

RESOLUTION NUMBER: 6599-2024

CITY OF SEBASTOPOL

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL ADOPTING THE 2024 WATER AND WASTEWATER RATE STUDY REPORT, ADOPTING WATER AND WASTEWATER RATES FOR FISCAL YEARS 2024-25 TO FISCAL YEAR 2028- 29, AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City's water and wastewater customers count on the City to deliver high quality, reliable water for a variety of community needs including indoor use, outside irrigation and fire protection; and

WHEREAS, water and wastewater rates pay for ongoing operations, maintenance, repair and improvements of the City's Water and Wastewater Utility; and

WHEREAS, Water and Wastewater Utility costs include operation and maintenance of wells, water mains, fire hydrants, valves, meters, pumps and other infrastructure and projects to upgrade and replace aging water and sewer pipes and system components to ensure the City can continue to serve safe and reliable water into the future; and

WHEREAS, the Water and Wastewater Rate Study recommends adjusting City of Sebastopol Water and Wastewater rates over 5 years, Fiscal Year 2024-25 through Fiscal Year 2028-29; and

WHEREAS, on April 23, 2024, the City Council was presented with the Water and Wastewater Rate Study findings and results, agreed that rate adjustments are needed to continue providing a reliable water supply, and directed staff to provide the 45-day notice of a public hearing required under Proposition 218 and tentatively set a date of June 18, 2024 for the public hearing; and

WHEREAS, pursuant to Proposition 218, a notice of the public hearing to be held on June 18, 2024 was mailed on May 3, 2024 to all affected water and sewer account holders and property owners; and

WHEREAS, this public hearing notice included the amount of the proposed water and wastewater rate adjustments for Fiscal Year 2024-25 through Fiscal Year 2028-29, the basis upon which the amount of the rate adjustments were calculated, the reason for the proposed rate adjustments, and the date, time, and location of a public hearing on the proposed rates; and

WHEREAS, on June 4, 2024, by motion of City Council, staff was directed to develop a lower level of service resulting in lower water rates than what was included in the Proposition 218 notice; and

WHEREAS, the California Environmental Quality Act (CEQA), Section 15273. *Rates, Tolls, Fares, and Charges*, states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

1. Meeting operating expenses, including employee wage rates and fringe benefits;
2. Purchasing or leasing supplies, equipment, or materials;
3. Meeting financial reserve needs and requirements;
4. Obtaining funds for capital projects, necessary to maintain service within existing service areas.

WHEREAS, the proposed water and wastewater rates for the City of Sebastopol are explicitly for the purposes above, as described in detail in the Water and Wastewater Rate Study Report, and capital projects proposed to be funded by the rate increases are necessary to maintain water and wastewater service within the City's existing service area; and

WHEREAS, on June 18, 2024, the City Council conducted a Public Hearing, considered testimony, and at the conclusion of the protest hearing determined that the number of valid written protests received was less than 50% plus one of the total number of water and wastewater customers or property owners subject to the fee in the City

and approved the recommendations in the Water Rate Study regarding adjustments to the Water and Wastewater Rates.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol hereby declares the foregoing recitals are true and correct; and

BE IT FURTHER RESOLVED that the City Council of the City of Sebastopol hereby adopts the City of Sebastopol Water and Wastewater Rate Study Final Report, including the recommended rate schedule for Fiscal Years 2024-25 through 2028-29 prepared by Raftelis Financial Consultants, dated June 12, 2024; and

BE IT FURTHER RESOLVED that the City Council of the City of Sebastopol hereby adopts the water and wastewater rates for the City of Sebastopol Water and Wastewater Utility set forth in this Resolution in Exhibit A shall become effective on July 1, 2024 and shall remain in effect until changed by the City Council; and

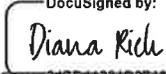
BE IT FURTHER RESOLVED that the City Council of the City of Sebastopol hereby determines all other rates, charges, fees, penalties, etc. not provided for herein which are presently charged in connection with operation of the City of Sebastopol Water and Wastewater Utility shall remain unchanged; and

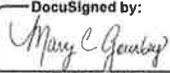
BE IT FURTHER RESOLVED that the City Council of the City of Sebastopol hereby finds that: a) the water and wastewater rates are for the purpose of: meeting operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or materials; meeting financial reserve needs and requirements; obtaining funds for capital projects, necessary to maintain service within existing service areas for the purposes listed above; b) that capital projects proposed to be funded by the rate increases are necessary to maintain water service within the City's existing service area; and c) the changes in rates and charges set forth in Exhibit A are statutorily exempt from the provisions of the California Environmental Quality Act under Section 15273 of the State CEQA Guidelines.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 18th day of June 2024, by the following vote:

VOTE:

Ayes: Councilmember Hinton, Vice Mayor Zollman and Mayor Rich
Noes: Councilmember Maurer and Councilmember McLewis
Absent: None
Abstain: None

APPROVED: 
24BD41281D2746F
Mayor Diane Gardner Rich

ATTEST: 
44C0774260FE430
Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: 
A59222B08CEC477
Larry McLaughlin, City Attorney

EXHIBIT A

CITY OF SEBASTOPOL WATER AND WASTEWATER RATES

Five-Year Water Rate Schedule, Fixed Charges, \$/Bi-mo.

Meter Size	Current	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
5/8"x3/4" & 3/4"	\$49.33	\$67.68	\$70.39	\$73.21	\$75.78	\$78.44
1"	\$82.41	\$111.95	\$116.43	\$121.09	\$125.33	\$129.72
1.5"	\$164.13	\$222.59	\$231.50	\$240.76	\$249.19	\$257.92
2"	\$262.77	\$355.37	\$369.59	\$384.38	\$397.84	\$411.77
3"	\$575.37	\$775.82	\$806.86	\$839.14	\$868.51	\$898.91
4"	\$821.78	\$1,395.46	\$1,451.28	\$1,509.34	\$1,562.17	\$1,616.85

Note: Single family on a 1" meter for fire service are charged the 3/4" rate.

Five-Year Water Rate Schedule, Volume Charges, \$/kgal

Customer Class	Current	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Residential						
Tier 1: 0 - 7 kgal	\$4.52	\$5.01	\$5.22	\$5.43	\$5.63	\$5.83
Tier 2: 8 - 16 kgal	\$4.52	\$6.39	\$6.65	\$6.92	\$7.17	\$7.43
Tier 3: > 16 kgal	\$4.52	\$8.87	\$9.23	\$9.60	\$9.94	\$10.29
Commercial	\$4.52	\$5.51	\$5.74	\$5.97	\$6.18	\$6.40
Irrigation	\$4.52	\$9.92	\$10.32	\$10.74	\$11.12	\$11.51

Note: Water truck haulers are charged at the Irrigation customer class rate.

1 kgal = 1,000 gallons

Five-Year Wastewater (Sewer) Rate Schedule

Charge	Current	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028
Meter Size, \$/bi-mo						
5/8x3/4" & 3/4"	\$76.61	\$95.25	\$105.73	\$115.25	\$125.63	\$136.94
1"	\$127.97	\$258.35	\$286.77	\$312.58	\$340.72	\$371.39
1.5"	\$254.86	\$657.20	\$729.50	\$795.16	\$866.73	\$944.74
2"	\$408.03	\$841.02	\$933.54	\$1,017.56	\$1,109.15	\$1,208.98
3"	\$893.44	\$2,093.81	\$2,324.13	\$2,533.31	\$2,761.31	\$3,009.83
4"	\$1,276.06	\$6,307.17	\$7,000.96	\$7,631.05	\$8,317.85	\$9,066.46
Volume, \$/kgal	\$10.31	\$15.47	\$17.18	\$18.73	\$20.42	\$22.26

Note: Single family on a 1" meter for fire service are charged the 3/4" rate.

Volume charge is based on the lowest two months of water use between December and March, commonly referred to as Average Winter Consumption.