

RESOLUTION 2024-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANTECA, STATE OF CALIFORNIA, APPROVING THE NOTICE OF INTENT TO INCREASE THE MONTHLY WATER USER RATES, INITIATING PROCEEDINGS UNDER PROPOSITION 218 TO SCHEDULE A PUBLIC HEARING TO CONSIDER UPDATES AND INCREASES TO THE MONTHLY WATER USER RATES, AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO TAKE ALL APPROPRIATE ACTIONS NECESSARY TO CARRY OUT THE PURPOSE AND INTENT OF THE RESOLUTION.

WHEREAS, the City of Manteca (City) Municipal Code imposes on water customers the requirement to pay water rates to cover the City's costs of providing water services; and

WHEREAS, the City worked with its consultants at Raftelis to develop a water rate study that includes a comprehensive cost of services review and analysis of the City's water rates and a new rate structure that is compliant with all legal requirements, including Article XIII-D, Section 6 of the California Constitution ("Proposition 218"); and

WHEREAS, Raftelis has completed the draft 2024 Water Rate Study, that sets forth proposed water rates that do not exceed the City's reasonable costs of service and proportionately allocates those costs to the City's water customers, in compliance with Proposition 218; and

WHEREAS, pursuant to the provisions of Proposition 218, prior to extending, imposing or increasing water rates, property owners shall be provided mailed, written notice ("Proposition 218 Notice") at least 45 days prior to the public hearing to consider such modifications to the water rates together with an explanation of:

- the amount of the proposed rates
- the basis on which the rates are calculated
- the reason for the rate modifications
- the date, time and place of a public hearing to consider the rate modifications; and

WHEREAS, pursuant to AB 2257, if the City complies with the requirements in Government Code section 53759.1, then ratepayers must bring an objection regarding the proposed water rates to the City Council's attention prior to the deadline established by the Council as part of the ratemaking process and any judicial action or proceeding to review, invalidate, challenge, set aside, rescind, void, or annul the water rates shall be subject to the requirements set forth in Government Code section 53759.2; and

ATTACHMENT 1

WHEREAS, to comply with the requirements in Government Code section 53759.1, the City must do the following as part of the Proposition 218 process to consider the water rates:

- 1) Establish a deadline for any ratepayer or property owner to submit an objection to the proposed water rates that is at least 45 days after the Proposition 218 Notice has been sent; and
- 2) Make the proposed water rates and the Water Rate Study available to the public no less than 45 days before the deadline for a ratepayer or property owner to submit an objection; and
- 3) Post on its internet website the Water Rate Study, which is a written basis for the proposed water rates, and the Proposition 218 Notice and include a link to the Water Rate Study in the Proposition 218 Notice; and
- 4) Mail the Water Rate Study to a ratepayer or property owner on request; and
- 5) Provide at least 45 days for a ratepayer or property owner to review the proposed water rates and to timely submit to the City Clerk a written objection to the water rates that specifies the grounds for alleging noncompliance; and
- 6) Include in the Proposition 218 Notice:
 - a. A statement that all written objections must be submitted to the City Clerk by the deadline and that failure to timely object in writing bars any right to challenge the proposed water rates in court and that any such action will be limited to issues identified in such objections; and
 - b. All substantive and procedural requirements for submitting an objection to the proposed water rates; and
- 7) Before or during the hearing, the City Council shall consider and the City shall respond in writing to, any timely written objections. The City's responses shall explain the substantive basis for retaining or altering the proposed water rates in response to written objections, including any reasons to reject requested amendments. In exercising its legislative discretion, the Council shall determine whether:
 - a. The written objections and the City's response warrant clarifications to the proposed water rates;
 - b. To reduce the proposed water rates;
 - c. To further review the proposed water rates before determining whether clarification or reduction is needed; or
 - d. To proceed with the hearing and absent a majority protest, adopt the rates; and

WHEREAS, if the City adopts the proposed water rates in compliance with the requirements of Government Code section 53759.1, no person may bring a judicial action or proceeding alleging that the water rates do not comply with the California Constitution or other applicable law, unless that person submitted to the City Clerk a timely, written objection to the water rates specifying the grounds for alleging noncompliance. The issues raised in any such action or proceeding shall be limited to those raised in such an objection unless a court finds the issue could not have been raised in such an objection by those exercising reasonable diligence; and

ATTACHMENT 1

WHEREAS, the City desires to initiate proceedings under Proposition 218, and in compliance with Government Code section 53759.1, to consider the adoption of the proposed water rates.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Manteca, as follows:

1. The above recitals are correct and are material to this Resolution and are incorporated into this Resolution as findings of the City Council.
2. The Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA") and the CEQA Guidelines. The Resolution is not a project under Public Resources Code Section 21065 and California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(4) because the Resolution does not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.
3. The City shall initiate the process for the City Council to consider the proposed water rates, in compliance with Proposition 218 and Government Code section 53759.1.
4. The City shall send a Proposition 218 Notice, substantially in the form attached hereto as **Exhibit A**, which complies with Proposition 218 and contains the information required by Government Code section 53759.1.
5. All objections to the proposed water rates, shall satisfy the requirements set forth in the Proposition 218 Notice and shall be received by the City by March 3, 2025.
6. The City Council shall post the 2024 Water Rates Study, and the Proposition 218 Notice to its website and shall include a link to the Water Rates Study in the Proposition 218 Notice. The City shall mail the Water Rates Study to any person upon request.
7. The City Council hereby approves the Notice of Intent, attached to this resolution, to hold a public hearing on March 18, 2025 to consider the proposed water rates. Before or during the hearing, the City Council shall consider, and the City shall respond in writing to, any timely written objection, in accordance with Government Code section 53759.1.
8. Effective Date. This Resolution shall take effect immediately

ATTACHMENT 1

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Manteca at a public meeting of said City Council held on the 17th day of December, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MAYOR: _____
GARY SINGH
Mayor

ATTEST: _____
CASSANDRA CANDINI-TILTON
City Clerk