

RESOLUTION NO. 2023- ____

**RESOLUTION DIRECTING STAFF TO INITIATE THE PROPERTY OWNER NOTICE,
HEARING, AND PROTEST PROCESS AS REQUIRED BY PROPOSITION 218 FOR
PROPOSED SEWER RATE INCREASES FOR FISCAL YEAR 2023-24 THROUGH 2027-28**

WHEREAS, the Wastewater Enterprise Fund accounts for all operational and capital expenditures necessary to operate, maintain, and improve this critical utility system; and

WHEREAS, the Wastewater Enterprise Fund is are supported by proceeds collected from ratepayers and the City is required to ensure that revenues fully cover all costs to operate and maintain the utilities; and

WHEREAS, the City Council last adjusted sewer rates on May 26, 2017 that set rates for a five-year period through June 30, 2021; and

WHEREAS, the City Council cancelled the final year of the five-year sewer rate schedule at the February 9, 2021 City Council Meeting; and

WHEREAS, the City awarded a contract in March 2022 to Bartle Wells Associates of Berkeley, California, to update the City's sewer and water rate model and prepare a Water and Sewer Rate Study to ensure revenues continue covering operational costs and necessary infrastructure improvements. The City's aging sewer infrastructure requires significant rehabilitation and replacement. After reviewing the fixed, operational, and capital improvement priorities, City staff and Bartle Wells Associates developed a financial plan to adequately fund these costs over the next five years; and

WHEREAS, the City Council held two Study Sessions on the Sewer Rate Study on February 14 2023 and February 28 2023. At the February 28 2023 City Council meeting, Councilmembers directed staff to return to the City Council to initiate the Proposition 218 Notice for the proposed rate increases; and

WHEREAS, the Sewer Rate Study rate evaluation reveals that rate increases over the next five years, from fiscal year 2023-24 through fiscal year 2027-28, are needed for the sewer (wastewater) utility to cover necessary operating and capital improvement costs. The new rates would become effective on July 1, 2023; and

WHEREAS, the Sewer Rate Study recommends minor changes to the rate structure to more accurately assign various costs to San Bruno customers; and

WHEREAS, Section 6 of Article XIID of the California Constitution (Proposition 218) requires that property owners receive notice of a public hearing on any proposed rate increases, allowing a 45-day protest period before the City Council takes any action on the matter at a public hearing; and

WHEREAS, the initiation of the property owner notice, hearing, and protest process as required by Proposition 218 for the proposed sewer rate increases for FY 2023-24 through 2027-28 is not considered a "Project" per CEQA Guidelines and therefore no further environmental analysis is required.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby directs staff to initiate the property owner notice, hearing, and protest process as required by Proposition 218 for proposed sewer rate increases for fiscal year 2023-24 through 2027-28.

Dated: April 25, 2023

ATTEST:

Lupita Huerta, City Clerk

-o0o-

I, Lupita Huerta, City Clerk, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of San Bruno this 25th day of April 2023 by the following vote:

AYES: Councilmembers: _____

NOES: Councilmembers _____

ABSENT: Councilmembers: _____