

NOTICE OF PUBLIC HEARING

ON PROPOSED ADJUSTMENTS AND INCREASES TO GOLETA SANITARY DISTRICT SEWER SERVICE CHARGES BEGINNING JULY 1, 2026



GOLETA SANITARY
Water Resource Recovery District

The Goleta Sanitary District (the "District") invites the public to attend **a public hearing to be held on Monday, June 1, 2026, at 6:30 p.m., or as soon thereafter as the matter may be heard, in the District's Board Room located at 1 William Moffett Place, Goleta, CA 93117** to consider adoption of a five-year schedule of increases to the District's sewer service charges, to be effective July 1, 2026.

The purpose of the public hearing is to consider all oral testimony and written protests to, and the adoption of, the proposed rates. If adopted, the new rates will go into effect for services provided on and after July 1, 2026, and will be adjusted each July 1 thereafter through, and including, July 1, 2030.

RATE ADJUSTMENT PROCESS

The proposed rate adjustments and increases are based on an analysis by an independent rate consultant that demonstrated the proportional cost to the District of providing sewer service to each property it serves. A copy of the rate study report is available online at goletasanitary.org and is on file with the Secretary of the Board.

ABOUT THE DISTRICT'S SEWER SYSTEM SERVICE

The Goleta Sanitary District provides sewer service to approximately 80,000 District residents and businesses within the Goleta Valley, which includes the City of Goleta, the University of California at Santa Barbara, the Santa Barbara Airport, and unincorporated areas of Santa Barbara County. The District's sewer utility is a self-supporting enterprise that charges sewer service charges which must be adequate to fund the utility's operating and maintenance costs, debt service obligations, and ongoing capital improvement needs.

The District collects wastewater via a system of approximately 135 miles of sewer pipelines. The District's wastewater treatment facility can treat up to 9.8 million gallons per day of wastewater.

WHY DO RATES NEED TO CHANGE?

The proposed rates are needed to keep revenues aligned with long-term funding needs, including:

- Funding \$73.4 million in treatment plant and collection system capital improvement projects over the next ten years, including vital infrastructure projects such as the biosolids and energy project, an energy storage project which reduces long-term costs of purchased power, a biosolids handling improvement project, increased biogas utilization project, and other long-term annual repair and replacement capital projects of approximately \$3 million per year;
- Funding inflationary increases in operating and maintenance costs, including, but not limited to, price increases of power, chemicals, specialized services and equipment, construction, staffing, and other costs; and
- Funding the ongoing annual operations and maintenance costs, debt service obligations, and reserve funding ensuring financial and operational stability now and in the future.

THE BASIS OF THE PROPOSED SEWER SERVICE CHARGES

The District imposes sewer service charges through four customer classes: (1) single family residential ("SFR"), (2) multi-family residential ("MFR"), (3) schools, and (4) commercial customers. SFR and MFR customer classes pay a fixed annual charge per unit. MFR customers are billed per the number of dwelling units on the parcel. Schools are billed based on the average daily attendance ("ADA"). Finally, commercial customer classes are charged per equivalent residential unit ("RU"). An [RU is based on the flow generation and estimated strength of the wastewater relative to the SFR customer class, therefore one [RU is equivalent to one SFR. The flow per [RU is defined as 150 gallons per day ("gpd") and strength of 387 and 476 mg/L respectively for BOD and TSS.* Commercial customers are assigned rates based upon each customer's flow generation (e.g., the amount of water use for the parcel) and estimated strength of the wastewater discharged into the system based on the type of commercial use. Commercial customers will be charged for no less than 75 gpd at their applicable rate, regardless of water use. The District proposes to continue including sewer service charges on the annual property tax rolls. The following table shows the maximum sewer service charges for all customer classes to be adopted for the next five fiscal years. The study demonstrates that the proposed maximum rates do not exceed the proportional cost of service on a parcel basis.

* BOD is the biochemical oxygen demand and TSS is the total suspended solids associated with determining the strength of the wastewater prior to treatment.

FIVE YEAR RATE SCHEDULE	Current ¹	Effective July 1, 2026	Effective July 1, 2027	Effective July 1, 2028	Effective July 1, 2029	Effective July 1, 2030
Single Family Residential (\$ per year)	\$530.38	\$544.33	\$566.11	\$588.76	\$612.32	\$636.82
Multi-Family Residential (\$ per year per dwelling unit)	\$429.71	\$456.42	\$474.68	\$493.66	\$513.41	\$533.95
Hotel (\$ per 150 gpd)	\$305.36 ²	\$452.79	\$470.91	\$489.75	\$509.34	\$529.72
Commercial – Food (\$ per 150 gpd)	N/A ³	\$685.63	\$713.06	\$741.59	\$771.26	\$802.12
Commercial – No Food (\$ per 150 gpd)	N/A ³	\$612.11	\$636.60	\$662.07	\$688.56	\$716.11
Market (\$ per 150 gpd)	\$966.18	\$511.78	\$532.26	\$553.56	\$575.71	\$598.74
Beauty/Barber (\$ per 150 gpd)	\$429.71	\$554.40	\$576.58	\$599.65	\$623.64	\$648.59
Restaurant (\$ per 150 gpd)	\$1,002.02	\$693.74	\$721.49	\$750.35	\$780.37	\$811.59
Church (\$ per 150 gpd)	\$530.38	\$659.04	\$685.41	\$712.83	\$741.35	\$771.01
Car Wash (\$ per 150 gpd)	\$419.55	\$414.68	\$431.27	\$448.53	\$466.48	\$485.14
Automobile Services (\$ per 150 gpd)	N/A ³	\$486.75	\$506.22	\$526.47	\$547.53	\$569.44
Hospital (\$ per 150 gpd)	\$505.96	\$534.09	\$555.46	\$577.68	\$600.79	\$624.83
Industrial (\$ per 150 gpd)	N/A ³	\$405.86	\$422.10	\$438.99	\$456.55	\$474.82
Medical Office (\$ per 150 gpd)	N/A ³	\$523.25	\$544.18	\$565.95	\$588.59	\$612.14
Office (\$ per 150 gpd)	\$ 90.69 ⁴	\$488.29	\$507.83	\$528.15	\$549.28	\$571.26
Schools (\$ per ADA)	\$ 26.95	\$ 23.61	\$ 24.56	\$ 25.55	\$ 26.58	\$ 27.65

¹ Currently, ERUs are billed per 203 gpd used. The new flow definition for an ERU is 150 gpd used.

² Hotels were previously billed per room and will now be billed per 150 gpd used.

³ A rate for this category did not previously exist, and/or it is a consolidation of several prior user classes. Refer to the rate study report for details.

⁴ Offices were previously billed per 500 square feet and will now be billed per 150 gpd used.

YOUR OPPORTUNITY TO GET INVOLVED

After reading the information in this notice, you may wish to provide input to the District Board of Directors. Below are three ways that you can get involved.

Attend the Public Hearing:

Any interested member of the public may attend the public hearing, which will be held:

Monday, June 1, 2026 at 6:30 p.m.
District Board Meeting Room
1 William Moffett Place, Goleta, CA 93117

At the public hearing, you will have an opportunity to provide oral or written testimony to the District Board of Directors, and may also submit a written protest as described below. Please note that submitting oral testimony at the District Board of Directors meeting will not count as a written protest unless accompanied with a protest in writing that meets the requirements described below. The District Board of Directors will consider all oral and written testimony and timely written protests, and determine whether a majority protest exists prior to deliberating on the proposed rate adjustments.

Submit a Written Protest:

In addition to, or instead of, participating in the public hearing, any record owner of a parcel upon which the sewer service charges are proposed to be imposed and any tenant directly liable for the payment of sewer service charges (i.e., a customer of record who is not a property owner) may submit a written protest to the

proposed rate adjustments and increases to the District's sewer service charges; however, only one protest will be counted per identified parcel. To be valid, a written protest must: (1) state that the identified property owner or tenant is opposed to the proposed sewer service charge adjustments; (2) provide the location of the identified parcel (by street address or assessor's parcel number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted to the Secretary of the Board by mail or in person at 1 William Moffett Place, Goleta, CA 93117, or during the public hearing (date, time, and location noted above).

The Secretary of the Board must receive written protests delivered by mail no later than 5:00 p.m. on the date of the public hearing. If submitted during the public hearing, the written protest must be received prior to the close of the public testimony portion of the public hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a valid written protest. Please indicate on the outside of any envelope mailed to the District Attn: Utility Rates Protest.

A majority protest against the proposed sewer service charge adjustments will exist if at the end of the public hearing there are written protests submitted and not withdrawn that represent a majority of the parcels (50% +1) that receive sewer service. The District cannot adopt the proposed rate adjustments if a majority protest exists.

Submit a Written Legal Objection to Preserve Your Ability to Judicially Challenge the Proposed Rates:

Pursuant to California Government Code Sections 53759.1 and 53759.2, a person or entity will be prohibited from bringing a judicial action or proceeding alleging that the proposed sewer service charges do not comply with Proposition 218 unless that person or entity has submitted a valid written legal objection to the proposed rates. This is known as an Exhaustion of Administrative Remedies requirement and is separate from the Proposition 218 majority protest process described above.

Any person or entity that wishes to bring a legal challenge to the proposed sewer service charge adjustments must first file a written legal objection that specifies the grounds for alleging the District's noncompliance with the law as described below. Written legal objections must be received by the District no later than 5:00 PM on May 25, 2026.

Information related to the written basis for the proposed sewer service charge adjustments can be found on the District's website at goletasanitary.org. You have the right to request that the District mail the written basis for the proposed sewer service charge adjustments directly to you. To request the written basis be mailed, please call the Goleta Sanitary District at **(805) 967-4519**.

Legal objections will only be considered valid if they meet the following procedural and substantive requirements:

- Legal objections must be in writing;
- Legal objections must be received no later than 5:00 p.m. on May 25, 2026;
- Legal objections must be mailed or hand delivered to ATTN: Utility Rates Protest or Objection, Goleta Sanitation District, 1 William Moffett Place, Goleta, CA 93117;
- Legal objections must include the following information:
 - Your name, parcel number and/or service address, including a return mailing or email address for District responses to your written objection;
 - A statement that your communication constitutes a legal objection;
 - A description of the nature of the legal objection which specifies the grounds for alleging the District's noncompliance with the law, with sufficient specificity to allow the District to determine whether any changes to the proposed sewer service charges are required. **A statement that the proposed sewer service charges are too high, or that the proposed sewer service charges violate Proposition 218, without an explanation as to the basis of your claim, will be insufficient to constitute a legal objection.**

A written protest will not constitute a valid legal objection unless it meets the requirements set forth above. Failure to submit a valid written legal objection prior to 5:00 p.m. on May 25, 2026 will bar any right to challenge the proposed sewer service charge through a legal proceeding.

The proposed sewer service charges are subject to Government Code section 53759. You are hereby notified, pursuant to Government Code section 53759 that any judicial action or proceeding to attack, review, set aside, void, validate, or annul the District Board of Directors adoption of the proposed sewer service charges must be commenced within 120 days of the effective date or of the date of the final passage, adoption, or approval of the ordinance or resolution adopting the sewer service charges, whichever is later.