



CITY HALL

CITY OF ANGELS PO Box 667, 200 Monte Verda St. Suite B, Angels Camp, CA 95222 P: (209) 736-2181

DATE: November 19, 2024
TO: City Council
FROM: Michelle Gonzalez, Finance Director
RE: **ACCEPTANCE OF DRAFT PROPOSITION 218 NOTICE**

RECOMMENDATION:

Staff recommends that the City Council:

1. **Accept the Draft Proposition 218 Notice:** The draft notice has been prepared to inform property owners of the proposed rate increases and their rights to participate in the public hearing process.

BACKGROUND:

In compliance with Proposition 218, the City is required to notify property owners of proposed rate increases and hold a public hearing to provide an opportunity for property owner feedback. This staff report requests the City Council's acceptance of the draft Proposition 218 notice, which outlines proposed rate increases for water and wastewater services and seeks approval to set a date for the public hearing.

The proposed rate adjustments reflect maximum increases of 3% for water rates and 2% for wastewater rates. These rates have been carefully developed to cover the costs of maintaining sustainable and reliable services. However, it is important to note that these are the maximum allowable increases; actual adjustments each year may be less than 3% and 2% depending on operational and financial needs.

DISCUSSION:

Bartle Wells has completed the recommendations that were previously given at the Water and Wastewater Rate Study on July 16, August 28, and October 1, 2024.

Key Details of the Proposed Rates

1. **Water Service (3% Maximum Increase):** The City's water rates are proposed to increase by up to 3% to address rising costs tied to supply challenges, infrastructure maintenance, and financial commitments to the Utica Water and Power Authority (UWPA). Rates are based on an average "Water Year 3," reflecting water supply variances and funding requirements.
2. **Wastewater Service (2% Maximum Increase):** Wastewater rates are set to increase by up to 2%, designed to support essential system maintenance and operational sustainability. The City's wastewater services support approximately 1,732 connections, with the rate adjustments aligned to cover rising costs.



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3. **Low-Income Discount Program:** To assist low-income customers, the City has a discount program funded through non-rate sources, available to qualified residents based on the CARE program or similar income criteria.
4. **Compliance with Proposition 218:** The City adheres to the guidelines under Proposition 218, requiring a formal notification period, cost justification for the rates, and a public hearing at least 45 days after notifying property owners.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

Draft Proposition 218 Notice



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