



AGENDA REPORT SUMMARY

Meeting Date: June 14, 2022

Subject Hold the Public Hearing, Consider Resolution No. 2022-__: Approving Sewer Service Charges for FY 2022/23, and Consider a Finding that the Adoption of the Resolution Is Exempt from Review under the California Environmental Quality Act (“CEQA”) Pursuant to CEQA Guidelines Section 15273

Prepared by: Aida Fairman, Engineering Services Manager

Reviewed by: James Sandoval, Engineering Services Director

Approved by: Gabriel Engeland, City Manager

Attachments:

1. NBS Sewer Service Charge Report dated June 2022 without Listing of Sewer Service Charges
- A. Resolution No. 2022-__

Initiated by:

City Council, Ordinance No. 2018-445

Previous Council Consideration:

March 13, 2018; June 26, 2018; July 10, 2018; June 25, 2019; October 22, 2019; June 9, 2020; June 8, 2021

Fiscal Impact:

The rate report and expected revenues resulting from the posted rates are included in the City’s proposed FY 2022/23 budget.

Environmental Review:

The adoption of the proposed resolution is statutorily exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15273 (Rates, Fares, Tolls, and Charges), in that the proposed action involves setting and collecting sewer rates that will be used in the ongoing operation and maintenance of existing sewer infrastructure or to fund capital projects within an existing service area.

Summary:

- Conduct a Hearing regarding the Report of Sewer Charges to be collected on the Fiscal Year 2022/23 Tax Roll

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

JE



Subject: Resolution No. 2022-__: Sewer Service Charges for FY 2022/23

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- Resolution No. 2022-__ approving the Report of Sewer Service Charges for the Fiscal Year 2022/23 and directing the Filing of Charges for Collection by the County Tax Collector

Staff Recommendation:

Conduct a Hearing regarding the Report of Sewer Charges to be collected on the Fiscal Year 2022/23 Tax Roll. At the conclusion of the hearing, the City Council may overrule any and all objections or protests received from members of the public and adopt Resolution No. 2022-__ approving the Report of Sewer Service Charges for the Fiscal Year 2022/23 and directing the Filing of Charges for Collection by the County Tax Collector. Or it may revise, change, reduce or modify any charge described in the Report.

Purpose

Conduct a Hearing regarding the Report of Sewer Charges to be collected on the Fiscal Year 2022/23 Tax Roll; and adopt Resolution No. 2022-__ approving the Report of Sewer Service Charges for Fiscal Year 2022/23 and directing the Filing of Charges for Collection by the County Tax Collector.

Background

Los Altos Municipal Code Chapter 10.12 authorizes the City to impose sewer service charges to fund costs associated with the City’s sanitary sewer system. The City Council passed Ordinance No. 2018-445 in July 2018 that established sewer rates to be applied for the five-year period beginning FY2018/19. The rates increase annually through the five-year period to reflect historic trends in inflation associated with the sewer system (infrastructure improvements, long-term replacement, operation, and maintenance).

In accordance with Municipal Code sections 10.12.135 and 10.12.140 and Ordinance No. 2018-445, the rate structure for the sewer service charges is comprised of two components: (1) a fixed annual per parcel base charge that is determined on the basis of the number of equivalent dwelling units (“EDU”) assigned to a property; and (2) a variable quantity charge. One EDU equates to the quantity of wastewater an average single-family residential customer discharges to the sewer system. One EDU is assigned to each single-family residential home. The number of EDUs assigned to other customers is based on their expected wastewater flows relative to an average single-family residential customer. The quantity charge is imposed on a per unit basis, with one unit equal to one hundred cubic feet, or 745 gallons, of metered water use. The total amount of the quantity charge is based on a customer’s average winter water use from the prior year (using the three wettest months of the prior year) multiplied by 12 and is designed to reflect a customer’s estimated wastewater flow. Estimated average winter water usage is used because individual sewer flows are not metered, and winter months’ water usage, when outdoor water use is least likely to occur, best reflects actual flows into the sewer system. The Sewer Rate Study establishes the



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FY2022/23 per-parcel base sewer service charge of \$301.29 per dwelling unit plus a quantity charge of \$2.42 per estimated sewer unit.

Discussion/Analysis

To levy sewer service charges on property tax bills for FY2022/23, the Council must hold a hearing on the report of charges to be submitted to the County for collection for the fiscal year. That report, prepared by NBS, is on file with the City Clerk and the body of the report (excluding the parcel list) is included here as Attachment 1. During the hearing, members of the public may raise objections or protests to the proposed charges. Following the hearing, the Council may overrule all objections and adopt Resolution No. 2022-__ and direct the Filing of Charges for Collection by the County Tax Collector. Alternatively, the City Council may revise or modify the report.

The percent increase for sewer rates for FY2022/23 is 3.0%.

Notices of the hearing to consider the Annual Sewer Service Charge Report was published in the Los Altos Town Crier on May 11 and May 18, 2022.

Recommendation

Conduct a Hearing regarding the Report of Sewer Charges to be collected on the Fiscal Year 2022/23 Tax Roll; waive all objections and protests; adopt Resolution No. 2022-__ approving the Report of Sewer Service Charges for the Fiscal Year 2022/23 and directing the Filing of Charges for Collection by the County Tax Collector; and find that the adoption of the resolution is exempt from review under CEQA pursuant to CEQA Guidelines Section 15273.