



## **NOTICE OF PUBLIC HEARING REGARDING PROPOSED CHANGES TO WATER AND SEWER RATES**

Hearing Date & Time: July 10, 2025, 6:00 PM  
Hearing Location: Buellton City Council Chambers  
140 West Highway 246, Buellton, California 93427

### ***Why are you receiving this notice?***

The City of Buellton (City) is mailing this notice to you because you are a water and/or sewer (wastewater) customer, or record owner of property that receives one or both services. This notice is being provided pursuant to California Constitution Article XIII D (also known as "Proposition 218"), which requires the City to notify property owners and system users (customers) of proposed changes to property-related fees such as those for water or sewer service. This notice describes proposed changes to the rates for these services and provides information about a public hearing to be held on July 10, 2025, at the City Council Chambers, 140 West Highway 246, Buellton, California 93427. **If adopted, the proposed rates for water and sewer service will be in effect for the first full billing cycle following August 1, 2025.**

### ***What do water and sewer rates fund?***

The City provides water and wastewater service to its residents and customers and maintains critical infrastructure that ensures uninterrupted service and safeguards the health and safety of the community. The City operates a stable and well-functioning water system that delivers clean potable water to Buellton customers. Water is sourced primarily from groundwater pumped from the Buellton Uplands and Santa Ynez River basins, via four City-owned wells, supplemented as needed by treated State Water Project water. Groundwater is treated at one of two City treatment facilities and distributed to customers via a network of water transmission and distribution mains.

The City provides sewer service for residences, commercial, and industrial businesses, serving a population of approximately 5,500. The City's collection and conveyance system is comprised of approximately twenty (20) miles of gravity pipelines, eight hundred and fifty (850) feet of force mains and two (2) public sewer lift stations. These facilities collect and convey wastewater to a City-owned, operated and maintained wastewater treatment plant for safe treatment and disposal in accordance with regulatory requirements.

The purpose of a Water and Sewer Rate Study is to evaluate the current financial condition of both utilities, examine the costs necessary to provide service to customers and determine the level of funding required over the next five years. The result is a recommended plan that ensures each utility fund meets projected financial obligations for operations and maintenance and capital infrastructure improvements, to ensure continued safe and efficient operations, while maintaining sufficient reserves for cash flow management and emergencies. Updating rates to keep up with the costs of providing reliable, safe, and high-quality drinking water and wastewater services is a key component of maintaining financial viability of the utilities. The rate structures for each utility were designed so that revenues from proposed rates do not exceed the amount of revenue required to provide the services, nor will rate revenue be used for any purposes other than those for which they are imposed.

### ***Why are water and sewer rate changes needed?***

The utility rate study and financial plan determined that the City's current rates are not sufficient to meet the increasing costs of system operations, maintenance and capital projects, administrative support for operations, repair and replacement of aging system components, maintenance of designated reserves, and capital facilities projects necessary to ensure uninterrupted service and compliance with regulatory mandates. Over the last few fiscal years, the sewer fund has operated at a deficit. Even with efforts taken by staff to reduce expenditures, the trend is projected to continue.

The City has not increased water or sewer rates since 2018 while costs have continued to escalate over that same period. The City has carefully managed revenues and expenses to mitigate the impacts of inflation. However, budget impacts make it necessary to seek increases in water and sewer rates. The proposed rates are based on a comprehensive utility rate study and financial plan completed by an independent consultant. This report is available for review with the City Clerk.

The amount of the proposed rates imposed on any parcel or person as an incidence of their property ownership will not exceed the proportional cost of the service(s) attributable to such parcel, and no rate will be imposed for service unless that service is actually used by, or immediately available to, the property owner or customer in question.

***How the water and sewer rates are determined and how they work***

To develop rates that generate sufficient revenue to meet the fiscal and policy objectives of the City for each utility, a determination of the annual revenue requirements from water and sewer rates was completed. As previously mentioned, revenue requirements include projected expenditures for operations, maintenance, repair and replacement of aging system components, equipment and capital projects. The revenue requirement for each utility also includes designated reserves. Maintaining appropriate reserves is critical to the ability of the City to serve its customers and respond to unforeseen and unpredictable costs. The reserves may only be used to fund costs associated with those systems.

Revenue requirements were compared to sources of available funds under existing rates during each year of the forecast period to determine whether projected revenues are sufficient to meet those requirements. Where a shortage of revenue was found, revenue adjustments were calculated, which if implemented, will provide revenue to meet those needs.

The City is proposing to implement new water and sewer rates as a series of annual adjustments starting on August 1, 2025, and then each July 1 thereafter until July 2029. The following sections summarize the proposed rates, which will go into effect and remain in effect until superseded by Council action.

**Proposed Monthly Water Rates - August 1, 2025 through July 1, 2029**

Proposed water rates consist of 1) a monthly fixed charge for all customers, except sprinkler-only accounts that have specific charges, that varies based on meter size and is the minimum amount a customer will pay regardless of the amount of water used; and 2) a uniform volumetric rate per 100 cubic feet (100 cubic feet = 1 unit of water = 748 gallons) for customers based upon monthly metered use. Water from hydrants has a separate rate. The fixed charge recovers fixed costs of maintaining and operating utility infrastructure and facilities, while the volumetric rate recovers variable costs of pumping, treating, and distributing water. The rate structure was designed so that each customer will be charged an amount that represents their proportional share of the City's cost of serving them, based on their demand and usage characteristics.

Description	Existing Rates	Projected For Fiscal Year Beginning July 1:				
		2025	2026	2027	2028	2029
<b>Monthly Fixed Charge:</b>						
5/8 - 3/4 Inch	\$ 35.51	\$ 39.81	\$ 43.79	\$ 48.17	\$ 52.51	\$ 56.71
1.0 Inch	\$ 96.89	\$ 99.53	\$ 109.48	\$ 120.43	\$ 131.26	\$ 141.77
1.5 Inch	\$ 191.90	\$ 199.05	\$ 218.96	\$ 240.85	\$ 262.53	\$ 283.53
2.0 Inch	\$ 301.60	\$ 318.48	\$ 350.33	\$ 385.36	\$ 420.04	\$ 453.65
3.0 Inch	\$ 646.19	\$ 597.15	\$ 656.87	\$ 722.55	\$ 787.58	\$ 850.59
4.0 Inch	\$ 1,176.31	\$ 995.25	\$ 1,094.78	\$ 1,204.26	\$ 1,312.64	\$ 1,417.65
6.0 Inch	\$ 2,511.90	\$ 1,990.51	\$ 2,189.56	\$ 2,408.51	\$ 2,625.28	\$ 2,835.30
8.0 Inch	\$ 3,364.78	\$ 3,184.81	\$ 3,503.29	\$ 3,853.62	\$ 4,200.45	\$ 4,536.48
Hydrant	\$ 50.00	\$ 318.48	\$ 350.33	\$ 385.36	\$ 420.04	\$ 453.65
Additional Dwelling Units [1]	\$ 24.86	\$ 39.81	\$ 43.79	\$ 48.17	\$ 52.51	\$ 56.71
<b>Monthly Fixed Charge - Sprinklers:</b>						
4.0 Inch	\$ 19.29	\$ 14.49	\$ 15.94	\$ 17.54	\$ 19.12	\$ 20.65
6.0 Inch	\$ 28.53	\$ 28.99	\$ 31.89	\$ 35.08	\$ 38.23	\$ 41.29
8.0 Inch	\$ 38.58	\$ 46.38	\$ 51.02	\$ 56.12	\$ 61.18	\$ 66.07
<b>Volumetric Rates Per 100 Cubic Feet:</b>						
Residential, Commercial, Industrial, and City	\$ 2.98	\$ 3.41	\$ 3.75	\$ 4.12	\$ 4.49	\$ 4.85
Hydrant	\$ 12.69	\$ 5.11	\$ 5.62	\$ 6.19	\$ 6.74	\$ 7.28

**Notes:**

[1] Under the proposed rates, all "Additional Dwelling Units" will now be billed at the 5/8-3/4 inch meter rate per dwelling unit.

**Proposed Monthly Sewer Rates - August 1, 2025 through July 1, 2029**

Proposed sewer rates consist of 1) monthly fixed charges for residential and non-residential customers, regardless of usage, based on their relative demand characteristics and 2) Volumetric rates per 100 cubic feet (100 cubic feet = 1 unit of water = 748 gallons) for non-residential customers only, that vary by sewer discharge strength for various non-residential customer categories. Single-family customers pay a flat monthly fixed charge regardless of usage. Multi-family customers pay a flat fixed charge per unit. Fixed charges recover fixed costs associated with operation and maintenance of sewer collection and treatment facilities, while volumetric rates recover variable costs of treatment and disposal of wastewater. The rate structure was designed so each customer will be charged an amount proportional to the cost of serving them, based on their demand, discharge strength and usage characteristics.

Description	Existing Rates	Projected For Fiscal Year Beginning July 1:				
		2025	2026	2027	2028	2029
<b>Monthly Fixed Charge <sup>[1]</sup>:</b>						
Single Family Dwelling	\$ 30.45	\$ 58.96	\$ 82.54	\$ 94.93	\$ 99.67	\$ 103.66
Multiple Dwelling	\$ 30.45	\$ 42.54	\$ 59.56	\$ 68.49	\$ 71.92	\$ 74.80
Multi Family - Townhomes & Condos	\$ 30.45	\$ 42.54	\$ 59.56	\$ 68.49	\$ 71.92	\$ 74.80
Multi Family - Apts	\$ 30.45	\$ 42.54	\$ 59.56	\$ 68.49	\$ 71.92	\$ 74.80
Multi Family - Per Additional Unit	\$ 21.31	\$ 42.54	\$ 59.56	\$ 68.49	\$ 71.92	\$ 74.80
Mobile Home Parks	\$ 30.45	\$ 46.62	\$ 65.27	\$ 75.06	\$ 78.81	\$ 81.96
Mobile Home Parks - Per Additional Unit	\$ 15.22	\$ 46.62	\$ 65.27	\$ 75.06	\$ 78.81	\$ 81.96
Motels - Service	\$ 60.72	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Restaurant - Service	\$ 60.72	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Fast Food/Bar - Service	\$ 60.72	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Theaters/Banquet - Service	\$ 60.72	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Camper/Trailer Parks (Unmetered)	\$ 60.72	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Camper/Trailer Parks - Per Additional Space	\$ 15.22	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Camper/Trailer Parks (Metered)	\$ 60.72	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Schools	\$ 29.98	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Churches (w/o School)	\$ 29.98	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Other Commercial - Retail	\$ 68.44	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
Industrial Accounts	\$ 46.76	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
City Accounts	\$ 60.72	\$ 33.80	\$ 47.31	\$ 54.41	\$ 57.13	\$ 59.42
<b>Volumetric Rates Per 100 Cubic Feet <sup>[2]</sup>:</b>						
Motels - Service	\$ 6.05	\$ 4.36	\$ 6.10	\$ 7.01	\$ 7.37	\$ 7.66
Restaurant - Service	\$ 6.05	\$ 4.36	\$ 6.10	\$ 7.01	\$ 7.37	\$ 7.66
Fast Food/Bar - Service	\$ 6.05	\$ 4.36	\$ 6.10	\$ 7.01	\$ 7.37	\$ 7.66
Theaters/Banquet - Service	\$ 6.05	\$ 4.36	\$ 6.10	\$ 7.01	\$ 7.37	\$ 7.66
Camper/Trailer Parks (Metered)	\$ 6.05	\$ 4.36	\$ 6.10	\$ 7.01	\$ 7.37	\$ 7.66
Schools	\$ 0.56	\$ 1.66	\$ 2.33	\$ 2.68	\$ 2.81	\$ 2.92
Churches (w/o School)	\$ 0.56	\$ 1.66	\$ 2.33	\$ 2.68	\$ 2.81	\$ 2.92
Other Commercial - Retail	\$ 6.05	\$ 4.36	\$ 6.10	\$ 7.01	\$ 7.37	\$ 7.66
Industrial Accounts - Normal	\$ 7.26	\$ 1.54	\$ 2.15	\$ 2.47	\$ 2.60	\$ 2.70
Industrial Accounts - High	\$ 7.26	\$ 6.95	\$ 9.73	\$ 11.19	\$ 11.75	\$ 12.22
City Accounts	\$ -	\$ 1.66	\$ 2.33	\$ 2.68	\$ 2.81	\$ 2.92

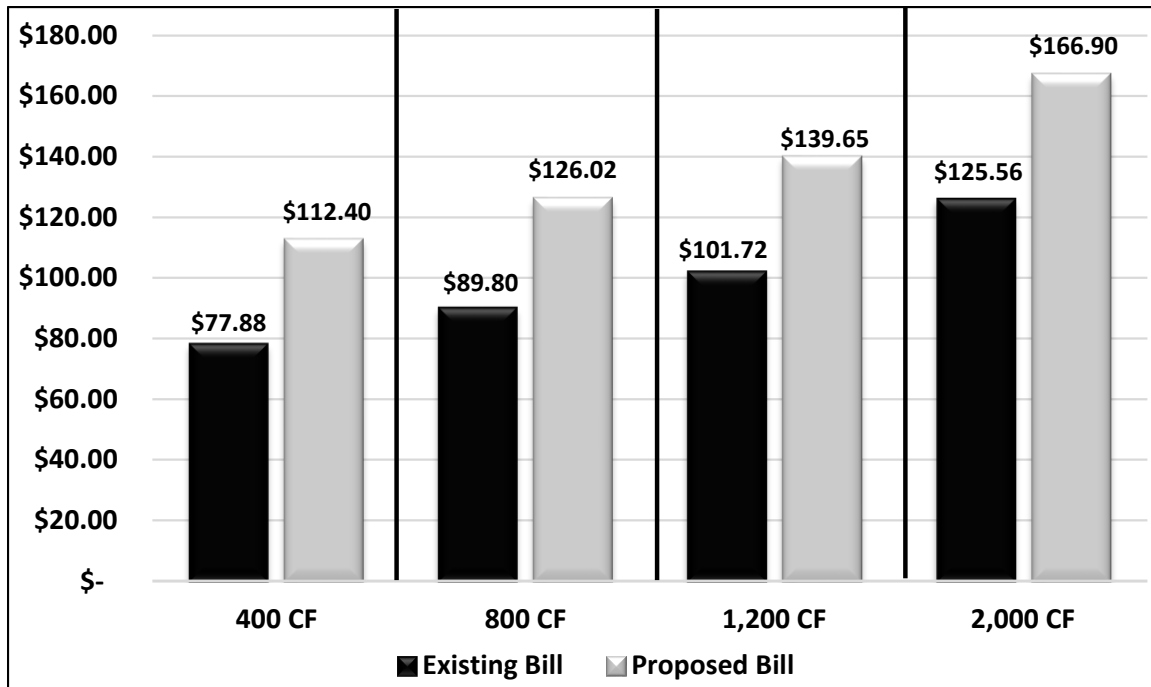
**Notes:**

[1] All single-family residential, multi-family residential, and mobile home customers only pay a flat fee per dwelling unit, regardless of usage.

[2] Under the existing rates, non-residential customers pay the volumetric rate per 100 cubic feet once they exceed 1,400 cubic feet of usage. Under the proposed rates, non-residential customers will pay the volumetric rate per 100 cubic feet for all usage.

### ***Impact on your water and sewer bill***

Per the proposed rates effective August 1, 2025, the combined water and sewer bill for a typical single-family home using 1,200 cubic feet of water per monthly billing period would increase from \$101.72 currently, to \$139.65 per monthly billing period. The accompanying graph provides a summary of existing and proposed rates under various usage scenarios.



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

The City will consider the new water and sewer rates at a Public Hearing on **Thursday, July 10, 2025, at 6:00 p.m.** at the City Council Chambers, 140 West Highway 246, Buellton, California 93427. You are invited to present oral or written testimony at the Public Hearing. ***Any owner, or customer of record, of a parcel subject to the proposed rates may submit a written protest against the proposed rate revisions. If written protests are filed for a majority of the affected parcels, the proposed rate revisions will not be adopted. If you do not object to the proposed rate revisions to fund the operation, maintenance, and capital improvements for City water and wastewater services, you do not need to take any action.***

In order for a written protest to be counted, it must include the following: a statement indicating that the identified property owner or customer of record is in opposition to the proposed water or sewer rate changes; the street address or Assessor's Parcel Number (APN) for the parcel(s) with respect to which the protest is made; and the name and signature of the owner or customer. Protests may be mailed to: City Clerk, City of Buellton, PO Box 1819, Buellton CA 93427, or hand delivered to the City Clerk at 107 W. Highway 246, Buellton CA 93427 prior to 2:00 p.m. on July 10, 2025, or hand delivered to the City Clerk at the Public Hearing on July 10, 2025, at 140 W. Highway 246, Buellton, CA. To be counted, a signed written protest must be received by the City Clerk before the conclusion of the Public Hearing. Protests submitted via e-mail or other electronic means will not be accepted. For any written protest, whether mailed or submitted in person to the City Clerk, please identify on the front of the envelope that the enclosed protest is for the Public Hearing on the Proposed Rate Changes – Water and Sewer Rates.

The City Council will consider all written and oral protests related to the proposed rate changes at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, there will be no more written protests accepted and no more testimony taken, and the City Council will consider adoption of the proposed rates described in this notice. If written protests, as outlined above, are not presented by a majority of property owners or customers of record, the City Council will be authorized to adopt the proposed rates. While both property owners and customers of record may submit written protests, only one protest will be counted for each parcel. If adopted, the rates for water and sewer service will be in effect beginning **August 1, 2025**.

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