



CITY HALL

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

DATE: February 4, 2025
TO: City Council
FROM: Michelle Gonzalez, Finance Director
RE: **PUBLIC HEARING PROPOSITION 218 FOR 2024 WATER AND WASTEWATER RATE STUDY EFFECTIVE JUNE 21, 2025 THROUGH JUNE 20, 2030**

RECOMMENDATION:

Staff recommends that the City Council:

1. Conduct a public hearing; and
2. If no majority protest exists, adopt Resolution No. 25-06, a resolution of the City of Angels City Council approving and setting rates and charges for water and wastewater service, effective June 21, 2025, and each year thereafter through and including June 20, 2030.

BACKGROUND:

The City hired an independent rate consultant to conduct a cost-of-service analysis and rate study to determine the appropriate maximum rates for water and wastewater services for a five-year period, commencing June 21, 2025, through June 20, 2030. The cost-of-service analysis and rate study recommend maximum annual rates based on projections and assumptions for revenue needs, costs of service, and the proportional allocation of such costs over the five-year period.

The proposed rate adjustments reflect maximum increases of 3% for water rates, 6.22% UWPA passthrough fee, 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 proposed increases, depending on operational and financial needs.

DISCUSSION:

The City's rates for water and wastewater services are subject to Article XIII D, Section 6 of the California Constitution (also known as "Proposition 218"). Pursuant to Proposition 218, maximum rates may only be adopted after a noticed public hearing, with notice mailed to each property owner and customer of record at least 45 days prior to the date of the public hearing. The City mailed such notices in compliance with Proposition 218 on December 20, 2024.



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The City Council may adopt the maximum rates, provided there is no majority protest. A majority protest exists if the owners or customers of record representing a majority of properties serviced by the City submit protests against the proposed rate increases.

A copy of the Proposition 218 notice is attached to this agenda report. If no majority protest exists and the City Council decides to adopt the maximum rates set forth in the Proposition 218 notice, the Council will be authorized to adopt a resolution approving such maximum rates. However, the City Council may implement the rates at an amount equal to or less than the maximum noticed rates. To that end, the resolution requires that the City Council set the rates annually at an amount equal to or less than the maximum rates, based on actual revenue needs and the cost of service for that year.

FINANCIAL IMPACT:

Adopting the maximum rates for water and wastewater services will ensure sufficient revenue to meet the City's financial requirements for providing water and wastewater services.

ATTACHMENTS:

- Proposition 218 Notices; and
- Draft 2024 Water and Wastewater Rates Cost of Service Study; and
- Resolution No. 25-06



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