

**RESOLUTION NO. 6279-2020**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL ADOPTING  
THE 2019 WATER AND SEWER RATE STUDY FINAL REPORT, ADOPTING WATER  
AND SEWER UTILITY RATES FOR FISCAL YEAR 2019-20 TO FISCAL YEAR 2022-  
23, AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL  
QUALITY ACT**

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

**WHEREAS**, Water and Sewer 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 2019 Water and Sewer Rate Study recommends adjusting City of Sebastopol Water and Sewer rates over 4 years, Fiscal Year 2019-20 through Fiscal Year 2022-23; and

**WHEREAS**, on August 6, 2019 the City Council received the final 2019 Water and Sewer Rate Study, 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 November 5<sup>th</sup> for the public hearing; and

**WHEREAS**, pursuant to Proposition 218, a notice of the public hearing to be held on November 5, 2019 was mailed on September 19, 2019 to all affected utility account holders and property owners; and

**WHEREAS**, in mid October 2019, it was uncovered an error occurred in the first mailing used to develop the mailing list for notices due to merging date from the utility billign records with date from the County of Sonoma property tax roll; and

**WHERE AS**, on November 5, 2019, the City Council authorized the second mailing to be sent to all parties to meet the requirement of Proposition 218 and the second mailing of the notices were the same as the first with the exception of the date of the public hearing; and

**WHEREAS**, pursuant to Proposition 218, a notice of the public hearing to be held on January 7, 2020 was mailed on November 22, 2019 to all affected utility account holders and property owners; and

**WHEREAS**, this public hearing notice included the amount of the proposed water and sewer rate adjustments for Fiscal Year 2019-20 through Fiscal Year 2022-23, 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**, 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 sewer rates for the City of Sebastopol are explicitly for the purposes above, as described in detail in the Water and Sewer Rate Study Final Report, and capital projects proposed to be funded by the rate increases are necessary to maintain water service within the City's existing service area.

**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 2019 Water and Sewer Rate Study Final Report, including the recommended rate schedule for Fiscal Years 2019-20 through 2022-23 prepared by Willdan Financial Services and dated July 26, 2019; and

**BE IT FURTHER RESOLVED** that the City Council of the City of Sebastopol hereby adopts the water and sewer rates for the City of Sebastopol Water and Sewer Utility set forth in this Resolution in Exhibit A shall become effective on January 7, 2020 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 Sewer 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 sewer 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.

IN COUNCIL DULY PASSED THIS 7th day of January 2020.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

**VOTE:**

Ayes: Councilmembers Carnacchi, Gurney, Hinton, Vice Mayor Glass and Mayor Slayter  
Noes: None  
Abstain: None  
Absent: None

APPROVED:   
Mayor Patrick Slayter

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

APPROVED AS TO FORM:   
Larry McLaughlin, City Attorney

**EXHIBIT A**

**CITY OF SEBASTOPOL WATER AND SEWER UTILITY RATES FISCAL YEAR 2019-20  
TO FISCAL YEAR 2022-23**

<b>Table 1-1 Projected Rate Revenue Increases Fiscal Years Ending June 30</b>		
<b>Description</b>	<b>Water Rate Revenue Increases</b>	<b>Sewer Rate Revenue Increases</b>
2018-19	0.0%	0.0%
2019-20	4.0%	7.0%
2020-21	3.0%	5.0%
2021-22	3.0%	4.5%
2022-23	2.0%	4.5%

<b>Table 4-11 Proposed Water Rates Fiscal Years 2019-20 through FY 2022-23</b>					
<b>Bi-Monthly Charge - \$</b>	<b>Bi-Monthly Base Charge</b>				
	<b>Existing</b>	<b>19-20 <sup>(1)</sup></b>	<b>20-21 <sup>(2)</sup></b>	<b>21-22 <sup>(2)</sup></b>	<b>22-23 <sup>(2)</sup></b>
5/8 x 3/4-inch	\$49.11	\$45.49	\$46.96	\$48.37	\$49.93
1-inch	82.03	76.16	78.14	80.79	82.41
1 1/2-inch	163.37	151.67	156.22	160.91	164.13
2-inch	261.56	242.83	250.11	257.62	262.77
3-inch	572.72	531.71	547.66	564.09	575.37
4-inch	817.99	759.41	782.20	805.66	821.78
<b>Volume Rate</b>					
<b>Volume Rate - \$/100 CF</b>	<b>18-19</b>	<b>19-20 <sup>(1)</sup></b>	<b>20-21 <sup>(2)</sup></b>	<b>21-22 <sup>(2)</sup></b>	<b>22-23 <sup>(2)</sup></b>
0-100 CF	\$0.00	\$3.12	\$3.22	\$3.31	\$3.38
100 to 3,000 CF	3.03	3.12	3.22	3.31	3.38
> 3,000 CF	3.20	3.12	3.22	3.31	3.38

(1) Effective January 1, 2020  
(2) Effective July 1, 2020 and every July thereafter

<b>Table 4-12 Proposed Sewer Rates Fiscal Years 2019-20 through FY 2022-23</b>					
<b>Bi-Monthly Charge - \$</b>	<b>Bi-Monthly Base Charge</b>				
	<b>Existing</b>	<b>19-20 <sup>(1)</sup></b>	<b>20-21 <sup>(2)</sup></b>	<b>21-22 <sup>(2)</sup></b>	<b>22-23 <sup>(2)</sup></b>
5/8 x 3/4-inch	\$74.50	\$66.81	\$70.15	\$73.31	\$76.61
1-inch	124.28	111.60	117.18	122.46	127.97
1 1/2-inch	247.84	222.27	233.38	243.88	254.86
2-inch	396.77	355.86	373.65	390.46	408.03
3-inch	868.30	779.19	818.15	854.97	893.44
4-inch	1,240.69	1,112.89	1,168.53	1,221.11	1,276.06
<b>Flow Rate</b>					
Residential 0 -100 CF	\$0.00	\$6.73	\$7.06	\$7.38	\$7.71
Residential > 100 CF	6.60	6.73	7.06	7.38	7.71
Dining Facility (Take Out) 0 – 100 CF	0.00	6.73	7.06	7.38	7.71
Dining Facility (Take Out) > 100 CF	7.42	6.73	7.06	7.38	7.71
Dining Facility (On Premise) 0 – 100 CF	0.00	6.73	7.06	7.38	7.71
Dining Facility (On Premise) > 100 CF	9.19	6.73	7.06	7.38	7.71
All Other 0 – 100 CF	0.00	6.73	7.06	7.38	7.71
All Other 100 – 50,000 CF	6.60	6.73	7.06	7.38	7.71
All Other > 50,000 CF	5.49	6.73	7.06	7.38	7.71

(1) Effective January 1, 2020  
(2) Effective July 1, 2020 and each July thereafter