

ORDINANCE NO. 2024-100

**AN ORDINANCE ESTABLISHING THE SEWER SERVICE CHARGES TO BE BILLED BY THE
RODEO SANITARY DISTRICT TO ALL CUSTOMERS AND SUPERSEDING ORDINANCE NO.
2023-100**

**THE DISTRICT BOARD OF RODEO SANITARY DISTRICT HEREBY FINDS, DETERMINES, AND
DECLARES AS FOLLOWS:**

WHEREAS, the Rodeo Sanitary District ("District") has reviewed and instituted a sewer service charge program compatible with the Clean Water Act to finance the yearly operation and maintenance of the District; and

WHEREAS, the District is required by State law and policy to collect revenue sufficient to cover the cost of operating the sewage collection and sewage treatment systems; and

WHEREAS, the District retained Pavletic Consulting LLC, an independent public finance consultant ("Consultant"), to evaluate the District's sewer service charges and recommend a revised structure and schedule of residential and non-residential sewer service charges for fiscal years 2024/2025 through 2028/2029; and

WHEREAS, the District has worked with the Consultant to develop a "Sewer Service Charges Study" ("Study"), prepared for the District in April 2024. The findings and analysis in the Study are incorporated by this reference; and

WHEREAS, the Study recommends restructuring the non-residential sewer service charges and certain increases to the District's residential and non-residential sewer service charges for fiscal years 2024/2025 through 2028/2029 ("Recommended Sewer Service Charges") in order for the District to meet its existing obligations within its existing service area; and

WHEREAS, a copy of the Study is available for inspection at the District's Office at 800 San Pablo Avenue in Rodeo and on the District's website; and

WHEREAS, the District's Board of Directors ("District Board") has reviewed and considered the Recommended Sewer Service Charges set forth in the Study and has determined that the Recommended Sewer Service Charges are necessary to meet increased costs of providing service and operating the sewer system; and

WHEREAS, the purpose of the Recommended Sewer Service Charges is to recover revenues sufficient to adequately fund sewer system operations, maintenance, and capital replacement expenditures, and to meet debt service obligations and maintain a prudent level of financial reserves; and

WHEREAS, the District has increased its rates thirteen percent in Fiscal Year 2023-2024 for implementing the Operations Budget. The residential sewer service charge for the next five years will be as shown in Table 1; and

WHEREAS, the District will consolidate the Non-residential Sewer Services Charges into three categories with the five year proposed rate structure as shown in Table 2; and

WHEREAS, on April 24, 2024, in accordance with Proposition 218 and the Proposition 218 Omnibus Implementation Act, District staff gave written notice to property owners of the proposed Sewer Service Charges for fiscal years 2024/2025 through 2028/2029; and

WHEREAS, on May 27, 2024, and June 3, 2024, the Notice of the Public Hearing to Consider Increase in Sewer Service Charges for fiscal years 2024/2025 through 2028/2029 was published in a paper of general circulation and posted on May 22, 2024 in three places within the District; and

WHEREAS, on June 11, 2024, the District Board conducted the public hearing on the proposed increase for fiscal years 2024/2025 through 2028/2029 pursuant to the notices described above prior to the enactment of this Ordinance and Resolution No. 2024-05; and

WHEREAS, in accordance with Proposition 218, all notification and procedural requirements were satisfied; and

WHEREAS, the District has reviewed the present sewer service charge rate schedule and has determined that the residential sewer service charge rate and the non-residential sewer service charge rates require adjustment and modification to obtain revenues sufficient to meet the cost of providing service for fiscal years 2024/2025 through 2028/2029 and thereafter, and that the amount of the charge imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charge is only imposed on those properties actually receiving service or for those which service is immediately available.

THEREFORE, BE IT ORDAINED by the Board of Directors of the Rodeo Sanitary District as follows:

1. The annual sewer service charges (rates) for fiscal years 2024/2025 through 2028/2029 for residential customers shall be as follows:

RESIDENTIAL FLAT RATE

The annual sewer service charges (rates) for Residential Customers are as follows for fiscal years 2024/2025 through 2028/2029:

Table 1 – Residential Sewer Service Charges for Fiscal Years2024/2025 through 2028/2029					
Current Rate	Proposed 2024 – 2025 Rate	Proposed 2025 – 2026 Rate	Proposed 2026 – 2027 Rate	Proposed 2027 – 2028 Rate	Proposed 2028 – 2029 Rate
\$1,165.62	\$1,272.00	\$1,368.00	\$1,488.00	\$1,620.00	\$1,776.00

2. The annual sewer service charges (rates) for non-residential customers are as follows:

COMMERCIAL RATES

The annual sewer service charges (rates) for Non-residential Customers are as follows for fiscal years 2024/2025 through 2028/2029:

Category	Current Rate (per hcf)	Proposed FY 24-25 Rate (per hcf)	Proposed FY 25-26 Rate (per hcf)	Proposed FY 26-27 Rate (per hcf)	Proposed FY 27-28 Rate (per hcf)	Proposed FY 28-29 Rate (per hcf)
Group 1 - Churches	\$7.24	\$8.65	\$9.35	\$10.19	\$11.10	\$12.10
Group 1 – Schools/Day Care/Rec	\$7.70	\$8.65	\$9.35	\$10.19	\$11.10	\$12.10
Group 2 - Laundromat	\$9.34	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 2 – Commercial Professional	\$10.44	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 2 – Hospitals/Clinics	\$11.14	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 2 – Bars w/o dining	\$11.24	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 2 – Gas/Service/Wrecking	\$11.80	\$11.47	\$12.38	\$13.50	\$14.71	\$16.04
Group 3 – Commercial Laundries	\$19.57	\$21.88	\$23.63	\$25.76	\$28.08	\$30.60
Group 3 – Restaurants/Food Service	\$20.54	\$21.88	\$23.63	\$25.76	\$28.08	\$30.60
Group 3 – Food Markets w/Deli or bakery	\$20.54	\$21.88	\$23.63	\$25.76	\$28.08	\$30.60
Group 3 – Bakeries	\$20.54	\$21.88	\$23.63	\$25.76	\$28.08	\$30.60
Account per unit per month	n/a	\$44.40	\$48.00	\$51.60	\$56.40	\$62.40
Unit Costs						
Flow (per 1,000 gallons)	n/a	\$4.869	\$5.258	\$5.731	\$6.247	\$6.809
BOD (per 1,000 lbs.)	n/a	\$1.614	\$1.744	\$1.901	\$2.072	\$2.258
TSS (per 1,000 lbs.)	n/a	\$1.838	\$1.985	\$2.163	\$2.358	\$2.570
Account per unit per month	n/a	\$44.40	\$48.00	\$51.60	\$56.40	\$62.40

Please note that hcf stands for hundred cubic feet of water. The District will continue to use information supplied by the water supplier concerning non-residential annual water usage. For example, if a Laundromat (Group 2) discharges 250 units of water per year, then for the rate proposed to become effective on July 1, 2024, for FY 24-25, the annual bill would be: (\$11.47 per hcf) x (250 hcf per year) = \$2,867.50 plus (\$44.40 per month x 12 months) = \$532.80 for a total of \$3,400.30

Commercial sewer service charges shall be based on water meter reading or minimum charge, whichever is greater, and will be billed annually. For multiple accounts serviced by a single water meter, or where one or more commercial units are connected to one water meter, the District shall compute the Sewer Services Charges based on Ordinance 2022-200.

3. Work/Live units occupied by the same tenant shall be broken down into a residential unit, which shall be billed as specified in Section 1 of this Ordinance and the commercial unit shall be billed based on the applicable category in Section 2 of this Ordinance.

4. In addition to the respective sewer service charges set forth above, the District shall impose a Capital Improvements Equalization Fee on commercial and residential users for which no ad valorem tax revenues are received by the District. The vast majority of residential and commercial users provide additional annual revenues to the District as a result of a portion of their ad valorem tax dollars being allocated to the District. However, no tax revenues are received by the District for

certain users. This Fee is intended to equalize the amount of the revenues to be received by the District from each similarly categorized user, to more closely align with the proportional cost of service. In order to do so, an additional charge for costs resulting from capital improvements shall be levied on such commercial and residential customers from which ad valorem tax revenues are not received by the District. The Capital Improvement Equalization Charge shall be \$45.00 per year per residential dwelling unit and an amount equal to 17 percent of the Sewer Service Charge set forth in Section 2 for Commercial accounts.

5. The Board of Directors independently finds that this action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a) (1), (3), and (4) of the State CEQA guidelines because these rates are being established for the purpose of meeting operating expenses and financial reserve needs and requirements, and to obtain funds for capital projects necessary for the District to maintain service within the existing service area.

6. This ordinance shall, pursuant to Health and Safety Code section 6490, be published once in the West County Times, a newspaper of general circulation, and circulated within the Rodeo Sanitary District, and shall be effective July 1, 2024, at which time Ordinance 2023-100 shall be superseded.

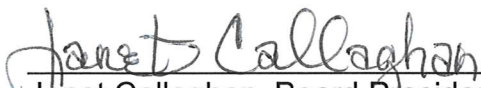
PASSED AND ADOPTED this 11th day of June, 2024, by the District Board of the Rodeo Sanitary District by the following vote:

AYES:5--Brennan, Shaia, Callaghan, Russey, Noble

NOES: 0

ABSENT: 0

ABSTAIN:0

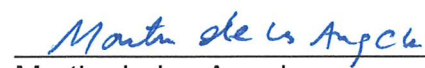


Janet Callaghan, Board President
Rodeo Sanitary District



Tara Shaia, Secretary of the Board
Rodeo Sanitary District

APPROVED AS TO FORM:



Martin de los Angeles
District Counsel