

ORDINANCE NO. 1218

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAUSALITO
SETTING FEES FOR SEWER SERVICES PROVIDED BY THE CITY
EFFECTIVE FISCAL YEAR 2014–2015 AND AMENDING THE SAUSALITO
MUNICIPAL CODE**

WHEREAS, the quality of our local wastewater system is fundamentally important to our community's health and safety; and

WHEREAS, in recent years, there have been several hazardous spills of raw sewage into the Bay which present a real environmental concern; and

WHEREAS, the City's sewer infrastructure is old, and portions of the 27 miles of pipes in our City have deteriorated; and

WHEREAS, now, like surrounding jurisdictions, the City of Sausalito must make significant capital and infrastructure improvements to our aging sewer system to ensure the health and safety of our community; and

WHEREAS, the City is proposing equitable rates that ensure all rate payers share in proportion to the cost of serving each class of customers in cost of necessary upgrades and system maintenance; and

WHEREAS, the City Council desires to impose a new Sanitary Sewer Fee to fund these necessary expenses and to alter the allocation of costs to customer classes to create incentives to reduce water use, wastewater generation, and thereby to contain service costs; and

WHEREAS, the City retained independent rate-making consultant NBS to prepare a Sanitary Sewer Fee Study (hereinafter, "Report") to identify equitable sewer charges to cover the cost of sustainable utility services that address essential sewer upgrade needs and to allocate those costs among customers in proportion to the cost of service. The Report took into account the facts that:

- City sewers are operating under a United States Environmental Protection Agency (EPA) Administrative Order due to a history of spills.
- Sewer system management is regulated by State Waste Discharge Requirements (WDRs) mandating pipeline cleaning and repair.
- SMCSF fees are also likely to continue to increase; and

WHEREAS, Sanitary Sewer operation must comply with state and federal environmental laws, and fees must therefore be sufficient to fund programs mandated by state regulations and EPA orders; and

WHEREAS, the City's Department of Public Works provided NBS an updated capital improvement program based on (i) the results of EPA Order assessments, (ii) routine capital improvement planning and (iii) necessary annual sewer maintenance and repair; and

WHEREAS, the City Council Finance Committee thoroughly discussed staff projections, financial plan findings, infrastructure investment and maintenance alternatives, cost of service allocation and development of a rate alternative during seven regularly scheduled and noticed monthly public meetings from September 2013 to March 2014; and

WHEREAS, NBS made financial plan findings on the basis of these staff projections and presented them to the City Council at its regularly scheduled January 28, 2014 meeting and presented its Cost of Service Allocation findings and its Development of Rate Alternative to the City Council at its regularly scheduled February 11, 2014 meeting; and

WHEREAS, on March 4, 2014, at its regularly scheduled City Council meeting, the City Council accepted the Report and adopted a resolution stating the City Council's intention to establish a sanitary sewer fee effective for fiscal years 2014–2015 through 2018–2019 and setting a Proposition 218 protest hearing for May 6, 2014; and

WHEREAS, in full compliance with the requirements promulgated in Section 6 of Article XIID of the California Constitution (a provision of Proposition 218) and Resolution No. 5018 setting forth rules for the handling of protests to the proposed sewer rate increases, the City has given notice by mail to each property owner of record as of the last equalized assessment roll informing each recipient of his or her right to submit a written protest against the proposed change in charges and the date, time and place of the Public Hearing; and

WHEREAS, at the time, date and place for the Public Hearing the City Council did hear and consider any and all objections or protests to the proposed change in charges.

NOW, THEREFORE, the City Council of the City of Sausalito does ordain as follows:

1. The City Council finds that protest to the change in charges proposed in the Report has not been made by the owners of a majority of parcels of property of record as of the last equalized assessment roll and that a majority protest does not exist within the meaning of Article XIII D, Section 6(a) of the California Constitution.
2. The City Council of the City of Sausalito does hereby overrule all objections or protests to said Report and does hereby adopt the same and does determine that each charge as described in said Report is fair and equitable and is computed in conformity with the charges prescribed by all applicable provisions of State law and the City's Municipal Code.
3. The City Council of the City of Sausalito does hereby adopt the **SANITARY SEWER FEE SCHEDULE** for 2014–2015, 2015–2016, 2016–2017, 2017–2018, and 2018–2019 attached hereto as Exhibit "A" and incorporated herein by reference pursuant to all applicable provisions of State law and Section 18.12.020 of the Sausalito Municipal Code.

4. The effective date of the change is July 1, 2014.
5. The City Clerk of the City of Sausalito is hereby directed to file a copy of the **SANITARY SEWER FEE SCHEDULE** for 2014–2015, 2015–2016, 2016–2017, 2017–2018, and 2018–2019 with the Auditor-Controller of the County of Marin, with a statement endorsed thereon by the City Clerk over her or his signature that the document has been finally adopted by the City Council of the City of Sausalito. Thereafter, the Auditor-Controller of the County of Marin shall enter the amounts of the charges set forth in the document (and attachments to be prepared at the direction of the Administrative Services Director/Treasurer) against the respective lots of parcels of land as they appear on the current assessment roll, and if the property is not described on the roll, the Auditor-Controller is authorized to enter the description thereon together with the amounts of the charges as shown in the document and attachments.
6. The City Council hereby finds that the change in the sewer rates adopted pursuant to this Ordinance is statutorily exempt from the California Environmental Quality Act, California Public Resources Code Section 21000, *et seq.*, (“CEQA”) under § 15273 (a)(1), (a)(2), (a)(3) (a)(4) and (a)(5), and the City Clerk, or her or his designee, is directed to cause a Notice of Exemption to be posted in accordance with CEQA.
7. Section 18.12.010, subdivision A of the Sausalito Municipal Code is hereby amended to read as follows:
 - A. “Article 4” means the provisions of Article 4 (Sanitation and Sewerage System) of Chapter 6 of Part Two of Division 5 of the Health and Safety Code (Section 5470 *et seq.*) of the State of California.
8. The City Council declares that the amendment to the Sausalito Municipal Code effected by section 7 of this Ordinance corrects a clerical error and is therefore declaratory of existing law.
9. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.
10. This Ordinance shall be published once within fifteen (15) days after its passage and adoption in a newspaper of general circulation in the City of Sausalito.
11. This Ordinance shall go into effect 30 days after its adoption as provided by Government Code section 36937

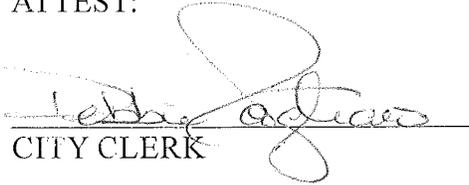
THE FOREGOING ORDINANCE was first read at a meeting of the Sausalito City Council on the 6th day of May 2014, and was adopted at a regular meeting of the Sausalito City Council on the 20th day of May, 2014 by the following vote:

AYES: Councilmembers: Leone, Theodores, Weiner, Mayor Withy
NOES: Councilmembers: Pfeifer
ABSTAIN: Councilmembers: None
ABSENT: Councilmembers: None



MAYOR OF THE CITY OF SAUSALITO

ATTEST:



CITY CLERK

EXHIBIT "A"

Sewer Service Charges are included on the Marin County Property Tax Bill

ANNUAL CITY SEWER SERVICE RATES BEGINNING JULY 1, 2014

Sewer Rates	Current Rates FY2013-14	Proposed Rates FY2014-15	Proposed Rates FY2015-16	Proposed Rates FY2016-17	Proposed Rates FY2017-18	Proposed Rates FY2018-19
Residential Rates - Fixed Charge (Per Dwelling Unit) + Volumetric Charge						
<i>FIXED CHARGE</i>						
Single-Family	\$492.33	\$476.25	\$490.53	\$505.25	\$525.46	\$546.48
Single-Family Attached	\$327.07	\$341.40	\$351.65	\$362.20	\$376.68	\$391.75
Duplexes	N/A	\$366.89	\$377.89	\$389.23	\$404.80	\$420.99
Multi-Family Residential	\$243.36	\$270.36	\$278.48	\$286.83	\$298.30	\$310.24
Volumetric Rate (\$/ccf) ¹	n/a	\$0.91	\$0.98	\$1.01	\$1.05	\$1.10
Non-Residential Rates - Fixed Charge (Per EDU) + Volumetric Charge						
<i>FIXED CHARGE</i>						
Commercial/Industrial ²	\$305.04	\$476.25	\$490.53	\$505.25	\$525.46	\$546.48
Volumetric Rate (\$/ccf) ³	\$2.45	\$0.91	\$0.98	\$1.01	\$1.05	\$1.10

1. Applied to annualized Winter Water Consumption (i.e., 2-month Winter Water Consumption multiplied by 6); ccf equals one-hundred cubic feet (or 748 gallons) of water.

2. Current fixed charges are per-parcel; new charges are per EDU, with EDU calculated based on Annual Water Consumption for each Commercial/Industrial meter divided by Single-Family average annualized Winter Water consumption per dwelling unit.

3. Current rates are applied to the maximum water consumption for the previous five years; proposed rates are applied to the previous year's annual water consumption, per MMWD records; ccf equals one-hundred cubic feet (or 748 gallons) of water.