cost of Service Allocation** - The cost-of-service process builds on the revenue requirement analysis and assigns costs to functional cost components associated with the District’s major service functions: wastewater flow, biochemical oxygen demand (BOD), and total suspended solids (TSS) which relate to the District’s core functions of wastewater collection and conveyance and treatment and disposal.
3. **Rate Design** - Rate design involves developing a rate structure that fairly recovers costs from customer classes but does not exceed the proportional cost of the service attributable to each



class. Final rate recommendations are designed to fund the District's short- and long-term costs of providing service and fairly allocate costs to all customer classes.

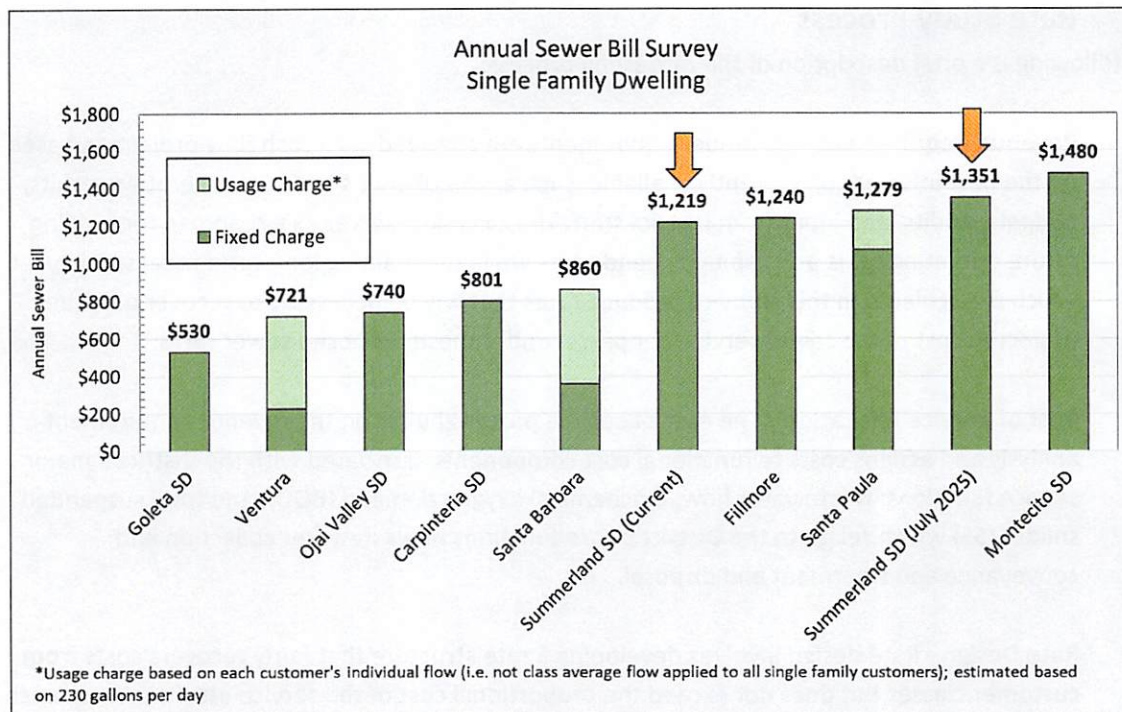
The rates recommended in this report are based on the best available information gathered from District budgets, audits, and input from staff and the ratemaking consultant's professional opinion. The cost allocations proposed herein are based on industry standard practice. The proposed rates are based on the reasonable cost of providing service and do not exceed the proportional cost of the service attributable to each customer class.

## 1.4 Proposed Rates

Current and proposed residential rates are provided in Table 1 and non-residential rates are provided in Table 2. It is proposed that the rates be implemented each July 1 from 2025 through 2029 and continue to be billed annually on the County property tax roll.

It is proposed that the annual single family dwelling sewer rate increase from \$1,219 (current) to \$1,351 on July 1, 2025. Figure 1 provides a bill survey comparing Summerland SD's current and proposed single family dwelling rate with the rates of other local communities. The District's proposed rate will be comparable to the rates charged by the City of Santa Paula and the Montecito Sanitary District. It is higher than those of larger agencies both because it is more recently developed (other agencies' rates will increase when updated) and due to diseconomies of small scale.

Figure 1: Annual Sewer Bill Survey



As shown in Table 2, it is recommended that the District implement several new non-residential customer classes to better reflect land use in Summerland and associated sewer flows of these customers. New classes include:

- Coffee shop with grease trap
- Food market with food service & kitchen (renamed from “Food market with grinder”)
- Gas Station/food market
- Elementary school (renamed from “School”)
- Meeting Hall/assembly (renamed from “Meeting Hall/church”)
- Pet shop with live animals
- Self storage
- Special Class – Innovation Place UC Campus
- Special Class – Pacifica Institute

The special class customers are large institutional customers with unique characteristics that do not align with other existing customer classes in this small, largely residential District. The derivation of their rates is explained in Table 9.

**Table 1: Current and Proposed Annual Residential Sewer Rates**

Residential User Classification	Current Rate	PROPOSED				
		July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
Single Family Dwelling, including Condos, Duplex Unit and Townhomes	\$1,219	\$1,351	\$1,424	\$1,502	\$1,582	\$1,668
Apartments (per dwelling)						
Studio	\$1,219	\$719	\$746	\$774	\$804	\$834
1 Bedroom	\$1,219	\$719	\$746	\$774	\$804	\$834
2 Bedroom	\$1,219	\$1,006	\$1,044	\$1,084	\$1,125	\$1,168
3 Bedroom	\$1,219	\$1,150	\$1,193	\$1,238	\$1,286	\$1,334
Accessory Dwelling Unit (ADU)	\$1,219	\$719	\$746	\$774	\$804	\$834
Mobile home park (per mobile home unit)	\$1,219	\$1,006	\$1,044	\$1,084	\$1,125	\$1,168

ADU – accessory dwelling unit



**Table 2: Current and Proposed Annual Non-Residential Sewer Rates**

Non-residential User Classification	Billing Unit	Current Rate	PROPOSED				
			July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
Barber & Beauty shop	up to 3 operators	\$2,255	\$1,006	\$1,044	\$1,084	\$1,125	\$1,168
Bed and Breakfast - per 10 rooms	per 10 rooms	\$3,657	\$4,816	\$5,579	\$6,463	\$7,487	\$8,674
Coffee Shop	each w/o food service	\$1,219	\$1,351	\$1,424	\$1,501	\$1,582	\$1,668
NEW Coffee Shop w/grease trap	up to 3 checkout lanes	NA	\$4,311	\$4,473	\$4,644	\$4,821	\$5,004
NEW Gas Station/Food Market	per 1,000 ft <sup>2</sup>	NA	\$2,587	\$2,684	\$2,786	\$2,893	\$3,002
Elementary School	per 40 students	\$1,219	\$1,566	\$1,790	\$2,045	\$2,336	\$2,669
Fire station	each	\$2,438	\$2,702	\$2,848	\$3,002	\$3,165	\$3,336
Food Market	less than 5,000 ft <sup>2</sup>	\$2,828	\$2,587	\$2,684	\$2,786	\$2,893	\$3,002
Food market w/food service & kitchen	per 1,000 ft <sup>2</sup>	\$8,655	\$7,329	\$7,604	\$7,895	\$8,196	\$8,507
Health Club	each	\$2,438	\$1,581	\$1,640	\$1,703	\$1,768	\$1,835
Meeting Hall/Assembly	each	\$1,950	\$1,150	\$1,193	\$1,238	\$1,286	\$1,334
Offices	per 10 employees	\$1,219	\$1,150	\$1,193	\$1,238	\$1,286	\$1,334
Offices - Medical/Dental	per 10 employees	\$2,840	\$2,874	\$2,982	\$3,096	\$3,214	\$3,336
Park w/Restrooms + Residence	each	\$2,438	\$2,702	\$2,848	\$3,002	\$3,165	\$3,336
NEW Pet shop w/live animals	per 1,000 ft <sup>2</sup>	NA	\$575	\$596	\$619	\$643	\$667
Restaurant	per 1,000 ft <sup>2</sup>	\$8,411	\$8,478	\$8,797	\$9,133	\$9,481	\$9,841
Retail	per 1,000 ft <sup>2</sup>	\$1,219	\$287	\$298	\$310	\$321	\$334
NEW Self Storage	per 1,000 ft <sup>2</sup>	NA	\$144	\$149	\$155	\$161	\$167
Special Class							
Innovation Place UC Campus	each	\$43,884	\$53,564	\$59,471	\$66,030	\$73,313	\$81,398
Pacifica Institute	each	\$17,066	\$18,957	\$20,007	\$21,115	\$22,284	\$23,519

“NEW” designates a proposed rate category that is not included in current rates



## **SECTION 2:        CUSTOMER BASE AND CURRENT RATE REVENUES**

---

The Summerland Sanitary District's rate structure consists of fixed charges for sewer service that are billed annually on the Santa Barbara County tax roll, as is typical of sewerage agencies which are not also water providers. The District provides wastewater collection, treatment, and disposal to 482 parcels. The majority of parcels are single family dwelling parcels. The District also provides service to a mobile home park, apartment complexes, non-residential customers, and institutional customers. Currently, all residential customers — including single family dwellings, mobile homes, accessory dwelling units, and apartments — are billed the same annual rate of \$1,219. Non-residential rates vary based on land use. Under the current rate schedule, the District collects about \$1,067,000 annually, see Table 3. Revenues of \$1,067,000 divided by the current rate of \$1,219 equals about 875 billing equivalents (i.e., the projected wastewater demand of 875 single family dwellings).

**Table 3: Current (FY2024/25) Annual Sewer Rates**

User Classifications Based on Land Use	Total	# of Units	Sewer Service Rate FY2024/25	Equiv. Units	FY2024/25 Sewer Rates	% of Total
<b>RESIDENTIAL</b>						
Properties with 1 SFD	334	1	\$1,219	334	\$407,146	38.16%
Properties with 2 SFD's	5	2	\$1,219	10	\$12,190	1.14%
Properties with 1 SFD + 1 ADU	56	2	\$1,219	112	\$136,528	12.80%
Properties with 1 SFD + 2 ADU	4	3	\$1,219	12	\$14,628	1.37%
Properties with 1 SFD + 3 ADU	2	4	\$1,219	8	\$9,752	0.91%
Properties with a Duplex	20	2	\$1,219	40	\$48,760	4.57%
Properties with a Duplex + 1ADU	1	3	\$1,219	3	\$3,657	0.34%
Properties with 3 Apartments	4	3	\$1,219	12	\$14,628	1.37%
Properties with 4 Apartments	7	4	\$1,219	28	\$34,132	3.20%
Properties with 6 Apartments	2	6	\$1,219	12	\$14,628	1.37%
Properties with 8 Apartments	4	8	\$1,219	32	\$39,008	3.66%
Properties with 10 Apartments	2	10	\$1,219	20	\$24,380	2.28%
Apartment Complex 30-unit	1	30	\$1,219	15	\$36,570	3.43%
Apartment Complex 30-unit reduced rate					-\$18,285	-1.71%
Properties with 1 SFD + 4 Apartments	1	5	\$1,219	5	\$6,095	0.57%
Misc Apartments	12	1	\$1,219	12	\$14,628	1.37%
# ADU's at Non-Residential Buildings	2	1	\$1,219	2	\$2,438	0.23%
<u>Mobile home park 40 Unit [1]</u>	<u>1</u>	<u>40</u>	<u>\$1,219</u>	<u>40</u>	<u>\$48,760</u>	<u>4.57%</u>
Subtotal Residential	458			697	\$849,643	79.63%
<b>NON-RESIDENTIAL</b>						
Barber & Beauty shop-less than 3 operators	1	1.85	\$2,255	1.85	\$2,255	0.21%
Bed and Breakfast- per 10 rooms	3	3	\$3,657	9	\$10,971	1.03%
Coffee Shop	1	1	\$1,219	1	\$1,219	0.11%
Fire Station	1	2	\$2,438	2	\$2,438	0.23%
Food Market <5,000 ft <sup>2</sup>	2	2.32	\$2,828	4.64	\$5,656	0.53%
Food Market - with food grinder	1	7.1	\$8,655	7.1	\$8,655	0.81%
Health Club	3	2	\$2,438	6	\$7,314	0.69%
Meeting Hall-Church w.o. kitchen	1	1.6	\$1,950	1.6	\$1,950	0.18%
Offices - per 10 employees	65	1	\$1,219	65	\$79,235	7.43%
Offices - Medical/Dental	1	2.33	\$2,840	2.33	\$2,840	0.27%
Park w/Restrooms + Residence	1	2	\$2,438	2	\$2,438	0.23%
Restaurant - per 1,000 ft <sup>2</sup>	6	6.9	\$8,411	41.4	\$50,466	4.73%
Retail - per 1,000 ft <sup>2</sup>	29	1	\$1,219	29	\$35,351	3.31%
Small Retail < 400 ft <sup>2</sup>	2	0.7	\$853	1.4	\$1,706	0.16%
School - per 40 students	4	1	\$1,219	4	\$4,876	0.46%
Subtotal Non-Residential	121			178.32	\$217,370	20.4%
<b>TOTAL</b>				<b>875.32</b>	<b>\$1,067,013</b>	<b>100.0%</b>

FY = fiscal year (July 1 to June 30)

SFD = single family dwelling unit

ADU = accessory dwelling unit

1 – 38 mobile home dwelling unit plus two buildings billed as single family dwelling units; one building is a clubhouse that is proposed to be reclassified as a commercial building



## **SECTION 3: COST OF SERVICE**

---

This section provides an analysis of projected revenues and expenses to determine the total cost of service to be recovered via rates or the District's rate revenue requirement. The cost of service is expressed in a cash flow table that illustrates revenue increases needed to keep up with projected expenses and maintain financial health. Over the five-year rate study period, rate increases are proposed so that the District can fund operating costs, debt service, capital projects, and accumulate reasonable reserves, all of which are calculated in this study to produce rates that will be necessary to recover only the cost of sewer service per customer class.

### **3.1 Revenues**

The District's revenues primarily consist of sewer service charges which generate about \$1.07 million under existing rates. In fiscal year (FY) 2024/25 the District expects to receive about \$391,000 in property taxes, \$48,000 in administrative fees and interest earnings, and about \$12,000 in connection fee revenues. In total, the District estimates total revenues of about \$1.52 million. Taxes and administrative fees are projected to increase by 3% annually over the next five years while connection fee revenues are estimated to be \$5,000 annually from FY2025/26 to FY2029/30.

Over the next five years, it is recommended that rate revenues increase from \$1.07 million (current) to \$1.29 million in FY2029/30. This represents a 3.8% annual increase to the rate revenue requirement each year for the next five years, net of non-rate revenues. This net revenue requirement is the total amount of service-charge revenue proposed to be collected from all customers on an annual basis. Due to proposed rate structure changes, some customers are proposed to receive increases and others are proposed to receive decreases. To mitigate rate impacts, the customers that are proposed to receive increases will have their rates phased-in over the next five years. The loss of revenue associated with the phase-in (as compared to the cash flow that would result from imposing these rates immediately) is shown in line 6 of the cash flow on page 10. As rate increases are phased-in, the rates approach the proposed cost allocation/EDU assignment and the loss of revenue is less each year until the phase-in is completed and rates fully recover anticipated costs by FY2029/30 (the fifth year of the rate plan). Interim funding deficits will be funded from District reserves.

### **3.2 Expenses**

#### **3.2.1 Operating Costs**

In FY2024/25, the District expects to incur about \$1.21 million in expenses to operate and maintain the sewer system. Operating expenses consist of staffing, equipment, electricity, chemicals, permitting, regulatory compliance, and other materials and supplies. These expenses are estimated to increase by 3% annually over the next five years.

### **3.2.2 Debt Service Costs**

In addition to operating costs, the District funds annual debt service costs of \$58,900. In 2022, the District issued a loan of \$500,000 to repair its ocean outfall pipeline. The loan will be fully paid off by FY2031/32.

### **3.2.3 Capital Costs**

Each year, the District funds about \$80,000 for repairs and upgrades to its facilities. It is projected that this expense will increase by 3% annually over the next five years.

### **3.2.4 Reserves**

Accumulation of appropriate reserves is one component of the cost of service recovered from customers via rates. Table 4 lists Summerland SD's current and proposed reserve targets. The District's current targets were developed when the District last conducted a comprehensive rate study in 2017. Summerland SD currently maintains an operating reserve equal to six months of operating expenses. It is proposed that the operating reserve be increased to eight months of operating costs to cover the gap in revenue disbursements from the County's Collection System spanning from April to December. That is, the District incurs expenses every month, but receive property taxes only twice a year and therefore needs an operating reserve. Should there be revenue shortfalls or delays in disbursements from the County, this reserve is intended to ensure District will have funds on hand to pay operating and debt service costs.

In addition to the operating reserve, it is proposed that the District continue to maintain up to \$2 million for capital improvement and emergency funding and current liability coverage. District staff determined that this amount is appropriate given typical costs of emergency repairs, vehicle replacements, equipment purchases, and expected pipeline replacements given the age of this system.

Summerland SD is currently conducting a Coastal Hazard Monitoring Plan Study as required by the State Water Resources Control Board to protect water quality. Based on the outcome of the study, the District will prioritize its capital improvement needs. It is recommended that this District accumulate \$150,000 annually into a new capital project sinking fund (i.e. Other Capital Reserve) to fund these currently unknown expenses. If unspent over the next five years, the sinking fund balance will accumulate \$750,000 and underwrite capital expenses thereafter, relieving pressure on future rates.



**Table 4: Recommended Reserves**

<b>Reserve</b>	<b>Adopted Policy (2017)</b>	<b>Recommended Targets</b>
Operating Reserve	6 months of operating expenses	8 months of operating expenses + 1 year of existing debt service expense
Capital Reserve	Minimum equal to the annual depreciation cost of the system; emergency reserve target of \$2 million	Emergency reserve target of \$2 million
Other Capital Reserve	None	5 years of \$150,000 accumulated each year into a partial sinking fund for upcoming Capital Projects depending on the Coastal Hazard Monitoring Plan Study Outcome.

### **3.3 Cash Flow**

Table 5 provides a cash flow analysis showing revenues and expenses for the current fiscal year (FY2024/25) and a projection over the five-year rate study period (FY2025/26 to FY2029/30).

Table 5: Cash Flow

	Budget FY2024/25	Years 1 - 5: Proposition 218				
		FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
<b>BEGINNING FUND BALANCE [1]</b>	\$2,744,000	\$2,911,100	\$2,868,000	\$2,854,600	\$2,873,700	\$2,927,800
<b>REVENUES</b>						
Rate Design Revenue Requirement	1,067,000	1,108,000	1,150,000	1,194,000	1,239,000	1,286,000
Loss of Rate Revenue due to Phase-in		(67,800)	(54,000)	(38,000)	(20,200)	0
Property Taxes	391,000	402,700	414,800	427,200	440,000	453,200
Interest and Admin Fees	48,300	49,700	51,200	52,700	54,300	55,900
Connection Fees & Interest	<u>12,400</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
<b>Total Revenue</b>	1,518,700	1,497,600	1,567,000	1,640,900	1,718,100	1,800,100
<b>EXPENSES</b>						
<u>Operating Expenses</u>						
(Anticipated Escalation)		3%	3%	3%	3%	3%
Salaries & Employee Benefits	751,800	774,400	797,600	821,500	846,100	871,500
Services and Supplies	<u>460,900</u>	<u>475,000</u>	<u>489,000</u>	<u>504,000</u>	<u>519,000</u>	<u>535,000</u>
Subtotal O&M	1,212,700	1,249,400	1,286,600	1,325,500	1,365,100	1,406,500
Net Operating Revenue	306,000	248,200	280,400	315,400	353,000	393,600
Existing Debt Service	58,900	58,900	58,900	58,900	58,900	58,900
<u>Capital Expenses</u>						
(Anticipated Escalation)		3%	3%	3%	3%	3%
Misc Capital Repairs	80,000	82,400	84,900	87,400	90,000	92,700
Capital Cost Project Sinking Fund	<u>0</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Subtotal Capital Expenses	80,000	232,400	234,900	237,400	240,000	242,700
<b>Total Expenses</b>	1,351,600	1,540,700	1,580,400	1,621,800	1,664,000	1,708,100
<b>Total Net Revenues</b>	167,100	(43,100)	(13,400)	19,100	54,100	92,000
<b>ENDING FUND BALANCE</b>	\$2,911,100	\$2,868,000	\$2,854,600	\$2,873,700	\$2,927,800	\$3,019,800
<b>Reserve Fund Targets [2]</b>						
Operating Reserves	867,000	892,000	917,000	943,000	969,000	997,000
Capital Reserves	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total Reserve Target	2,867,000	2,892,000	2,917,000	2,943,000	2,969,000	2,997,000
Operating Reserve Target Met?	yes	no	no	no	no	yes
Outfall Sinking Fund	0	150,000	300,000	450,000	600,000	750,000
Debt Service Coverage Target – 1.20x [3]	5.20	4.21	4.76	5.35	5.99	6.68
Target Met?	yes	yes	yes	yes	yes	yes

1 - Total cash (Funds 5215, 5216, and 5217) as of July 1, 2024

2 - Recommended targets: see Table 1

3 - Net Operating Revenue divided by Total Debt Service; this is required by bond covenants



## SECTION 4: COST ALLOCATION

The prior section determined the total cost of providing service to customers. In this section, the cost of service is allocated to rates to fairly recover costs based on how customer classes use the system, and in any event not to exceed the proportional cost of the wastewater service attributable to each class.

### 4.1 Methodology

The cost of sewer service of each customer class (or land use) is proportional to the wastewater flow and pollutant loading of the parcels in that class (and devoted to that land use). Wastewater flow is expressed in gallons per day and pollutant loading is expressed in terms of milligrams per liter (mg/l) of biochemical oxygen demand (BOD)<sup>1</sup> and total suspended solids (TSS).<sup>2</sup> These parameters reflect the amount of sewage Summerland Sanitary District must collect and convey as well as the composition of pollution the District must treat and dispose of. The relative cost of flow, BOD, and TSS to Summerland SD's total cost of service is calculated in Table 6 based on the value of infrastructure needed to accommodate these aspects of wastewater generation in the District.

**Table 6: Calculation of Cost Allocation Percentages to Flow, BOD, and TSS  
based on the Value of District Assets**

Asset Category	Book Value of Assets [1]	Flow	BOD	TSS
Treatment & Land	\$1,645,268	50.00%	25.00%	25.00%
Subsurface Lines	\$2,689,776	100.00%	0.00%	0.00%
Ocean Outfall Lines	\$85,205	100.00%	0.00%	0.00%
Treatment Equipment	<u>\$816,563</u>	<u>0.00%</u>	<u>60.00%</u>	<u>40.00%</u>
	\$5,236,812	\$3,597,615	\$901,255	\$737,942
% Allocation		68.70%	17.21%	14.09%

BOD – biological oxygen demand

TSS – total suspended solids

1 - As reported in the June 30, 2023 Financial Statements

For cost allocation and rate design purposes, each customer is assigned a number of equivalent dwelling units to express its wastewater generation as a multiple (or fraction) of that expected from a single-family dwelling. One equivalent dwelling unit (EDU) represents the flow and pollutant loading of an average single family dwelling. One EDU is defined as 230 gallons per day of wastewater flow, 265 mg/l

<sup>1</sup> Biochemical oxygen demand (BOD) generally represents how much oxygen is needed to break down organic matter in water. (<https://www.usgs.gov/special-topics/water-science-school/science/biochemical-oxygen-demand-bod-and-water> )

<sup>2</sup> Total Suspended Solids (TSS) are defined as non-settleable solid particles found in water.

([https://www.sciencedirect.com/topics/engineering/total-suspended-solid#:~:text=Total%20Suspended%20Solids-,Total%20Suspended%20Solids%20\(TSS\)%20are%20defined%20as%20non%2Dsettleable,of%20sunlight%20into%20the%20water.](https://www.sciencedirect.com/topics/engineering/total-suspended-solid#:~:text=Total%20Suspended%20Solids-,Total%20Suspended%20Solids%20(TSS)%20are%20defined%20as%20non%2Dsettleable,of%20sunlight%20into%20the%20water.) )

BOD, and 275 mg/l TSS. All residential customer types are assumed to have the same BOD and TSS concentrations as single family dwellings; the strength of wastewater varies among non-residential land uses. The formula used to calculate EDUs is provided in Figure 2 along with two example calculations using the factors derived in Table 6.



Figure 2: EDU Formula and Example Calculations

$$\text{EDU calculation: } EDU = \frac{\text{Flow}}{\text{SFD Flow}} \times (68.70\% + [17.21\% \times \frac{\text{BOD}}{\text{SFD BOD}}] + [14.09\% \times \frac{\text{TSS}}{\text{SFD TSS}}])$$

EXAMPLE 1: An accessory dwelling unit that has domestic-strength flow of 110 gallons per day

$$\text{EDU calculation (rounded): } 0.5 = \frac{110 \text{ gpd}}{230 \text{ gpd}} \times (68.70\% + [17.21\% \times \frac{265 \text{ mg/l}}{265 \text{ mg/l}}] + [14.09\% \times \frac{275 \text{ mg/l}}{275 \text{ mg/l}}])$$

EXAMPLE 2: 1,000 square feet of a restaurant with estimated flow of 826 gallons per day and BOD of 1,000 mg/l and TSS of 600 mg/l

$$\text{EDU calculation (rounded): } 5.9 = \frac{826 \text{ gpd}}{230 \text{ gpd}} \times (68.70\% + [17.21\% \times \frac{1,000 \text{ mg/l}}{265 \text{ mg/l}}] + [14.09\% \times \frac{600 \text{ mg/l}}{275 \text{ mg/l}}])$$

BOD – biological oxygen demand

gpd – gallons per day

mg/l – milligrams per liter

SFD – single family dwelling

TSS – total suspended solids

## 4.2 Residential Cost Allocation

The proposed residential cost allocation is provided in Table 7. The residential class consists of single family dwellings, mobile homes, apartments, and accessory dwelling units (ADUs). Currently, each residential dwelling is assigned one EDU and billed \$1,219. It is proposed that the District break out the residential class into the following subcategories: single family dwelling, mobile home, studio apartments, 1 bedroom apartments, 2 bedroom apartments, 3 & 4 bedroom apartments, and accessory dwelling units. Wastewater flow is projected based on the number of bedrooms for each dwelling type and published flow estimates from the City of Los Angeles. All dwelling types have the same pollutant loading. Based on the proposed cost allocation, the number of residential EDUs is reduced from 713 under current rates to 604.6 under proposed rates.

## 4.3 Non-residential Cost Allocation

The non-residential cost allocation and total proposed EDUs are provided in Table 8. The BOD and TSS concentrations of each non-residential customer are scaled to the proposed single family dwelling BOD and TSS concentrations and apportioned 17.21% and 14.09% of costs, respectively (that is, expressed in EDUs). Total estimated flow of each customer is scaled to the estimated flow of an average single family dwelling (230 gallons per day) and attributed 68.70% of costs associated with flow. Wherever possible, estimated flow and pollutant loading data was taken from the City of Los Angeles permitting guidelines. The City of Los Angeles data were selected because the City is a large, sophisticated agency located close to Summerland with a similar climate and including all the customer categories represented in Summerland. In some cases, the City of Los Angeles did not have comparable customer classes to Summerland SD. In these instances, data was taken from the City of Burbank or Monterey One Water, also large, sophisticated agencies with robust data.

Summerland Sanitary District has two special class customers that require separate fee calculations: the Innovation Place UC Campus and the Pacifica Institute, see Table 9. Currently, the Innovation Place UC Campus is billed 36 EDUs based on the estimated number of office employees. The District has observed that the parcel has 122,000 square feet of offices, meeting rooms, and auditoriums that can accommodate a larger number of employees and/or visitors. It is proposed that the Innovation Place UC Campus EDU assignment be increased from 36 to 48.8 to better reflect its size, land use, and expected wastewater flow.

The Pacifica Institute is a higher education facility that serves about 105 students, has about 30 staff members, and has a cafeteria (commercial kitchen) onsite. Based on these metrics, the Pacific Institute is proposed to receive a slight increase in EDUs from 14.0 (current) to 14.1 (proposed).

As part of the rate study process, the District reviewed and updated its customer records and new customer classes are proposed to reflect those records. For example, the District's existing two food market customers are proposed to be transitioned to other rate classes. One market sells only dry goods and is proposed to be transitioned to the retail category. The other food market is proposed to be reclassified as a gas station with food market. Other examples include customers that have expanded

operations and should be charged for additional square feet or additional employees relative to their FY2024/25 EDU assignment.

In total across both the residential and non-residential customer classes, the proposed cost allocation results in a net loss of 104.2 EDUs when comparing existing rates to proposed rates.



Table 7: Residential EDU Cost Allocation

Residential User Classifications	# of bedrooms per dwelling	Source of # of bedrooms	Estimated Daily Flow (gpd) [1]	EDUs per Classification [2]	Count per Classification	Total Residential EDUs [3]
Single family dwelling[4]	3	300 real estate listings	230	1.0	450	450.0
Mobile Home	2	17 real estate listings	150	0.7	38	26.6
Multifamily						
Apartments						
Studio	1	SSD cust. records	110	0.5	5	2.5
1 Bedroom	1	SSD cust. records	110	0.5	69	34.5
2 Bedroom	2	SSD cust. records	150	0.7	73	51.1
3 or 4 Bedroom	3 or 4	SSD cust. records	190	0.8	3	2.4
Accessory Dwelling Units (ADU)	1	SSD observation	110	0.5	<u>75</u>	<u>37.5</u>
					713	604.6

Gpd – gallons per day of sewer flow; SSD – Summerland Sanitary District

1 – City of Los Angeles, “Sewerage Facilities Charge, Sewage Generation Factor for Residential and Commercial Categories” effective April 6, 2012; accessible <https://engpermitmanual.lacity.org/sewer-s-permits/technical-procedures/sewage-generation-factors-chart>

Mobile home flow is noted as the same as apartments

2 – Calculated as: (flow of each multifamily dwelling unit) / (230 gpd of single family dwelling flow). For example: (150 gpd mobile home flow per dwelling) / (230 gpd of single family dwelling flow) = 0.7

3 – EDUs per dwelling multiplied by the count of dwellings

4 – Includes single family dwellings, duplex unit, condominiums, and townhouses

**Table 8: Current and Proposed Customer Classes**

$$\text{EDU calculation: } \text{EDU} = \frac{\text{Flow}}{\text{SFD Flow}} \times (68.70\% + [17.21\% \times \frac{\text{BOD}}{\text{SFD BOD}}] + [14.09\% \times \frac{\text{TSS}}{\text{SFD TSS}}])$$

User Classification	Billable Units	Count	gpd	BOD mg/L	TSS mg/L	EDUs per Billable Unit	# of Allocated EDUs	Current EDUs
Total Residential		604.6	230	265	275	1.0	604.6	696.0 [1]
Non-Residential								
Barber & Beauty Shop [2]	up to 3 operators	1	150	265	275	0.7	0.7	
Bed & Breakfast [3]	per 10 rooms	3	1200	265	275	5.2	15.6	
Coffee Shop [4]	each w/o food service	1	238	265	275	1.0	1.0	
NEW Coffee Shop w/grease trap [5]	Up to 3 checkout lanes	0	697	265	275	3.0	0.0	
NEW Gas Station/Food Market [6]	per 1,000 ft <sup>2</sup>	1	425	265	275	1.8	1.8	
Elementary School [3]	per 40 students	4	360	265	275	1.6	6.4	
Fire Station [7]	each	1	460	265	275	2.0	2.0	
Food Market [6]	less than 5,000 ft <sup>2</sup>	0	425	265	275	1.8	0.0	
Food market w/food service & kitchen [3]	per 1,000 ft <sup>2</sup>	2	720	1000	600	5.1	10.2	
Health Club [8]	each	3	250	265	275	1.1	3.3	
Meeting Hall/Assembly [9]	each	3	180	265	275	0.8	2.4	
Offices [10]	per 10 employees	12	180	265	275	0.8	9.6	
Offices – Medical [11]	per 10 employees	1	468	265	275	2.0	2.0	
Park w/Restrooms + Residence [12]		1	460	265	275	2.0	2.0	
NEW Pet shop w/live animals [13]	per 1,000 ft <sup>2</sup>	2	100	265	275	0.4	0.8	
Restaurant [14]	per 1,000 ft <sup>2</sup>	6	826	1000	600	5.9	35.4	
Retail [3]	per 1,000 ft <sup>2</sup>	50	50	265	275	0.2	10.0	
<del>Retail – small</del>	<del>400 ft<sup>2</sup> or less</del>			Proposed to be eliminated				
NEW Self Storage	per 1,000 ft <sup>2</sup>	4	30	265	275	0.1	0.4	
Special Class [15]								
Innovation Place UC Campus	each	1					48.8	
Pacifica Institute	each	1					14.1	
Total Non-Residential							166.5	179.3
District Total EDU Count							771.1	875.3

See footnotes on the following page

Continuing of Footnotes from Table 8

BOD – biological oxygen demand

gpd – gallons per day

mg/l – milligrams per liter

SFD – single family dwelling

TSS – total suspended solids

1 – reflects 15 EDU discount provided to the large apartment customer under a settlement agreement. Under the proposed cost allocation and rate structure, no discount is given to the large apartment customers. The current residential EDU count also reflects the mobile home park clubhouse (1 EDU) transitioned from the residential category to the commercial category.

2 – City of Los Angeles (City of LA) Sewage Generation Factors Chart <https://engpermitmanual.lacity.org/sewer-s-permits/technical-procedures/sewage-generation-factors-chart>; beauty shop flow generation of 50 gpd/stall multiplied by 3 stalls (operators)

3 – City of LA

4 – Flow taken from Monterey One Water– small takeout establishment with one checkout lane; pollutant loading from City of LA

5 – Flow taken from Monterey One Water – medium takeout establishment with two to three checkout lanes; pollutant loading from City of LA; the Summerland Sanitary District does not currently have any customers with this land use but expects new customers to take service under this category in the future

6 – Flow from the City of Burbank (small commercial/retail); pollutant loading from City of LA; Summerland Sanitary District currently has two food market customers (less than 5,000 ft<sup>2</sup>). However, these customers are proposed to be transitioned to other rate categories. The District may have customers take service via this rate category in the future.

7 – Estimated to be equivalent to two single family dwellings

8 – Flow from the City of Burbank; pollutant loading from City of LA

9 – City of LA office - 10 employee equivalent (see note 9)

10 – Based on 150 square feet per employee and 120 gallons per day per 1,000 square feet from the City of LA; pollutant loading from City of LA

11 – Flow taken from Monterey One. Based on up to 3 physicians and 7 employees per billing unit. Pollutant loading from City of LA.

12 – Estimated to be equivalent to two single family dwellings

13 – City of LA pollutant loading and sewerage generation factor for a dog kennel

14 – Flows from the City of Burbank; pollutant loading from the City of LA

15 – See Special Class calculations



**Table 9: Special Class Calculations**

**Innovation Place UC Campus**

Customer Class	Billable Units	Count	gallons per day	BOD mg/L	TSS mg/L	EDUs per Billable Unit	# of EDUs	Basis
<b>CURRENT</b>								
Offices	per 10 employees	36					36.0	headcount 358 per July 19, 2019
<b>PROPOSED</b>								
Large offices	per 1,000 sq ft of building space	122	85	265	275	0.4	48.8	City of LA sewerage generation factors - midpoint between office (120 gpd) and retail/library/lounge (50 gpd)

**Pacifica Institute**

Customer Class	Billable Units	Count	gallons per day	BOD mg/L	TSS mg/L	EDUs per Billable Unit	# of EDUs	Basis
<b>CURRENT</b>								
Offices	per 10 employees	14					14.0	# of students + # of office staff
<b>PROPOSED</b>								
Graduate Students	per 10 students	11	160	265	275	0.7	7.7	City of LA - 16 gpd per grad student
Office Staff	per 10 employees	3	180	265	275	0.8	2.4	City of LA sewerage generation factors for office
Cafeteria	per 10 meals	10	60	1000	600	0.4	<u>4.0</u>	Monterey One flow and strength
Total proposed							14.1	

## SECTION 5: RATE DESIGN

### 5.1 Rate Calculation

As shown in Table 8, the proposed cost allocation results in a net loss of over 100 EDUs. The proposed FY2025/26 revenue requirement of about \$1.1 million divided by 771.1 proposed EDUs results in a rate of \$1,437 per EDU. This equates to a nearly 18% increase over the current rate of \$1,219, see Table 10 (Hypothetical Rate Adjustment Without Phase-in).

To mitigate rate impacts, rates increases (but not decreases) are proposed to be phased-in over the next five years. It is proposed that any customers that receive a rate decrease under the hypothetical rate design (due to a reduction in that class's EDU assignment) will receive that decrease in FY2025/26 (i.e., immediately). Any customers with a proposed increase under the hypothetical rate design will instead receive a phased-in rate adjustment over five years. By FY2029/30, the phased-in rates will equal the projected, full cost rates. Each customer class will be assigned the EDUs proposed in Table 8, and total EDUs will equal 771.10. The loss of revenue from the phase-in is shown in Table 10, which is also shown in line 6 of the cash flow in Table 5.

Table 10: Rate Phase-in

	Current	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
<b>HYPOTHETICAL RATE ADJUSTMENT WITHOUT PHASE-IN</b>						
EDUs	875.32	771.10	771.10	771.10	771.10	771.10
Rate Revenue Increase		3.8%	3.8%	3.8%	3.8%	3.8%
[A] Rate Revenue	\$1,067,000	\$1,108,000	\$1,150,000	\$1,194,000	\$1,239,000	\$1,286,000
Rate per EDU	\$1,219	\$1,437	\$1,491	\$1,548	\$1,607	\$1,668
Rate Increase		17.9%	3.8%	3.8%	3.8%	3.8%
<b>PROPOSED RATE ADJUSTMENT WITH PHASE-IN</b>						
EDUs	875.32	Phase-in				771.10
Rate Revenue Increase		-2.5%	5.4%	5.5%	5.4%	5.5%
[B] Rate Revenue	\$1,067,000	\$1,040,200	\$1,096,000	\$1,156,000	\$1,218,800	\$1,286,000
Rate per EDU	\$1,219	Phase-in				\$1,668
Loss for Rate Phase-in Row [B] minus [A]		(\$67,800)	(\$54,000)	(\$38,000)	(\$20,200)	\$0

## **5.2 Recommended Rates and Bill Impacts**

Table 11 shows the proposed rate plan through FY2029/30. As described, there are a range of rate impacts. Customers receiving decreases to their EDU assignments are proposed to receive the benefit of the associated rate decrease in FY2025/26. These customers are then proposed to receive 3.8% increases annually from FY2026/27 to FY2029/30 corresponding to the proposed increase to the revenue requirement shown in Table 10. Customers that are proposed to receive rate increases under the new EDU assignments are proposed to receive phased-in rate adjustments. In FY2026/27 through FY2029/30 their rates are proposed to increase by approximately the same percent each year by rate class. The first-year rate increase in FY2025/26 is proposed to be approximately double the percentage increase of subsequent years to mitigate losses from the phase-in. Table 12 lists the proposed rates, count of customers by class, and total rate revenue by year.



**Table 11: Proposed 5-Year Rate Plan**

<b>Residential User Classifications</b>	<b>Current Rate</b>	<b>FY2025/26</b>	<b>FY2026/27</b>	<b>FY2027/28</b>	<b>FY2028/29</b>	<b>FY2029/30</b>
Properties with 1 SFD (per parcel)	\$1,219	\$1,351	\$1,424	\$1,502	\$1,582	\$1,668
Apartments (per dwelling)						
Studio	\$1,219	\$719	\$746	\$774	\$804	\$834
1 Bedroom	\$1,219	\$719	\$746	\$774	\$804	\$834
2 Bedroom	\$1,219	\$1,006	\$1,044	\$1,084	\$1,125	\$1,168
3 Bedroom	\$1,219	\$1,150	\$1,193	\$1,238	\$1,286	\$1,334
Accessory Dwelling Unit (ADU)	\$1,219	\$719	\$746	\$774	\$804	\$834
Mobile home park (per mobile home unit)	\$1,219	\$1,006	\$1,044	\$1,084	\$1,125	\$1,168
<b>Residential User Classifications</b>		<b>FY2025/26</b>	<b>FY2026/27</b>	<b>FY2027/28</b>	<b>FY2028/29</b>	<b>FY2029/30</b>
Properties with 1 SFD (per parcel)		10.8%	5.4%	5.5%	5.3%	5.4%
Apartments (per dwelling)						
Studio		-41.1%	3.8%	3.8%	3.8%	3.8%
1 Bedroom		-41.1%	3.8%	3.8%	3.8%	3.8%
2 Bedroom		-17.5%	3.8%	3.8%	3.8%	3.8%
3 Bedroom		-5.7%	3.8%	3.8%	3.8%	3.8%
Accessory Dwelling Unit (ADU)		-41.1%	3.8%	3.8%	3.8%	3.8%
Mobile home park (per mobile home unit)		-17.5%	3.8%	3.8%	3.8%	3.8%

Table is continued on the next page.

Non-Residential User Classifications	Billing Unit	Current Rate	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Barber & Beauty shop	up to 3 operators	\$2,255	\$1,006	\$1,044	\$1,084	\$1,125	\$1,168
Bed and Breakfast - per 10 rooms	per 10 rooms	\$3,657	\$4,816	\$5,579	\$6,463	\$7,487	\$8,674
Coffee Shop	each w/o food service	\$1,219	\$1,351	\$1,424	\$1,501	\$1,582	\$1,668
NEW Coffee Shop w/grease trap	per 3 checkout lanes	NA	\$4,311	\$4,473	\$4,644	\$4,821	\$5,004
NEW Gas Station/Food Market	per 1,000 ft <sup>2</sup>	NA	\$2,587	\$2,684	\$2,786	\$2,893	\$3,002
Elementary School	per 40 students	\$1,219	\$1,566	\$1,790	\$2,045	\$2,336	\$2,669
Fire Station	each	\$2,438	\$2,702	\$2,848	\$3,002	\$3,165	\$3,336
Food Market	less than 5,000 ft <sup>2</sup>	\$2,828	\$2,587	\$2,684	\$2,786	\$2,893	\$3,002
Food market w/food service & kitchen	per 1,000 ft <sup>2</sup>	\$8,655	\$7,329	\$7,604	\$7,895	\$8,196	\$8,507
Health Club	each	\$2,438	\$1,581	\$1,640	\$1,703	\$1,768	\$1,835
Meeting Hall/Assembly	each	\$1,950	\$1,150	\$1,193	\$1,238	\$1,286	\$1,334
Offices	per 10 employees	\$1,219	\$1,150	\$1,193	\$1,238	\$1,286	\$1,334
Offices - Medical/Dental	per 10 employees	\$2,840	\$2,874	\$2,982	\$3,096	\$3,214	\$3,336
Park w/Restrooms + Residence	each	\$2,438	\$2,702	\$2,848	\$3,002	\$3,165	\$3,336
NEW Pet shop w/live animals	per 1,000 ft <sup>2</sup>	NA	\$575	\$596	\$619	\$643	\$667
Restaurant	per 1,000 ft <sup>2</sup>	\$8,411	\$8,478	\$8,797	\$9,133	\$9,481	\$9,841
Retail	per 1,000 ft <sup>2</sup>	\$1,219	\$287	\$298	\$310	\$321	\$334
NEW Self Storage	per 1,000 ft <sup>2</sup>	NA	\$144	\$149	\$155	\$161	\$167
Special Class							
Innovation Place UC Campus	each	\$43,884	\$53,564	\$59,471	\$66,030	\$73,313	\$81,398
Pacifica Institute	each	\$17,066	\$18,957	\$20,007	\$21,115	\$22,284	\$23,519
Non-Residential User Classifications	Billing Unit	Current Rate	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Barber & Beauty shop	up to 3 operators	\$2,255	-55.4%	3.8%	3.8%	3.8%	3.8%
Bed and Breakfast- per 10 rooms	per 10 rooms	\$3,657	31.7%	15.8%	15.8%	15.8%	15.8%
Coffee Shop	each w/o food service	\$1,219	10.8%	5.4%	5.4%	5.4%	5.4%
NEW Coffee Shop w/grease trap	per 3 checkout lanes	NA	NA	3.8%	3.8%	3.8%	3.8%
NEW Gas Station/Food Market	per 1,000 ft <sup>2</sup>	NA	NA	3.8%	3.8%	3.8%	3.8%
Elementary School	per 40 students	\$1,219	28.5%	14.2%	14.2%	14.2%	14.2%
Fire Station	each	\$2,438	10.8%	5.4%	5.4%	5.4%	5.4%
Food Market	less than 5,000 ft <sup>2</sup>	\$2,828	-8.5%	3.8%	3.8%	3.8%	3.8%
Food market w/food service & kitchen	per 1,000 ft <sup>2</sup>	\$8,655	-15.3%	3.8%	3.8%	3.8%	3.8%
Health Club	each	\$2,438	-35.2%	3.8%	3.8%	3.8%	3.8%
Meeting Hall/Assembly	each	\$1,950	-41.1%	3.8%	3.8%	3.8%	3.8%
Offices	per 10 employees	\$1,219	-5.7%	3.8%	3.8%	3.8%	3.8%
Offices- Medical/Dental	per 10 employees	\$2,840	1.2%	3.8%	3.8%	3.8%	3.8%
Park w/Restrooms + Residence	each	\$2,438	10.8%	5.4%	5.4%	5.4%	5.4%
NEW Pet shop w/live animals	per 1,000 ft <sup>2</sup>	NA	NA	3.8%	3.8%	3.8%	3.8%
Restaurant	per 1,000 ft <sup>2</sup>	\$8,411	0.8%	3.8%	3.8%	3.8%	3.8%
Retail	per 1,000 ft <sup>2</sup>	\$1,219	-76.4%	3.8%	3.8%	3.8%	3.8%
NEW Self Storage	per 1,000 ft <sup>2</sup>	NA	NA	3.8%	3.8%	3.8%	3.8%
Special Class							
Innovation Place UC Campus	each	\$43,884	22.1%	11.0%	11.0%	11.0%	11.0%
Pacifica Institute	each	\$17,066	11.1%	5.5%	5.5%	5.5%	5.5%

**Table 12: Proposed Rate Revenue Listed by Land Use**

	Count	FY2025/26		FY2026/27		FY2027/28		FY2028/29		FY2029/30	
		Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue
<b>RESIDENTIAL</b>											
Properties with 1 SFD (per parcel)	336	\$1,351	\$453,936	\$1,424	\$478,464	\$1,502	\$504,672	\$1,582	\$531,552	\$1,668	\$560,448
Properties with 2 SFD's (per parcel)	5	\$2,702	\$13,510	\$2,848	\$14,240	\$3,004	\$15,020	\$3,164	\$15,820	\$3,336	\$16,680
Properties with 1 SFD + 1 ADU (per parcel)	56	\$2,070	\$115,892	\$2,170	\$121,492	\$2,276	\$127,456	\$2,386	\$133,588	\$2,502	\$140,112
Properties with 1 SFD + 2 ADU (per parcel)	4	\$2,788	\$11,152	\$2,915	\$11,660	\$3,050	\$12,200	\$3,189	\$12,756	\$3,336	\$13,344
Properties with 1 SFD + 3 ADU (per parcel)	2	\$3,507	\$7,013	\$3,661	\$7,321	\$3,824	\$7,648	\$3,993	\$7,985	\$4,170	\$8,340
Properties with a Duplex (per parcel)	20	\$2,702	\$54,040	\$2,848	\$56,960	\$3,004	\$60,080	\$3,164	\$63,280	\$3,336	\$66,720
Properties with 1 Duplex + 1 ADU (per parcel)	1	\$3,421	\$3,421	\$3,594	\$3,594	\$3,778	\$3,778	\$3,968	\$3,968	\$4,170	\$4,170
Apartment (per dwelling)											
Studio	5	\$719	\$3,593	\$746	\$3,728	\$774	\$3,870	\$804	\$4,018	\$834	\$4,170
1 Bedroom	69	\$719	\$49,577	\$746	\$51,440	\$774	\$53,406	\$804	\$55,442	\$834	\$57,546
2 Bedroom	73	\$1,006	\$73,431	\$1,044	\$76,190	\$1,084	\$79,103	\$1,125	\$82,118	\$1,168	\$85,235
3 or 4 Bedroom	3	\$1,150	\$3,449	\$1,193	\$3,578	\$1,238	\$3,715	\$1,286	\$3,857	\$1,334	\$4,003
Accessory Dwelling Unit (ADU)	4	\$719	\$2,874	\$746	\$2,982	\$774	\$3,096	\$804	\$3,214	\$834	\$3,336
Mobile home park (per mobile home unit)	38	\$1,006	<u>\$38,224</u>	\$1,044	<u>\$39,661</u>	\$1,084	<u>\$41,177</u>	\$1,125	<u>\$42,746</u>	\$1,168	<u>\$44,369</u>
<b>TOTAL RESIDENTIAL</b>			\$830,110		\$871,309		\$915,221		\$960,342		\$1,008,473
<b>NON-RESIDENTIAL</b>											
Barber & Beauty shop	1	\$1,006	\$1,006	\$1,044	\$1,044	\$1,084	\$1,084	\$1,125	\$1,125	\$1,168	\$1,168
Bed and Breakfast- per 10 rooms	3	\$4,816	\$14,448	\$5,579	\$16,737	\$6,463	\$19,389	\$7,487	\$22,462	\$8,674	\$26,021
Coffee Shop	1	\$1,351	\$1,351	\$1,424	\$1,424	\$1,501	\$1,501	\$1,582	\$1,582	\$1,668	\$1,668
NEW Coffee Shop w/grease trap	0	\$4,311	\$0	\$4,473	\$0	\$4,644	\$0	\$4,821	\$0	\$5,004	\$0
NEW Gas Station/Food Market	1	\$2,587	\$2,587	\$2,684	\$2,684	\$2,786	\$2,786	\$2,893	\$2,893	\$3,002	\$3,002
Elementary School	4	\$1,566	\$6,266	\$1,790	\$7,158	\$2,045	\$8,178	\$2,336	\$9,344	\$2,669	\$10,675
Fire station	1	\$2,702	\$2,702	\$2,848	\$2,848	\$3,002	\$3,002	\$3,165	\$3,165	\$3,336	\$3,336
Food Market <5,000 ft²	0	\$2,587	\$0	\$2,684	\$0	\$2,786	\$0	\$2,893	\$0	\$3,002	\$0
Food market w/food service & commercial kitchen	2	\$7,329	\$14,657	\$7,604	\$15,208	\$7,895	\$15,790	\$8,196	\$16,391	\$8,507	\$17,014
Health Club	3	\$1,581	\$4,742	\$1,640	\$4,920	\$1,703	\$5,108	\$1,768	\$5,303	\$1,835	\$5,504
Meeting Hall/Assembly	3	\$1,150	\$3,449	\$1,193	\$3,578	\$1,238	\$3,715	\$1,286	\$3,857	\$1,334	\$4,003
Offices- per 10 employees	12	\$1,150	\$13,795	\$1,193	\$14,314	\$1,238	\$14,861	\$1,286	\$15,427	\$1,334	\$16,013
Offices- Medical/Dental	1	\$2,874	\$2,874	\$2,982	\$2,982	\$3,096	\$3,096	\$3,214	\$3,214	\$3,336	\$3,336
Park w/Restrooms + Residence	1	\$2,702	\$2,702	\$2,848	\$2,848	\$3,002	\$3,002	\$3,165	\$3,165	\$3,336	\$3,336
NEW Pet shop w/live animals	2	\$575	\$1,150	\$596	\$1,193	\$619	\$1,238	\$643	\$1,286	\$667	\$1,334
Restaurant - per 1,000 ft²	6	\$8,478	\$50,870	\$8,797	\$52,781	\$9,133	\$54,799	\$9,481	\$56,888	\$9,841	\$59,047
Retail - per 1,000 ft²	50	\$287	\$14,370	\$298	\$14,910	\$310	\$15,480	\$321	\$16,070	\$334	\$16,680
Small Retail < 400 ft²											
NEW Self Storage	4	\$144	\$575	\$149	\$596	\$155	\$619	\$161	\$643	\$167	\$667
NEW Special Class		\$0									
Innovation Place Campus	1	\$53,564	\$53,564	\$59,471	\$59,471	\$66,030	\$66,030	\$73,313	\$73,313	\$81,398	\$81,398
Pacifica Institute	1	\$18,957	<u>\$18,957</u>	\$20,007	<u>\$20,007</u>	\$21,115	<u>\$21,115</u>	\$22,284	<u>\$22,284</u>	\$23,519	<u>\$23,519</u>
<b>TOTAL NON-RESIDENTIAL</b>			\$210,063		\$224,704		\$240,795		\$258,411		\$277,722
<b>SYSTEMWIDE TOTAL</b>			\$1,040,173		\$1,096,013		\$1,156,016		\$1,218,753		\$1,286,195



**SUMMERLAND SANITARY DISTRICT**

Regular Board of Directors Meeting February 13, 2025

**Operations Manager Report****OPERATIONS AND FACILITY MAINTENANCE:**

1. Staff completed weekly ground maintenance and landscape work including mowing, weed whacking, blowing, edging, and raking.
2. Instrumentation Controls Technician performed calibrations on the Influent to the equalization tank flow meter.
3. Beltpress was operated on 1/21 and 1/23/2025.
4. The backhoe was serviced by staff.
5. Two truckloads (35.43 tons) of Biosolids were hauled on 1/14/2025 to the Liberty Composting Facility for beneficial reuse.
6. Blower #2 had the main compressor replaced by a factory Aerzen Technician on 1/16/2025. The costs of blower repairs were covered by the Aerzen manufacturer warranty.
7. Recruitment for a new Operator in Training is in progress to replace Victor Aguilar, whose last day with the district was 1/31/2025. Victor left his position in good standing.
8. Preparations for forecasted rain were performed in the plant.

**COLLECTION SYSTEM / LIFT STATIONS:**

1. Staff made periodic rounds of the collection system to check for any problems, primarily checking the hot spot manholes to ensure proper flow.
2. Each of the three lift stations was checked and tested daily.
3. Hydro jet cleaning of the known "hot spots" in the system was performed before forecasted rain.
4. A site inspection was performed at 2476 Lillie Ave for a completed ADU project. The project was approved.

**REGULATORY COMPLIANCE:**

1. Daily meter readings and sample collection are being performed by staff for regulatory compliance and process control.
2. The Monthly Discharge Monitoring Report for December was submitted to CWIQS on 1/15/2025. The "No Spill Report" for November was submitted as well.
3. The potable water backflow prevention device was tested and recertified. A minor leak was repaired as well. This testing is an annual requirement of the Montecito Water District and was performed by a licensed technician.
4. The Annual Biosolids Report was submitted on 1/22/2025 in CWIQS.
5. The Annual Ocean Outfall Report was submitted on 1/18/2025 in CWIQS.
6. The Annual Effluent/Recycled Volumetric Report was submitted in NeoGov and CWIQS on 1/16/2025.
7. The Annual Summary Report was submitted on 1/30/2025 in CWIQS.
8. A Safety Talk was held on the topic of Wild Fire Smoke Hazards.
9. I attended the required 2-hour online class on Public Service Ethics on 2/5/2025.

## SUMMERLAND SANITARY DISTRICT

Regular Board of Directors Meeting February 13, 2025

### District Administrative Manager Report

The District received building plans and requests for will-serve letters from the following properties:

2519 Emerson Street: Remodel and Addition

#### Administrative and financial items completed outside the regular scope of work:

1. Assisted with job advertisements (Coastal View) and online postings (District's website, Indeed, and Craigslist) for the Operator In Training vacancy.
2. Completed the off-boarding process for V. Aguilar and processed the final paycheck.
3. Updated District Website with our newly appointed director's picture, the approved Financial Statements, Ordinance 21, and Annual Report 2024.
4. Assisted with Cost of Service Rate Study where requested.
5. All Board members completed the Mandatory Ethics Training AB1234. Thank you! Certificates of Completion are posted on the District's website.
6. Attended SAMA Meeting in Goleta on January 8<sup>th</sup>.
7. Set up meetings with ESA for the transfer of requested documentation for the Hazard Monitoring Plan and Life Expectancy Study.
8. Attended Carollo SSD-MSD Connection/Reuse Study Presentation at the Montecito Sanitary District Board Meeting. Reached out to MSD GM to set up a joint Strategic Committee meeting.
9. Attended a "Labor Law 2024 Update" Seminar via Zoom. Advised is to review and update the District's Personnel Handbook which was last revised in 2021 and include this in the District's upcoming budget.
10. Visited 2280 Lillie Avenue Godmother's Café together with D. Lewis. The Café Truck was required to install a Grease Trap and submit the required paperwork.
11. Posted Osha 300A Form.
12. Presented the District Appreciation Plaque to Mr. Tucker, together with David. Sent a Press Release to the Coastal View (thank you Jolene) to honor Mr. Tucker for his many years of service to the District and the Summerland Community.
13. Reached out to the Summerland Church Assembly Hall Administrator Mr. Peter Bie to request date availabilities for a Town Hall/Customer Outreach Meeting. Assembly Hall has an internet connection, a video screen, and an audio system.
14. The Property Owners of 121 Hollister St. did not comply by January 31<sup>st</sup> with the requirements as outlined in the last Notice of Violation dated January 3, 2025.
15. Contacted the County of Santa Barbara Public Works to address flooding on Wallace Ave and potential stormwater infiltration in the plant. Immediate action was undertaken by the County of SB. The clogged storm drain was scheduled to be repaired by the end of February 2025.

Scheduled Days Off: -