



CITY OF ATASCADERO CITY COUNCIL AGENDA

*** COVID-19 NOTICE ***

Consistent with Executive Orders N-25-20 and No. N-29-20 from the Executive Department of the State of California and the San Luis Obispo County Health Official's March 18, 2020 Shelter at Home Order, the City Council Meeting will not be physically open to the public and City Council Members will be teleconferencing into the meeting.

HOW TO OBSERVE THE MEETING:

To maximize public safety while still maintaining transparency and public access, the meeting will be live-streamed on SLO-SPAN.org, on Spectrum cable Channel 20 in Atascadero, and on KPRL Radio 1230AM. The video recording of the meeting will repeat daily on Channel 20 at 1:00 am, 9:00 am, and 6:00 pm and will be available through the City's website or by visiting <https://attendee.gotowebinar.com/rt/6870163572939367694>.

HOW TO SUBMIT PUBLIC COMMENT:

Members of the public are highly encouraged to call **805-538-2888** to listen and provide public comment via phone, or submit written public comments to cityclerk@atascadero.org by 5:00 pm on the day of the meeting. Such email **comments must identify the Agenda Item Number in the subject line of the email**. The comments will be read into the record, with a maximum allowance of 3 minutes per individual comment, subject to the Mayor's discretion. All comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time. If a comment is received after the agenda item is heard but before the close of the meeting, the comment will still be included as a part of the record of the meeting but will not be read into the record.

AMERICAN DISABILITY ACT ACCOMMODATIONS:

Any member of the public who needs accommodations should contact the City Clerk's Office at cityclerk@atascadero.org or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

City Council agendas and minutes may be viewed on the City's website: www.atascadero.org.

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The Minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the Minutes and available for review by contacting the City Clerk's office. All documents will be available for public inspection during City Hall business hours once City Hall is open to the public following the termination of the Shelter at Home Order.



CITY OF ATASCADERO CITY COUNCIL

SPECIAL MEETING AGENDA

Monday, June 1, 2020

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California**

City Council Special Meeting:

6:00 P.M.

SPECIAL MEETING – CALL TO ORDER: 6:00 P.M.

COMMUNITY FORUM: This portion of the meeting is reserved for persons wanting to address the Council on this Special Meeting Agenda.

PUBLIC HEARINGS:

- 1. Proposition 218 Majority Protest Process Relative to Proposed Increase to Wastewater (Sewer) Rates**
 - Ex-Parte Communications:
 - Fiscal Impact: If approved, the new wastewater rates will result in an estimated \$400,000 in additional revenue from sewer service charges collected in FY20/21.
 - Recommendations: Council:
 1. Conduct a public hearing to receive all written and verbal testimony regarding the proposed wastewater (sewer) rates and consider the results of protest proceedings in accordance with Proposition 218.
 2. Adopt one of the following resolutions certifying the protest results:
 - A. For a non-majority protest – Draft Resolution A certifying that the number of valid written protests were not received from property owners representing a majority of the parcels subject to the proposed rate increase.
 - OR**
 - B. For a majority protest – Draft Resolution B certifying that the number of valid written protests were received from property owners representing a majority of the parcels subject to the proposed rate increase.
 3. If no majority protest exists, adopt Draft Resolution C approving proposed wastewater rates effective July 1, 2020. [Public Works]

ADJOURN

Please note: Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.



Atascadero City Council

Staff Report - Public Works Department

Proposition 218 Majority Protest Process Relative to Proposed Increase to Wastewater (Sewer) Rates

RECOMMENDATIONS:

Council:

1. Conduct a public hearing to receive all written and verbal testimony regarding the proposed wastewater (sewer) rates and consider the results of protest proceedings in accordance with Proposition 218.
2. Adopt one of the following resolutions certifying the protest results:
 - A. For a non-majority protest – Draft Resolution A certifying that the number of valid written protests were not received from property owners representing a majority of the parcels subject to the proposed rate increase.

OR

- B. For a majority protest – Draft Resolution B certifying that the number of valid written protests were received from property owners representing a majority of the parcels subject to the proposed rate increase.
3. If no majority protest exists, adopt Draft Resolution C approving proposed wastewater rates effective July 1, 2020.

REPORT IN BRIEF:

The City is proposing to increase wastewater rates in order to accommodate the costs of providing wastewater services due to a number of key factors including but not limited to rising treatment and energy costs; impacts of regulation and legislation; and past and continued critical upgrades and/or replacement of wastewater facilities and infrastructure. A Wastewater Rate Study was prepared that proposed increases to sewer service charges and sewer connection fees (capacity charges).

The City Council reviewed the rate study and proposed wastewater rates at their April 14, 2020 meeting and directed staff to administer the Proposition 218 majority protest process and send out notice of the proposed increases to all property owners

connected to the municipal sanitary sewer system. The Council also set a Public Hearing for June 1, 2020 to consider proposed wastewater rate increases and receive any protests from parcel owners subject to the rate increases. If a majority of valid protests are received by the deadline established, the City cannot increase the proposed rates in accordance with Proposition 218. If a majority of protests are not received, the City may go ahead with the proposed rate increases.

DISCUSSION:

Background

The City of Atascadero owns and operates a wastewater collection and treatment system that provides service to a portion of the City. The over 5,000 parcels served by the wastewater collection and treatment system include residential, commercial, and light industrial customers. The remainder of the City's population is served by on-site wastewater treatment systems (septic systems).

The City assumed ownership and operation of the wastewater collection and treatment system from the Atascadero County Sanitation District in 1982 shortly after incorporation (1979). While there have been upgrades, modifications, and additions to the wastewater treatment facilities, the overall process has not changed significantly since 1982 and is considered a stabilization pond treatment system. The wastewater collection system (also referred to as the sanitary sewer system) is currently comprised of approximately 63 miles of four to 21-inch diameter gravity sewer pipe, 1,460 manholes, 12 lift stations, 7 miles of four to 16-inch diameter forcemain, and over 5,000 sewer service connections. This system has expanded since 1982 but still has original pipes in service from the 1930's.

Customers connected to the City's sanitary sewer system are billed a monthly fixed charge for the service the City provides to collect and treat the wastewater, which is called a sewer service charge or wastewater service charge. This fixed rate methodology is used since the City is not the water supplier and does not have access to individual customer water consumption data. The monthly fixed charge used by the City is based upon Equivalent Dwelling Units (EDUs), where one EDU is the basis for a single family residence (SFR) service charge, based upon an estimated average daily flow of 240 gallons of wastewater and wastewater strength provided by the residence. Other connection users are assigned a multiple or fraction of an EDU based upon expected average daily flow and strength of wastewater compared to that of SFR. For example, an apartment or condo is 0.75 EDUs and charged 0.75 times that of a SFR service charge, and a restaurant with less than 40 seats is 4 EDUs and charged 4 times that of a SFR service charge. The City currently has about 8,400 EDUs in the system.

Sewer service charges are collected by placing a levy each year on the property taxes of individual customers through San Luis Obispo County. The City provides data to the County, including the Assessor's Parcel Number (APN), and the associated sewer service charge being levied on the property. The charge is included as a line item on the customer's property tax statements. Revenue from sewer service charges are paid to the City twice each year.

The sewer service charges have been adjusted only three times since 1982. Council adopted the current monthly rate of \$24.01 per EDU last year. Prior to that, the current rates had remained unchanged since 1994.

Council directed staff at its April 14, 2020 meeting to administer the Proposition 218 majority protest process and send out notice of the proposed increases to all property owners connected to the municipal sanitary sewer system. Council also set a Public Hearing for June 1, 2020 for its consideration of the proposed wastewater rate increases. Staff prepared and sent out notices to property owners on April 16, 2020, which meets the 45-day noticing requirement for the Public Hearing. A copy of the notice (Attachment 1) is included as reference.

Wastewater Rate Analysis

The City is dedicated to keeping rates low by maintaining lean staffing levels, absorbing increasing operational and maintenance costs, and using reserves when necessary. However, much like other utilities and services delivered to homes and businesses, the costs involved to collect and treat wastewater have risen and continue to rise.

As part of the Wastewater Master Plan process, an independent engineering consultant, MKN, assessed and analyzed the capital needs of the wastewater collection and treatment systems. A Capital Improvement Program (CIP) was developed that identified numerous capital facility replacements and upgrades to provide a safe and reliable wastewater system. In addition to other projects, the most significant capital projects identified consist of the Water Reclamation Facility treatment process improvements totaling in excess of \$23 million, and the Lift Station No. 13 and Force Main project totaling about \$5.5 million. Both projects are expected to be completed within the next five years. The CIP cost estimates exceed \$52 million over the next ten years.

Tuckfield & Associates, an independent financial consultant, completed a comprehensive wastewater rate study for the City's wastewater enterprise in May 2019. This study analyzed the City's wastewater services, wastewater enterprise revenue and revenue requirements, and current rate structure. The study also analyzed and determined the cost of providing wastewater services and their corresponding impacts to customer's bills. This analysis identified a number of key factors that result in the proposed rates. These key factors include, but are not limited to:

- Rising treatment and energy costs
- Impacts of regulation and legislation
- Past and continued critical upgrades and/or replacement of wastewater facilities and infrastructure

The wastewater rate study recommends increasing the current monthly sewer service charge of \$24.01 per SFR (or EDU) by \$4.56 for a total monthly rate of \$28.57. The report further recommends similar percentile increases for each of the following years through FY23/24. The table below shows the current and proposed FY20/21 sewer service charges for the various connection user categories.

CURRENT AND PROPOSED MONTHLY SEWER SERVICE CHARGES				
Classification Description	EDU ³ Multiple	Unit of Measure	Monthly Rate	
			Current	Proposed ¹
Residential Fixed Charges				
Single Family	1.00	Dwelling Unit	\$ 24.01	\$ 28.57
Apartment, Condo	0.75	Dwelling Unit	\$ 18.00	\$ 21.43
Mobile Home	0.60	Spaces	\$ 14.41	\$ 17.14
Senior Apartment Unit	0.35	Dwelling Unit	\$ 8.40	\$ 10.00
Non-Residential Fixed Charges				
Financial Institutions	2.00	Unit	\$ 48.03	\$ 57.14
Bars	1.50	Unit	\$ 36.02	\$ 42.86
Carwash	7.50	Unit	\$ 180.11	\$ 214.28
Churches/Meeting Halls				
< 150 seats	1.33	Seats	\$ 31.93	\$ 38.00
150 to 250 seats	2.66	Seats	\$ 63.87	\$ 76.00
> 250 seats	3.00	Seats	\$ 72.15	\$ 85.71
Commercial Unit	1.00	Unit	\$ 24.01	\$ 28.57
Funeral Home	9.00	Unit	\$ 216.13	\$ 257.13
Gas Station	2.00	Unit	\$ 48.02	\$ 57.14
Grocery Store > 10,000 sq. ft.	8.00	1,000 sq. ft.	\$ 192.08	\$ 228.56
Gymnasium	10.00	Unit	\$ 240.11	\$ 285.70
Laundry	9.00	Unit	\$ 216.13	\$ 257.13
Motel (per room)	0.33	Room	\$ 7.93	\$ 9.43
Office Unit	1.00	Unit	\$ 24.01	\$ 28.57
Rest Home (per bed)	0.35	Bed	\$ 8.40	\$ 10.00
Restaurants				
< 40 seats	4.00	Seats	\$ 96.04	\$ 114.28
40 to 60 seats	6.00	Seats	\$ 144.06	\$ 171.42
61 to 100 seats	8.00	Seats	\$ 192.08	\$ 228.56
> 100 seats	10.00	Seats	\$ 240.11	\$ 285.70
Schools (per student on Mar. 1)	0.05	Student	\$ 1.20	\$ 1.43
Theater	4.00	Unit	\$ 96.04	\$ 114.28
Veterinarians	3.00	Unit	\$ 72.04	\$ 85.71
Unlisted Uses ²	1.00	Unit	\$ 24.01	\$ 28.57

¹ Proposed Rates effective July 1, 2020

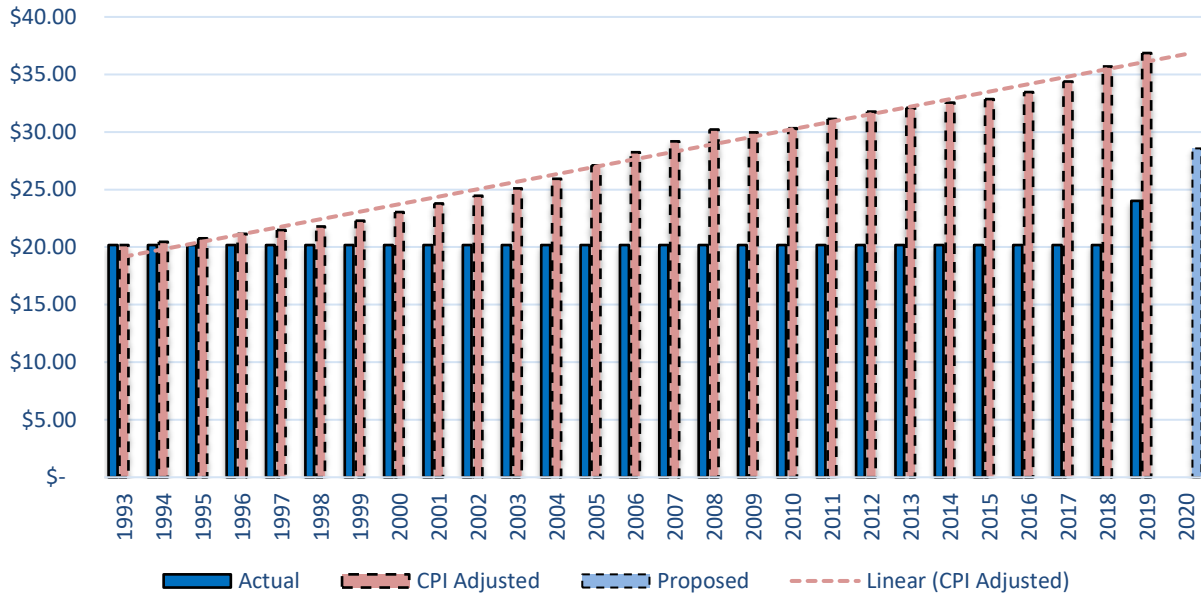
² Unlisted uses are determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

³ EDU = Equivalent Dwelling Unit is the average daily flow of wastewater discharge from a single family residence (240 gallons per day).

Staff analyzed what the current SFR monthly sewer service charge would be if Consumer Price Index (CPI) values were applied each year since the last rate adjustment in 1993. Using the Los Angeles-Long Beach-Anaheim area CPI values, the CPI-adjusted monthly SFR sewer service rate would be \$36.86 on July 1, 2019, an

increase of \$12.85 or 54% higher than the current \$24.01 rate. The following graph compares the actual and CPI-adjusted rates.

Monthly SFR Sewer Service Charge Comparison (1993 to 2020)



Tuckfield & Associates conducted a wastewater rate survey for neighboring communities to the City of Atascadero. The rate survey includes rate schedules in effect in April 2019. The following chart compares the City's monthly sewer service charge for a SFR to those neighboring communities at the same use for rates in effect February 2020. As the chart depicts, the current and proposed FY20/21 monthly sewer service bill is among the lowest in San Luis Obispo County.

Comparison of Single-family Residential Monthly Wastewater Bills For Rates in Effect February 2020



No changes are recommended at this time to the connection user classifications (description) or corresponding EDU assignments. Any significant changes to EDU allocations typically require a volumetric analysis of winter water use patterns and other determinations to ensure that there is a nexus for the allocation. This comprehensive approach ensures all customers pay their equitable costs and one user class does not subsidize another.

The City has updated the customer database and performed a full audit and inventory of all wastewater connection user classifications. The City and its consultants are coordinating with Atascadero Mutual Water Company (AMWC) and utilizing water records to complete a volumetric analysis of the water use patterns of the various groups of connection user classifications. After this process, wastewater rates are recommended to be re-evaluated and established for a four or five-year period, ideally FY21/22 through FY25/26, with built-in CPI adjustments.

Public Hearing Procedures/Next Steps:

The Council should open the Public Hearing and receive public comment and protests. Protests must be in writing and contain the required information below, as described in the mailed notice and Resolution 2019-033, which established procedures for the submission and tabulation of protests in connection with Proposition 218 rate hearings:

1. A statement it is a protest against the proposed rate that is the subject of the hearing.
2. Name of the property owner or record customer who is submitting the protest.
3. Identification of assessor's parcel number and/or street address of the parcel with respect to which the protest is made.
4. Original, wet signature and legibly printed name of the property owner or record customer who is submitting the protest.
5. Date the protest was signed.
6. A certification, by the named property owner affirming the contents of the protest are true and correct.

At the conclusion of the public hearing, the City Clerk shall tabulate all valid protests received, including those received prior to the conclusion of the public hearing, and shall report the result to the City Council. If the number of protests received is insufficient to constitute a majority protest, then the City Clerk may determine the absence of a majority protest without validating the protests received, but may instead deem them all valid without further examination. Further, if the number of protests received is obviously substantially fewer than the number required to constitute a majority protest, then the City Clerk may determine the absence of a majority protest without opening the envelopes which contain the protests.

If the City Clerk determines that additional time is needed to validate and tabulate the protests because the City Clerk has not made the determination described above, then the City Clerk shall so advise the City Council, which may continue the related portion of the meeting to allow the validation and tabulation to be completed on another day or days. If so, then the City Council shall declare the time and place of tabulation, which shall be conducted in a place where interested members of the public may observe the tabulation, and the City Council shall declare the time at which the meeting shall be continued to receive and act on the tabulation report of the City Clerk.

There are 5455 parcels connected to the sanitary sewer system and subject to the proposed rate increases. Therefore, there needs to be 2728 or more valid protests for the majority protest to occur, whereby no proposed rate increase may be adopted. After the City Clerk determines the results of the protest process, the City Council will adopt one of two Draft Resolutions setting forth the results of the protest process. If the majority of property owners do not protest, the City Council may go forward with approving the proposed rate increases. In accordance with Title 7, Chapter 10 (7-10.001) of the Municipal Code, the sewer service rates are adopted by Resolution. To avoid confusion, the City Attorney's office recommends that the new rates are not effective for 30 days following adoption, or effective beginning July 1, 2020.

FISCAL IMPACT:

If the number of valid written protests were not received from property owners representing a majority of the parcels subject to the proposed rate, the City Council may adopt Draft Resolution A and C. Doing so will result in an estimated \$400,000 in additional revenue from sewer service charges collected in FY20/21.

ALTERNATIVES:

1. If a majority protest is not received by property owners, Council has the option to reduce the proposed rate increases but may not increase the rate over that proposed.
2. Council could take no action.

ATTACHMENTS:

1. Notice Concerning Proposed Wastewater Rate Increases and Public Hearing
2. Draft Resolution A Setting Forth the Results of the Protest Process (Non-Majority Protest)
3. Draft Resolution B Setting Forth the Results of the Protest Process (Majority Protest)
4. Draft Resolution C Approving Proposed Wastewater Rates Effective July 1, 2020

NOTICE CONCERNING PROPOSED WASTEWATER RATE INCREASES AND PUBLIC HEARING



Please disregard the previous notice recently mailed to you – that notice was mailed in error by the printing company hired by the City. This new notice is being sent at no cost to customers or taxpayers.

To Property Owner/Customer:

NOTICE IS HEREBY GIVEN that on **Monday, June 1, 2020, at 6:00 p.m.**, a public hearing will be held at the City of Atascadero Council Chambers located at 6500 Palma Avenue, Atascadero, California 93422 to consider proposed increases in wastewater rates. If approved by the City Council, the proposed rate increases will be effective for services provided on or after July 1, 2020.

WHY ARE THE RATE CHANGES BEING CONSIDERED?

The City is dedicated to keeping rates low by maintaining lean staffing levels, absorbing increasing operational and maintenance costs, and using reserves when necessary. However, much like other utilities and services delivered to homes, the costs involved to collect and treat wastewater have risen and continue to rise. The City has only increased sanitary sewer charges once since 1994, with that increase occurring last year.

INDEPENDENT ANALYSIS

The City engaged an independent consulting engineer to assess and analyze the capital needs of the wastewater collection and treatment systems. The independent engineer identified numerous capital facility replacements and upgrades required to continue to provide a safe and reliable wastewater system. In addition to other projects, the most significant capital projects identified consist of the Water Reclamation Facility treatment process improvements totaling in excess of \$23 million and Lift Station #13 and Force Main project totaling about \$5.5 million, both projects expected to be completed within the next five years.

Additionally, the City engaged an independent financial consultant to analyze its wastewater services, revenues and rates and prepare a Wastewater Rate Study. The City commissioned this analysis to determine the cost of providing wastewater services and their corresponding impacts to customer's bills. This analysis identified a number of key factors that result in the proposed rates. These key factors include, but are not limited to:

- Rising treatment and energy costs
- Impacts of regulation and legislation
- Past and continued critical upgrades and/or replacement of wastewater facilities and infrastructure

PROPOSED WASTEWATER REVENUE INCREASES

The City proposes to increase its wastewater service charges. All wastewater customers would be charged a fixed monthly wastewater service charge in the same manner as they are currently charged. Customers of the wastewater system are charged proportionally to their wastewater flow and strength contributed to the wastewater collection and treatment facilities. Proposed wastewater service charges are provided on the following page.

WASTEWATER MONTHLY BILL IMPACT FOR THE AVERAGE RESIDENTIAL CUSTOMER

The wastewater bill for a single-family residential customer will increase by \$4.56 per month under the proposed rates. Apartment and Condo bills will increase \$3.43 per month while Senior Apartment Units will increase by \$1.60 per month. Bills for Mobile Homes will increase \$2.73 per month. The table below provides the increase in monthly charges for residential customers.

Residential Classification	Monthly Rate		
	Current	Proposed ¹	Difference
Single Family	\$ 24.01	\$ 28.57	\$ 4.56
Apartment, Condo	\$ 18.00	\$ 21.43	\$ 3.43
Mobile Home	\$ 14.41	\$ 17.14	\$ 2.73
Senior Apartment Unit	\$ 8.40	\$ 10.00	\$ 1.60

¹ Proposed Rates effective July 1, 2020

Revenues derived from the proposed rate changes do not exceed the revenue requirements needed to provide the property-related services by the City nor will the revenues from the rates and charges referenced herein be used for any purpose other than that for which the corresponding rates are imposed. The amount of the proposed rates imposed upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service(s) attributable to such parcel; and no rate will be imposed for a service unless that service is actually used by, or immediately available to, the property or customer in question.

CURRENT AND PROPOSED MONTHLY SEWER SERVICE CHARGES**PUBLIC HEARING AND
PROTEST PROCEEDING**

Classification Description	EDU Multiple	Unit of Measure	Monthly Rate	
			Current	Proposed ¹
Residential Fixed Charges				
Single Family	1.00	Dwelling Unit	\$ 24.01	\$ 28.57
Apartment, Condo	0.75	Dwelling Unit	\$ 18.00	\$ 21.43
Mobile Home	0.60	Spaces	\$ 14.41	\$ 17.14
Senior Apartment Unit	0.35	Dwelling Unit	\$ 8.40	\$ 10.00
Non-Residential Fixed Charges				
Financial Institutions	2.00	Unit	\$ 48.03	\$ 57.14
Bars	1.50	Unit	\$ 36.02	\$ 42.86
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Theater	4.00	Unit	\$ 96.04	\$ 114.28
Veterinarians	3.00	Unit	\$ 72.04	\$ 85.71
Unlisted Uses ²	1.00	Unit	\$ 24.01	\$ 28.57

¹ Proposed Rates effective July 1, 2020² Unlisted uses are determined by use of fixture units from the California Plumbing Code or as by means deemed appropriate by the City Engineer.

The City Council will hear and consider all written protests and oral comments to the proposed rate increases at the Public Hearing. All interested parties are invited to participate in the public hearing and present written protests and/or oral comments on the proposed rate increases referenced herein. Oral comments made at the public hearing will not qualify as formal protests of the proposed rate increases unless accompanied by a written protest setting forth the required information (as detailed below). Upon the conclusion of the Public Hearing, the City Council will consider adoption of a resolution authorizing the rate increases to the City's wastewater service charges as described in this Notice. If written protests against the proposed rate increases and adjustments to the wastewater rates as outlined below are not presented by a majority of property owners of the identified parcels upon which the wastewater rates are proposed to be imposed, the City Council will be authorized to impose the respective rate increases and adjustments. If adopted, the proposed rate increases to the wastewater service charges will be in effect beginning July 1, 2020.

Pursuant to State law, written protests may be submitted by any record property owner of a parcel, subject to the proposed City rate changes, against any or all of the proposed rate changes described in this Notice. However, only one written protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner is in opposition to the proposed increases to the wastewater rates; (2) provide the location of the identified parcel (by street address or assessor's parcel number (APN)); (3) include the printed name and original, wet signature of the property owner submitting the protest; (4) date the protest was signed; and (5) certification by the named property owner that the contents of the protest are true and correct. Written protests may be submitted by mail or in person to the City Clerk at 6500 Palma Avenue, Atascadero, CA 93422, or at the Public Hearing on June 1, 2020 (date, time, and location specified on the front of this Notice), provided they are received prior to the close of the Public Hearing, which will occur when the public testimony on the proposed increases and adjustments is concluded. Due to the inability to verify the authenticity of each individual protest, protests received by telephone, electronic mail (e-mail), or via social media sites, including, but not limited to, Facebook or Twitter shall **NOT** be accepted. Please identify on the front of the envelope for any written protest, whether mailed or submitted in person to the City Clerk, the following: "Attn: Protest Wastewater Rate Increases". Written protest in marked envelopes may be submitted in person by dropping off at City Hall, including during the Public Hearing at the Lewis Avenue entrance.

For more information or questions about the proposed wastewater rate increases, written protest submittal procedures, or public testimony options at the Public Hearing, you may contact the Department of Public Works at (805) 470-3456 or visit the City's website at www.atascadero.org. The City's Wastewater Rate Study and protest procedures will be available on the City's website not later than end of the week of April 13, 2020.

DRAFT RESOLUTION A

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, SETTING FORTH THE RESULTS OF
PROTESTS IN CONNECTION WITH WASTEWATER (SEWER) RATE
HEARING CONDUCTED PURSUANT TO THE REQUIREMENTS OF
PROPOSITION 218**

WHEREAS, Article XIID, Section 6 of the California Constitution requires the City Council to consider written protests to certain proposed increases to rates (fees or charges) for utility services; and

WHEREAS, the City Council adopted Resolution No. 2019-033 establishing procedures for the submission and tabulation of protests in connection with rate hearings conducted pursuant to the requirements set forth in Article XIID of the California Constitution to help ensure that the rights of those persons that are authorized to protest service charges are preserved; and

WHEREAS, a Wastewater Rate Study was prepared for the City of Atascadero's Wastewater Enterprise and recommends increases to wastewater rates to meet the on-going operational needs of the enterprise and needed funding for capital infrastructure requirements; and

WHEREAS, the City Council reviewed the Wastewater Rate Study at their regular meeting on April 14, 2020 and directed staff to administer the Proposition 218 majority protest process and send out notice of the proposed increases to all parcel owners subject to the increase and set a Public Hearing for June 1, 2020 to consider proposed wastewater rate increases; and

WHEREAS, notices of the proposed wastewater rates and Public Hearing were mailed to all parcel owners subject to the proposed increases at least 45 days prior to the Public Hearing; and

WHEREAS, the City Council conducted a Public Hearing for proposed wastewater rates on June 1, 2020 to receive public comment and consider the results of protest proceedings in accordance with Proposition 218; and

WHEREAS, the City Clerk has tabulated all valid protests received by the conclusion of the June 1, 2020 Public Hearing and has determined that the number of valid protests received is insufficient to constitute a majority protest (50% plus 1).

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1: Recitals. The above recitals are true and correct and are hereby incorporated by reference.

SECTION 2: Protest Votes. The number of unique parcels eligible to file a protest was 5,455. The number of valid protests required to prevent adoption of the proposed rate increases is 2,728. The number of valid protests received by the City at the end of the June 1, 2020 Public Hearing was _____.

SECTION 3: Results of Protests. The tabulation by the City Clerk of the number of valid protests received on proposed wastewater rates is accepted and sets forth that the protest results conclude that there is a insufficient number of valid protests received to constitute a majority protest to the proposed wastewater rates, whereby allowing the consideration to adopt proposed wastewater rates.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___day of ____, 2020.

On motion by _____ and seconded by _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

DRAFT RESOLUTION B

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, SETTING FORTH THE RESULTS OF
PROTESTS IN CONNECTION WITH WASTEWATER (SEWER) RATE
HEARING CONDUCTED PURSUANT TO THE REQUIREMENTS OF
PROPOSITION 218**

WHEREAS, Article XIID, Section 6 of the California Constitution requires the City Council to consider written protests to certain proposed increases to rates (fees or charges) for utility services; and

WHEREAS, the City Council adopted Resolution No. 2019-033 establishing procedures for the submission and tabulation of protests in connection with rate hearings conducted pursuant to the requirements set forth in Article XIID of the California Constitution to help ensure that the rights of those persons that are authorized to protest service charges are preserved; and

WHEREAS, a Wastewater Rate Study was prepared for the City of Atascadero's Wastewater Enterprise and recommends increases to wastewater rates to meet the on-going operational needs of the enterprise and needed funding for capital infrastructure requirements; and

WHEREAS, the City Council reviewed the Wastewater Rate Study at their regular meeting on April 14, 2020 and directed staff to administer the Proposition 218 majority protest process and send out notice of the proposed increases to all parcel owners subject to the increase and set a Public Hearing for June 1, 2020 to consider proposed wastewater rate increases; and

WHEREAS, notices of the proposed wastewater rates and Public Hearing were mailed to all parcel owners subject to the proposed increases at least 45 days prior to the Public Hearing; and

WHEREAS, the City Council conducted a Public Hearing for proposed wastewater rates on June 1, 2020 to receive public comment and consider the results of protest proceedings in accordance with Proposition 218; and

WHEREAS, the City Clerk has tabulated all valid protests received by the conclusion of the June 1, 2020 Public Hearing and has determined that the number of valid protests received is sufficient to constitute a majority protest (50% plus 1).

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1: Recitals. The above recitals are true and correct and are hereby incorporated by reference.

SECTION 2: Protest Votes. The number of unique parcels eligible to file a protest was 5,455. The number of valid protests required to prevent adoption of the proposed rate increases is 2,728. The number of valid protests received by the City at the end of the June 1, 2020 Public Hearing was _____.

SECTION 3: Results of Protests. The tabulation by the City Clerk of the number of valid protests received on proposed wastewater rates is accepted and sets forth that the protest results conclude that there is a sufficient number of valid protests received to constitute a majority protest to the proposed wastewater rates, whereby disallowing the consideration to adopt proposed wastewater rates.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___day of ___, 2020.

On motion by _____ and seconded by _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

DRAFT RESOLUTION C

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, ESTABLISHING WASTEWATER RATES
(SEWER SERVICE CHARGES) FOR THE WASTEWATER DIVISION**

WHEREAS, the City of Atascadero owns and operates a municipal wastewater collection and treatment system for the safe and reliable disposal of wastewater in accordance with applicable regulations; and

WHEREAS, the City of Atascadero levies and imposes a monthly sewer service charge, as provided by resolution of the City Council, upon the property owners of any parcels or premises within the City that has any sewer connection or discharges wastewater to the municipal wastewater collection and treatment system; and

WHEREAS, a Wastewater Rate Study was prepared by Tuckfield & Associates for the City of Atascadero's Wastewater Division that recommends increases to wastewater rates (sewer service charges) to meet the on-going operational needs of the enterprise and needed funding for capital infrastructure requirements; and

WHEREAS, the City Council reviewed the Wastewater Rate Study at their regular meeting on April 14, 2020 and set a Public Hearing for June 1, 2020 to consider proposed wastewater rate increases; and

WHEREAS, the City Council conducted a Public Hearing for proposed wastewater rates on June 1, 2020 to receive public comment and consider the results of protest proceedings in accordance with Proposition 218; and

WHEREAS, Article XIID, Section 6 of the California Constitution requires the City Council to consider written protests to certain proposed increases to rates (fees or charges) for utility services; and

WHEREAS, the City Clerk tabulated all valid protests received by the conclusion of the June 1, 2020 Public Hearing and has determined that the number of valid protests received is insufficient to constitute a majority protest (50% plus 1); and

WHEREAS, the City Council accepted the City Clerk's tabulation by Resolution No. 2020-___ at the June 1, 2020 Public Hearing which sets forth that the protest results conclude that there was an insufficient number of valid protest received to constitute a majority protest to the proposed wastewater rates, whereby allowing the consideration to adopt proposed wastewater rates.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1: Recitals. The above recitals are true and correct and are hereby incorporated by reference.

SECTION 2: Sewer Service Charges Established. The Proposed Sewer Service Charges as set forth in Exhibit A, attached hereto and incorporated herein by this reference, are hereby approved and shall become effective thirty (30) days from adoption, or on July 1, 2020.

SECTION 3: Previous resolutions establishing Sewer Service Charges are superseded upon the effective date of the Sewer Service Charges as established in Section 2 above, and are hereby rescinded and rendered moot.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ___day of ___, 2020.

On motion by _____ and seconded by _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

EXHIBIT A

CURRENT AND PROPOSED MONTHLY SEWER SERVICE CHARGES

Classification Description	EDU Multiple	Unit of Measure	Monthly Rate	
			Current	Proposed ¹
Residential Fixed Charges				
Single Family	1.00	Dwelling Unit	\$ 24.01	\$ 28.57
Apartment, Condo	0.75	Dwelling Unit	\$ 18.00	\$ 21.43
Mobile Home	0.60	Spaces	\$ 14.41	\$ 17.14
Senior Apartment Unit	0.35	Dwelling Unit	\$ 8.40	\$ 10.00
Non-Residential Fixed Charges				
Financial Institutions	2.00	Unit	\$ 48.03	\$ 57.14
Bars	1.50	Unit	\$ 36.02	\$ 42.86
Carwash	7.50	Unit	\$ 180.11	\$ 214.28
Churches/Meeting Halls				
< 150 seats	1.33	Seats	\$ 31.93	\$ 38.00
150 to 250 seats	2.66	Seats	\$ 63.87	\$ 76.00
> 250 seats	3.00	Seats	\$ 72.15	\$ 85.71
Commercial Unit	1.00	Unit	\$ 24.01	\$ 28.57
Funeral Home	9.00	Unit	\$ 216.13	\$ 257.13
Gas Station	2.00	Unit	\$ 48.02	\$ 57.14
Grocery Store > 10,000 sq. ft.	8.00	1,000 sq. ft.	\$ 192.08	\$ 228.56
Gymnasium	10.00	Unit	\$ 240.11	\$ 285.70
Laundry	9.00	Unit	\$ 216.13	\$ 257.13
Motel (per room)	0.33	Room	\$ 7.93	\$ 9.43
Office Unit	1.00	Unit	\$ 24.01	\$ 28.57
Rest Home (per bed)	0.35	Bed	\$ 8.40	\$ 10.00
Restaurants				
< 40 seats	4.00	Seats	\$ 96.04	\$ 114.28
40 to 60 seats	6.00	Seats	\$ 144.06	\$ 171.42
61 to 100 seats	8.00	Seats	\$ 192.08	\$ 228.56
> 100 seats	10.00	Seats	\$ 240.11	\$ 285.70
Schools (per student on Mar. 1)	0.05	Student	\$ 1.20	\$ 1.43
Theater	4.00	Unit	\$ 96.04	\$ 114.28
Veterinarians	3.00	Unit	\$ 72.04	\$ 85.71
Unlisted Uses ²	1.00	Unit	\$ 24.01	\$ 28.57

¹ Proposed Rates effective July 1, 2020

² Unlisted uses are determined by use of fixture units from the California Plumbing Code or as means deemed appropriate by the City Engineer.

³ EDU = Equivalent Dwelling Unit is the average daily flow of wastewater discharge from a single family residence (240 gallons per day).