

RESOLUTION NO. _____(CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE ACCEPTING THE RESULTS OF THE FINANCIAL ANALYSIS AND UTILITY RATE RECOMMENDATIONS, DIRECTING STAFF TO PROVIDE PUBLIC NOTIFICATION OF THE PROPOSED UTILITY RATES, AND DIRECTING THE CITY CLERK TO GIVE NOTICE THEREOF AND FIXING THE TIME FOR PUBLIC HEARING FOR MAY 25, 2021, PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54354.5 AND CALIFORNIA CONSTITUTION ARTICLE 13D SECTION 6

WHEREAS, the Council adopts utility rates to pay the cost of operating and maintaining the City's water, wastewater, and solid waste enterprise funds. These funds also pay for capital projects to replace and modernize the City's infrastructure, including projects such as new water and sewer lines, as well as many types of equipment, such as garbage collection vehicles, water meters, and well pumps. Utility rates have not been considered since 2015; and

WHEREAS, on June 11, 2019, the Council adopted Resolution No. 80-19 (CM), awarding contract to Raftelis Financial Consultants, Inc., a corporation, to prepare a cost of service analysis and rate study for each of these utilities for the next five fiscal years in order to adequately fund the financial needs of the utility funds; and

WHEREAS, the report recommends the City revise and adopt new rates and charges for water, sewer, and solid waste services necessary to meet debt service obligations, increased operational costs, and significant capital costs needed to maintain the current level of service; and

WHEREAS, California Government Code Section 54354.5 and California Constitution Article XIII D, Section 6 (added by Proposition 218), contains certain noticing requirements relating to the adoption and increase of property-related fees and charges; and

WHEREAS, any property owner or a tenant who is a customer of the City's Utilities Department may protest the proposed water rates. Only one written protest per parcel, filed by an owner or a tenant who is a customer, will be counted. Only written and signed protest that include the writer's address and/or assessor parcel number will be counted to determine whether a majority protest to the proposed water rate increase exists. Written protest may be mailed, or hand delivered to the City Clerk's Office at 275 Main Street, Fourth Floor, Watsonville, California, CA 95076 or emailed to cityclerk@cityofwatsonville.org ; and

WHEREAS, if a property owner or tenant opposes the proposed rate increases, Proposition 218 requires that their protest must be submitted in writing to be counted, even if they plan to attend the Public Hearing. To be counted, the protest must: 1) be in writing 2) state opposition to the proposed rate increase; 3) identify the parcel by assessor's parcel number or street address; 4) include the original signature of the owner of record or a tenant who is a customer of the City's Utility Department; 5) be received before the conclusion of the Public Hearing set for May 25, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. That the Council accepts the results of the financial plan and the proposed rates for the water, wastewater, and solid waste enterprise funds.
2. That the Council directs staff to provide public notification of the new proposed rates in accordance with Proposition 218.
3. That on Tuesday, May 25, 2021, at 6:30 p.m. or as soon thereafter as is practical, the City Council will conduct a public hearing on the tabulation of the protests

and adoption of the proposed fees, rates, and charges for water, sewer, and solid waste services pending the results of the protest. Since there is no physical location from which members of the public may observe the meeting, they may view and participate before or during the meeting by teleconference, video conference or both. Instructions on how to participate are found on Page 1 of each City Council Meeting Agenda.

4. That the City Clerk is hereby authorized and directed to give notice of the hearing in accordance with the provisions of the California Government Code Section 54354.5 and California Constitution Article XIII D, Section 6.
