

Summerland Sanitary District 2435 Wallace Ave Summerland, CA 93067-0417 (805) 969-4344

# NOTICE OF PUBLIC HEARING REGARDING PROPOSED ADJUSTMENTS TO SEWER RATES UNDER PROPOSITION 218 June 12, 2025, at 3:00 p.m.

at 2400 Lillie Avenue (Church Meeting Hall), Summerland, CA 93067

You are receiving this notice as owner of property receiving sewer service from the Summerland Sanitary District (SSD or District). The District's Board of Directors will hold a public hearing on June 12, 2025, to hear public input and to consider and potentially approve sewer rate changes for the next five years.

#### **Background**

SSD provides sewer (wastewater) collection, treatment, and disposal services to about 480 properties consisting of the following land uses: single-family residential, duplexes, apartments, accessory dwelling units, mobile homes, offices, retail stores, restaurants, schools, and other non-residential land uses. The District relies on rate revenues to fund safe and reliable sewer service. It bills customers annually on the Santa Barbara County property tax roll. Sewer rates were last increased in July 2022.

The District engaged an independent ratemaking consultant to conduct a rate study to estimate revenues, expenses, and capital improvement costs over the next five years and to recommend rates sufficient to cover those costs. In addition, the rate study proposed adjustments to the user classifications and rate formula to ensure equitable rates for all customers. The proposed sewer rates do not exceed the proportional cost of the service attributable to each parcel. The cost of service includes operating costs, debt service payments, capital expenses, and maintaining reasonable reserves.

## **Proposed Rates and New User Classifications**

Because the District relies on the property tax bill, its fees are flat annual amounts for each customer class. These are proportional to the wastewater flow (i.e., volume) and pollutant loading (i.e., the characteristics of wastewater that drive treatment costs like the fats, oils and grease common in restaurant discharges) from properties in that class based on the assignment of equivalent dwelling units (EDUs) – a means to apportion costs as multiples (or fractions) of the cost to serve a single-family home. One EDU is defined as the wastewater flow and pollutant loading of the average single-family home in the District. The assignment of EDUs to each customer represents the relative cost to serve that customer using data available from other sewer service agencies and industry sources.

The EDU calculation formula is:

EDU calculation: 
$$EDU = \frac{Flow}{230 \ gpd} \ \text{X} \left(68.70\% + [17.21\% \ \text{X} \frac{BOD}{265 \ mg/l}] + [14.09\% \ \text{X} \frac{TSS}{275 \ mg/l}] \right)$$

BOD – biological oxygen demand expressed in milligrams per liter mg/l – milligrams per liter TSS – total suspended solids expressed in milligrams per liter gpd – gallons per day

Tables 1 and 2 below identify the current and proposed sewer rates for residential and non-residential customers, respectively. If adopted, the rates will be implemented July 1 of each year from 2025 through 2029. Some customers are proposed to receive increases and others are proposed to receive decreases to reflect industry-standard estimates of wastewater volume and pollutant loading. Some new, non-residential customer classes are proposed to better reflect these customers' sewer flows. To mitigate rate impacts, customers to receive increases are proposed to have their rates phased-in over the next five years, using District reserves to fund the reductions from immediate recovery of the total cost of service. Customers proposed to receive decreases will receive them immediately.

Currently, all housing types (single-family residential, duplexes, apartments, accessory dwelling units, mobile homes) are charged the same amount per dwelling unit. It is proposed that the residential class be subdivided to better reflect sewer flows, reflecting that smaller units house fewer people and therefore generate less sewage.

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

		PROPOSED						
Residential User Classification	Current Rate	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029		
Single Family Dwellings, including Condos, Duplex Units, 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	\$1,219	\$1,006	\$1,044	\$1,084	\$1,125	\$1,168		
(per mobile home unit)								

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

			PROPOSED				
Non-residential User	Billing Unit	Current	July 1,				
Classification	billing Offic	Rate	2025	2026	2027	2028	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	\$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
<b>NEW</b> 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
<b>NEW</b> 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
<b>NEW</b> Self Storage	per 1,000 ft <sup>2</sup>	NA	\$144	\$149	\$155	\$161	\$167
Special Class							
Innovation Place UC	each	\$43,884	\$53,564	\$59,471	\$66,030	\$73,313	\$81,398
Campus							
Pacifica Institute	each	\$17,066	\$18,957	\$20,007	\$21,115	\$22,284	\$23,519
		· ·	·	·	·	·	·

<sup>&</sup>quot;NEW" designates a proposed new rate category.

#### **How to Participate**

The proposed rate increases are governed by section 6 of Article XIII D of the California Constitution (Proposition 218), Government Code sections 53751 et seq. and 53759 et seq., and related laws. Property owners subject to the proposed rates and other interested members of the public may participate in this ratemaking in a variety of ways. More information and the Cost-of-Service Study Report are on the District's website at <a href="www.summerlandsd.org">www.summerlandsd.org</a> or you can call (805) 969-4344. Second, the District will hold a public hearing on June 12, 2025, to receive public comment, including any written

protests to the proposed rates. Any property owner or other ratepayer (like a tenant obliged by a lease to pay the fee) may submit one written protest per parcel. Immediately following the close of the public hearing on June 12, 2025, protests will be counted. If valid protest are submitted for a majority of the parcels subject to the proposed rate increases, the Board will not adopt the rates.

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

Proposition 218 provides that "Property Related Fees" such as these proposed rates are subject to a "majority protest" process. Any property owner or other ratepayer may submit a written protest of proposed rates; provided, however, that only one protest will be counted per property. If protests are filed on behalf of a majority of the properties subject to the rates, the District cannot adopt the proposed rates.

#### **Every written protest MUST include ALL of the following to be counted:**

- 1. A statement that it is a protest against the proposed sewer rates;
- 2. Name of the property owner or other customer who is submitting the protest;
- 3. Identification of the assessor's parcel number or street address (service address) of the property for which the protest is made; and
- 4. An original signature of the record owner or other customer who is submitting the protest.

### Written protests may be submitted by:

- 1. Mail to: Prop 218 Protest, PO Box 417, Summerland, CA 93067; or
- In-person delivery during District business hours at 2435 Wallace Ave, Summerland, CA 93067;
- 3. At the Public Hearing, before the end of the Public Hearing.

Regardless of how the written protest is submitted, it must be received by the District before the end of the public hearing to be held on June 12, 2025, beginning at 3:00 p.m. at 2400 Lillie Avenue (Church Meeting Hall), Summerland, CA 93067. (Postmark dates will not be accepted.) To ensure protests are genuine, they will not be accepted by e-mail or other electronic means. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the District, that the enclosed protest is for the Public Hearing on the Proposed Sewer Rate Increases. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest, but the Board welcomes that input.

At the end of the public hearing, protests will be counted in public view. If protests are not submitted as to a majority of the properties subject to the fees, the Board may adopt the proposed rates. The first rate change, if approved, will take effect on or after July 1, 2025.

Pursuant to California Government Code 53759, a 120-day statute of limitations applies to any legal challenge to a new, increased, or extended fee. All written objections must be submitted before the end of the public hearing as stated above and a failure to timely object in writing bars any right to challenge that fee or assessment through a legal proceeding.