

RESOLUTION NO. _____ (CM)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
WATSONVILLE OVERRULING PROTESTS, IF ANY, AND ADOPTING
FEES, RATES, AND CHARGES FOR WATER, WASTEWATER, AND
SOLID WASTE SERVICES**

Rescinds Resolution No.'s 70-12 (CM) and 140-15 (CM)

EFFECTIVE DATE: JULY 1, 2021

WHEREAS, the City of Watsonville operates three utility enterprise funds: Water, Wastewater, and Solid Waste, which are managed by the City, and charges customers for services provided by these enterprises; and

WHEREAS, the City's water, wastewater, and solid waste enterprise fund rates are intended to recover revenues sufficient to adequately fund utility operations, maintenance, and capital replacement expenditures, and meet debt service obligations, while keeping rates as competitive as possible and maintaining a prudent level of reserves; and

WHEREAS, Section 6-3.301 (Charges) of Article 3 (Payment and Billing Procedures) of Chapter 3 (City Utilities) of Title 6 (Sanitation and Health) [Ordinance No. 1088-00 (CM)], authorizes the City Council to fix various fees, rates, and charges, subject to annual Consumer Price Index (CPI) adjustments; and

WHEREAS, the last rate study that recommended utility rate increases was completed in 2015; and

WHEREAS, on September 8, 2015, the Council adopted Resolution No. 140-15 (CM), establishing fees, rates, and charges for water, wastewater (sewer), and solid waste services; and

WHEREAS, on June 11, 2019, the Council adopted Resolution No. 80-19 (CM), awarding contract to Raftelis Financial Consultants, Inc., to prepare a cost service analysis and rate study for the City's Water, Wastewater and Solid Waste Enterprise Funds; and

WHEREAS, the overall purpose of the study was to develop a proposed five-year schedule of water, wastewater, and solid waste rates; and

WHEREAS, due to the impacts of the COVID-19 pandemic, the City decided to postpone any proposed rate charges until FY 2021-2022; and

WHEREAS, on March 9, 2021, the Council adopted Resolution No. 72-21 (CM), accepting results of the financial analysis and utility rate recommendations, and directed staff to provide legally required public notice of the proposed utility rates; and

WHEREAS, the City is proposing rate adjustments for its water, wastewater and solid waste utilities; and

WHEREAS, these rate changes are necessary to meet current and future fiscal obligations, to properly operate and maintain critical infrastructure, to fund capital projects and meet future debt service obligations and to comply with new regulations, and to maintain the current level of service; and

WHEREAS, in July 2006, the California Supreme Court ruled that certain public agencies utility rates are subject to Proposition 218; and

WHEREAS, as required by Article XIID of the State Constitution (added by Proposition 218), the City mailed a Notice of Public Hearing to property owners and customers on April 3, 2021, regarding the proposed water, wastewater, and solid waste collection rate changes; and

WHEREAS, that on Tuesday, May 25, 2021, at the 5:30 p.m. session, the City

Council conducted a public hearing on the new proposed rates for water, wastewater, and solid waste more than 45 days after the April 3, 2021, Notice was mailed. The public hearing was held virtually via Zoom at <https://cityofwatsonville-org.zoomgov.com/j/1604661504> or at the meeting place of the City Council, located in the City Council Chambers, 275 Main Street, (4th) Fourth Floor, Watsonville, California, to take testimony and for hearing protests in relation to the proposed fees, rates, and charges, for tabulation of protests, notices of which hearing were mailed as required by law; and

WHEREAS, the hearing was held, and all persons interested desiring to be heard were given an opportunity to be heard, and all matters and things pertaining to the fees, rates, and charges were fully heard and considered by this Council, and any protests, both written and oral, were duly heard, considered, and all protests submitted by property owners were received and tabulated.

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

1. No Majority Protest; Protests Overruled. That it is hereby determined that, upon the conclusion of the public hearing, and after tabulation of the protests submitted, no majority protests against the fees, rates, and charges existed because the protests submitted in opposition to the fees, rates, and charges occurred because the protests did not exceed (50%) fifty percent of the property owners.

2. Fees, Rates, and Charges. That the City Council hereby establishes the fees, rates, and charges described in Exhibit "A", attached hereto and incorporated herein, for water, wastewater, and solid waste services, which fees, rates, and charges shall supersede any and all fees, rates, and charges inconsistent therewith.
