Funding Implementation

DISTRICT WASTEWATER COLLECTION AND CONVEYANCE TO THE CITY OF SOLVANG

Presented by SCI Consulting Group

About SCI Consulting Group

PUBLIC AGENCY FUNDING	California-based consulting firm specializing in public agency revenue and funding solutions
PROPOSITION 13 and 218	Benefit Assessments, Property-Related Fees, and Special Taxes
TECHNICAL STUDIES	Rate Engineering, Fee Studies, Engineer's Reports, and Polling
IMPLEMENTATION	Noticing, Balloting, Outreach and Administration

Project Funding Goals – Collection and Conveyance System

INFRASTRUCTURE INVESTMENT

$43-60 Million

APPROXIMATE ANNUAL LOAN PAYMENT ($60 Million loan)

~$3.5 Million

1.) CAPITAL FUNDING

- 30-year financing at 4% interest (*e.g. USDA Rural Development Sewer Pipe Loan Program*)
- Target implementation: 2027

2.) OPERATIONS & MAINTENANCE

- Additional needs to be determined; potential dedicated operating fee within 2–3 years
- RCAC performing draft study (1Q2027)

2 Primary Funding Options – Fee and Assessment (P218 compliant)

ATTRIBUTES	BENEFIT ASSESSMENT	PROPERTY-RELATED SEWER FEE
Technical study	Engineer's Report	Cost-of-Service Study
Public process	45-day mailed ballot period	45-day mailed notice period
Voting / protest	Assessment-weighted ballots	One protest per parcel
50% threshold	**Weighted majority opposition defeats assessment**	**Majority of affected parcels must protest to defeat fee**

Note on consideration of other sources: Grants, taxes, bonds, private investment, etc.

Revenue Apportionment Methodology

Objective

Develop an equitable and defensible allocation of sewer infrastructure costs.

POTENTIAL APPORTIONMENT FACTORS

- Property use and classification
- Zoning and development intensity
- Parcel or lot size
- Water consumption or wastewater generation
- Sewer capacity and service demand

Reasonable • Rational • Transparent • Technically Supported

Proposed Timeline & Next Steps

FEB 2027

Draft Engineer's Report or Fee Study presented to Board

JUN 2027

Mail Proposition 218 notices and/or assessment ballots

AUG 2027

Complete public hearing and applicable approval process

DEC 2027

Begin collection on property tax bills

NEXT STEP

Confirm project costs, financing strategy, funding approach and implementation schedule.