



## AGENDA REPORT SUMMARY

**Meeting Date:** June 13, 2023

**Subject** Conduct the public hearing, consider any written protests received, introduce and waive further reading of Ordinance No. 2023-XXX: Sanitary Sewer Rates, and find that the approval of the ordinance is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections 15061(b)(3) and 15273 and none of the circumstances in Section 15300.2 applies.

**Prepared by:** Jordan Taylor, Consultant, NBS  
Allan Highstreet, Principal Consultant, NBS  
**Reviewed by:** Aida Fairman, Environmental Services and Utilities Director  
**Approved by:** Gabriel Engeland, City Manager

**Attachments:**

1. Ordinance No. 2023-XXX
2. Fiscal Year 2023/24 Annual Report for Sewer Service Charge (June 2023)

**Initiated by:**  
Staff

**Previous Council Consideration:**  
February 28, 2023

**Fiscal Impact:**  
Revenue for the Sewer Enterprise Fund based on proposed rates has been incorporated into the FY 2023/24 budget.

**Environmental Review:**  
The adoption of the proposed ordinance is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15273, in that the ordinance will set sanitary sewer fees to maintain existing sewer service within the City of Los Altos. In addition, pursuant to CEQA Guidelines Section 15061(b)(3), it can be seen with certainty that the fee increase will not have a significant effect on the environment in that sanitary sewer fees are collected to ensure that municipal wastewater treatment systems comply with applicable state and federal laws for the protection of the environment, and none of the circumstances stated in CEQA Guidelines Section 15300.2 applies.

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City Manager

GE

**Reviewed By:**

City Attorney

JH

Finance Director

JD

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**Policy Questions for Council Consideration:**

- Not applicable

**Summary:**

- Conduct a public hearing on proposed sanitary sewer rates and introduce and waive further reading of Ordinance No. 2023-XXX

**Staff Recommendation:**

Hold the public hearing, consider any written protests received before the close of the public hearing and, unless a majority protest is received, introduce and waive further reading of Ordinance No. 2023-XXX establishing the rates of the Sewer Service Charge for Fiscal Year 2023-24 and subsequent Fiscal Years

**Purpose**

Conduct a public hearing on proposed sewer rates and introduce and waive further reading of Ordinance No. 2023-XX

**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 June 2018, establishing sewer rates that were applied for the five-year period beginning July 1, 2018. The rates increase from year to year during years two through five of the five-year period to reflect historical trends in inflation associated with the sewer system.

The prior five-year period ends in July 2023. Therefore, the City reviewed the sewer rate structure and calculation methodology with the assistance of consulting firm NBS. On February 28, 2023, the City Council approved the report for the Sewer Rate Study prepared by NBS. The report recommended continuing to use the existing sewer rate calculation methodology for the five-year period from FY 2023/24 through FY 2027/28.

**Discussion/Analysis**

Sanitary sewer rates are property-related fees pursuant to Proposition 218, codified at California Constitution Article XIII D, Section 6. Like with other property-related fees, a hearing on at least 45 days’ notice must be conducted before sanitary sewer fees may be increased. At the hearing, the City Council must consider any written protests received prior to the close of the public



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hearing. If written protests against the increased fee are presented by a majority of owners of parcels within the City, then the City Council cannot approve the fee increase.

The requested action is to conduct the hearing, consider any written protests and, unless a majority protest is received, introduce and waive first reading of Ordinance No. 2023-XXX pertaining to Sewer Service Charges for fiscal year 2023/24 and subsequent four fiscal years. Once adopted, no further action need be taken by the City Council to cause the rates in the proposed ordinance to become effective for the periods stated.

The proposed ordinance updates information and references from the 2018 ordinance and includes current rates calculated using the existing methodology. The proposed ordinance also authorizes future rate increases up to the maximum amount set by the ordinance to be adopted by a resolution of the City Council.

Notice of the Public Hearing scheduled for this meeting was mailed to rate payers on April 7, 2023. On June 13, 2023, the City Council may adopt the proposed ordinance, so long as there is no majority protest from affected property owners during the June 13, 2023, Public Hearing.

**Recommendation**

Conduct the public hearing, consider any written protests and, unless a majority protest is received, introduce and waive further reading of Ordinance No. 2023-XXX establishing the rates of the Sewer Service Charge for Fiscal Year 2023-24 and subsequent Fiscal Years