

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALINAS, CALIFORNIA,
ESTABLISHING SEWER SERVICE CHARGES FOR SEWER COLLECTION
SERVICES, WITH ANNUAL UPDATES**

WHEREAS, the City of Salinas (“City”) provides sewer collection service to property owners (who may also be referred to as “owners”) within the City’s service area (as described on Exhibit “B,” attached hereto and incorporated by reference). As described in the City’s Sanitary Sewer Master Plan Update (“SSMP”), approved by City Council on May 2, 2023 (Resolution No. 22648), these sewer collection services include collection pipelines, force mains, and sewer lift stations that convey wastewater to the Monterey One Water (“M1W”) for treatment. M1W is a joint powers authority formerly known as Monterey Regional Pollution Control Agency with member agencies that include the City of Salinas, the County of Monterey, and other incorporated municipalities and special districts; and

WHEREAS, the City is authorized to establish fees, rates, and charges for the sewer services provided to each property owner in accordance with Health and Safety Code Sections 5470-5474.10, and “Proposition 218” (California Constitution Article XIII D, Section 6; as it is implemented by the Legislature at Government Code sections 53750 – 53759.2; and as it has been interpreted by judicial decisions).The City refers to those fees, rates, and charges as sewer service charges or sewer rates (as used herein, the phrases “sewer service charges” or and “sewer rates” may be used interchangeably); and

WHEREAS, the purpose of the sewer rates is to ensure that adequate funding is provided to protect the public health, safety and general welfare through the provision of a reliable and adequate sewer system that meets current and anticipated demands to serve the owners and customers of the City; and

WHEREAS, the City undertook an analysis of previously established sewer rates, as documented in the City of Salinas Sewer Rate Study prepared by the City’s rate consultant, DTA, dated June 24, 2025 (“Rate Study”), and determined that proposed changes to the City’s sewer rates are warranted in order to offset the City’s ongoing costs of providing sewer services to owners and customers. The Rate Study has been posted on the City’s website (www.salinas.gov/Your-Government/Departments/Public-Works/2025-Sanitary-Rate-Study) since July 2, 2025, and it is available for public review upon request; and

WHEREAS, On July 1, 2025, the City of Salinas City Council (“City Council” or “Council”) approved Resolution No. 23296, by which the Council directed City staff to provide notice of a public hearing to consider the approval of sewer rates in accordance with the requirements of Proposition 218, including implementation of the administrative remedies for owners to submit written objections to the sewer rates (in accordance with “AB 2257” codified at Government Code Sections 53759.1 and 53759.2); and

WHEREAS, on July 11, 2025, the City mailed the notice of public hearing (to be held on September 23, 2025) to all property owners receiving sewer service from the City, and posted the notice on its website at (www.salinas.gov/Your-Government/Departments/Public-Works/2025-

Sanitary-Rate-Study). The public hearing notice was also published in accordance with Government Code Sections 6062a, 54354.5, and 66016; and

WHEREAS, consistent with the notice of public hearing, the public hearing was held on September 23, 2025, the City Council provided an opportunity for every interested person to comment on the proposed sewer rates, the Council considered all timely written protests from property owners and written responses from City staff, and the Council determined that the proposed sewer rates comply with the requirements of Proposition 218 and proceeded to conduct the public hearing to consider timely written protests submitted prior to the close of public hearing; and

WHEREAS, the City Council determines, after having duly received and considered oral and documentary evidence concerning the necessity for the proposed sewer rates, that it is warranted and necessary to establish the sewer rates as set forth in this Resolution; and

WHEREAS, this Resolution is not subject to the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8), and California Code of Regulations Section 15273 (of the "CEQA Regulations") because it establishes, modifies, structures, or restructures, and approves rates and charges for the purposes of: (1) meeting operating expenses; (2) purchasing supplies, equipment and materials; (3) meeting financial requirements; and (4) obtaining funds for capital projects necessary to maintain service within existing service area.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Salinas does hereby find, determine, and resolve as follows:

SECTION 1. The City Council hereby approves the sewer rates set forth on "Exhibit A," which is attached and incorporated by this reference. The sewer rates approved by this Resolution shall be implemented in accordance with Resolution Sections 2 and 3. The sewer rates are approved based on the following findings and determinations by the City Council:

A. After considering all timely written objections and written responses, the Rate Study and all evidence identified in this Resolution document the bases on which these sewer rates are approved, and there is no need to reduce, alter, or clarify the proposed sewer rates.

B. At the close of the public hearing on September 23, 2025, the City Council considered all timely written protests and determined that, from the total number of 31,903 parcels served by City sewer service, the owners of a majority of those parcels did not submit a written protest. Therefore, the City Council overruled all written protests against the proposed sewer rates, and the City may approve the sewer rates in accordance with California Constitution Article XIII D, Section 6(a)(2).

C. The Rate Study and all evidence identified in this Resolution document that the sewer rates comply with the substantive requirements of Proposition 218, as set forth at California Constitution Article XIII D, Section 6(b):

1. The revenues derived from the rates do not exceed the cost of providing sewer service to property owners or customers served by the City's sewer service.

2. The revenues derived from rates are not, and shall not be, used for any other purpose other than meeting the costs of providing sewer service.

3. The amount of the rate imposed upon any parcel does not exceed the proportional cost of the sewer service provided to that parcel.

4. The revenues derived from rates are used for sewer services actually used by, or immediately available to, the person or owner of the property responsible for the payment of the rate.

5. No rate is imposed for general governmental services, such as police or fire, that is available to the public at large.

SECTION 2. Review of Sewer Rates. The City Manager, or designee, shall periodically, but not less than annually, review the sewer rates to determine whether revenues from such rates are meeting the actual cost of services and facilities necessary to deliver sewer service to the residential and non-residential parcels within the City's service area. If the City Manager determines that revenues are not adequate to meet costs, the City Manager shall recommend to the City Council a revised schedule of sewer rates in accordance with Proposition 218 and the processes described in this Resolution.

SECTION 3. Effective Date of Sewer Rates. The sewer rates per Equivalent Dwelling Unit ("EDU") per month set forth on Table 1 of "Exhibit A" shall be effective October 1, 2025, for the rates identified in the column labeled "25-26." Thereafter, the sewer rates shall be automatically updated on an annual basis each July 1, subject to the City providing a 30-day prior written notice in accordance with Government Code Section 53756, such that: (a) the rates in column "26-27" will be effective July 1, 2026; (b) the rates in column "27-28" will be effective July 1, 2027; (c) the rates in column "FY 2028-29" will be effective July 1, 2028; and (d) the rates in column "FY 29-30" will be effective July 1, 2029, and each July 1 thereafter.

A. The sewer rates are charged per "Equivalent Dwelling Unit" ("EDU") allocated to each parcel.

B. The number of EDUs for each parcel is determined by the City Manager, or designee, based on: (1) the number of EDU's per Billing Unit for each category of user identified on Appendix D of Exhibit "A" (with the resulting calculations of sewer rates per month set forth on Appendix E of Exhibit "A"); provided, however (2) for any category of user that is identified as a "special user," the number of EDU's shall be based on the actual flow per billing unit based on data from M1W. Since the City's sewer collection system discharges to the M1W sewer conveyance and treatment system, the City intends to establish the number of EDU's per parcel in a manner that is consistent with the analysis and approach taken by M1W. Since a single-family home user, with a flow of 150 gallons per day, is assigned one EDU, the number of EDU's assigned to each other user shall be based on that proportion of one EDU per a flow of 150 gallons per day. To the extent a particular user category is not identified on Appendixes D and E of Exhibit "A,"

the City Manager shall determine the number of EDUs based on the estimated amount of flow from similar users identified on Appendixes D and E of Exhibit “A” or information regarding the determination of flow by M1W.

SECTION 4: If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The Council hereby declares that it would have adopted this Resolution, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

PASSED AND APPROVED this 23rd day of September, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Dennis Donohue, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

Attachments:

Exhibit A: City of Salinas Rate Study, Appendix E (Sewer Rate Schedule)

Exhibit B: Salinas Sanitary Sewer Service Area

Exhibit C: Public Hearing Notice