

**ORDINANCE NO. 2021-05**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA  
INCREASING SEWER RATES AND AMENDING SECTION 3-5-150 OF THE  
SAN JUAN BAUTISTA MUNICIPAL CODE REGARDING SEWER RATES**

**WHEREAS**, the City provides its wastewater customers with wastewater collection and treatment services; and

**WHEREAS**, the City funds these services, including associated operations, maintenance, improvement, and debt service costs, with sewer rates that are collected from wastewater customers on their monthly municipal utility bills; and

**WHEREAS**, the existing rates are not sufficient to fully fund anticipated expenses; and

**WHEREAS**, the City engaged Bartle Wells & Associates (“BWA”) to recommend a schedule of sewer rates that would fully fund the City’s anticipated wastewater system costs and would spread those costs amongst sewer customers in a manner consistent with the requirements of Article XIII D, Section 6 of the California Constitution (“Proposition 218”); and

**WHEREAS**, on October 19, 2021, by its Resolution No. 2021-53 (the “Resolution of Intention”), the City Council, following the recommendation of BWA, proposed to increase the City’s sewer rates over a five year period; and

**WHEREAS**, on December 14, 2021, the City Council held a public hearing (the “Public Hearing”) regarding the proposed increase; and

**WHEREAS**, notice of the Public Hearing was mailed to wastewater customers in the manner required by Proposition 218, Section 53755 of the Government Code, and applicable law; and

**WHEREAS**, at the public hearing, all interested persons had the opportunity to provide oral and written testimony regarding the proposed rates; and

**WHEREAS**, written protests against the proposed schedule of rate increases were accepted by the City pursuant to the Guidelines for the Acceptance and Tabulation of Protests (the “Guidelines”) set forth in Attachment “B” to the Resolution of Intention, which Guidelines are on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference; and

**WHEREAS**, the City Council has reviewed BWA’s Sewer Rate Study, dated October 13, 2021, which is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference; and

**WHEREAS**, the City Council has reviewed the additional information submitted to the City by BWA via memorandum dated December 1, 2021, which is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference; and

**WHEREAS**, the City Council desires to adopt the proposed schedule of rate increases; and

**WHEREAS**, the City Council desires to amend the Municipal Code to permit future sewer rate increases to be adopted by resolution.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA HEREBY ORDAINS AS FOLLOWS:**

**Section 1.** The City Council finds and declares as follows:

- A. The forgoing recitals are true and correct.
- B. No majority protest, as defined in the Guidelines, exists against the proposed rate increase.
- C. Revenues derived from the proposed rates are not anticipated to exceed the funds required to provide wastewater collection and treatment services.
- D. Revenues derived from the proposed rates will not be used for any purpose other than providing wastewater collection and treatment services.
- E. 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 attributable to the parcel.
- F. Wastewater collection and treatment services are actually used by, or immediately available to customers subject to the rates.

**Section 2.** The rates set forth in Attachment "A" to this Ordinance, which is attached hereto and incorporated herein by reference, are hereby adopted. Each of the Rates set forth in Attachment "A" shall go into effect as set forth therein, without further action of the City Council. The Council may, by ordinance or resolution, reduce any rate set forth in Attachment "A" but may not increase any rate about what is shown in Attachment "A" without complying with the notice, protest and hearing provisions of Proposition 218.

**Section 3.** Section 3-5-150 of the Municipal Code is amended to read:

3-5-150. Sewer Rates

Subject to the notice, protest and hearing requirements of Article XIII D, Section 6 of the California Constitution, the City Council may adopt and revise sewer rates by ordinance or resolution.


**Section 4. Environmental Assessment.** The City Council declares that the approval of this ordinance is not subject to the California Environmental Quality Act ("CEQA") because pursuant to CEQA Guidelines Sections 15060 (c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); and, 15060 (c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Alternatively, the approval of this ordinance is not a "Project" under CEQA Regulation Section 15061(b)(3) because it has no potential for causing a significant effect on the environment.

**Section 5. Severability.** This Ordinance and the various parts thereof are hereby declared to be severable. Should any section of the Ordinance be declared by a court to be unconstitutional or invalid, such decisions shall not affect the validity of the Ordinance as a whole, or any parts thereof, so declared unconstitutional or invalid.

**Section 6. Effective Date.** This Ordinance shall go into effect thirty (30) days after the date of its adoption.

**THE FOREGOING ORDINANCE** was first read at a special meeting of the San Juan Bautista City Council on the 14<sup>th</sup> day of December, 2021, and adopted at a regular meeting of the San Juan Bautista City Council on the 21<sup>th</sup> day of December 2021, by the following vote:

**AYES:** Jordan, Flores, Freels, Freeman  
**NOES:** None  
**ABSENT:** Edge  
**ABSTAIN:** None

  
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Leslie Q. Jordan, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Trish Paetz, Deputy City Clerk

## Attachment A

### New Schedule of Sewer Rates

	Effective 2/1/2022	Effective 7/1/2022	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025
<b>Residential</b>					
Monthly Fixed Rate	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
<b>Commercial</b>					
Min. Monthly Rate	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
Volumetric Rates (\$/1,000 Gal)	\$14.51	\$16.54	\$18.86	\$21.50	\$22.57

Residential users pay a fixed monthly rate per dwelling unit (ie per single family home, apartment unit, or condominium unit).

Commercial users pay a “volumetric” rate per 1,000 gallons of metered water consumption, subject to a minimum rate (ie each month they pay the higher of the calculated volumetric charge or the minimum rate).

#### Pass Through

The City of Hollister will begin charging the City of San Juan Bautista a treatment charge when the City of San Juan Bautista commences using treatment services provided by Hollister. Hollister’s charge is stated as a rate per EDU of sewage received by Hollister from the City. An EDU is the monthly volume of sewage generated by a flow of 161 gallons of sewage per day. The rates shown in the table above assume that this treatment charge will be \$52.48 in Fiscal Year 2023-24, \$54.58 in FY 2024-25 and \$56.76 in FY 2025-26. If Hollister charges treatment charges that are different from these assumed amounts, the City will “pass through” the rate change as follows:

For every \$0.10 the Hollister charge per EDU is greater or less than the assumed amount the monthly residential rate and the minimum commercial rate as shown in the rate table will increase or decrease by \$0.0797 while the volumetric commercial rate per 1,000 gallons will increase or decrease by \$0.0181.

For example, if Hollister charges \$54.68 per EDU per month in FY 2024-25 the monthly residential rate will be \$141.74 and the commercial volumetric rate will be \$21.52.