



PUBLIC HEARING

Agenda Item # 14

AGENDA REPORT SUMMARY

Meeting Date: July 10, 2018

Subject: Ordinance No. 2018-445: Sanitary Sewer Rates

Prepared by: Christopher Lamm, Engineering Services Manager

Reviewed by: Susanna Chan, Public Works Director

Approved by: Chris Jordan, City Manager

Attachment(s):

1. NBS Sewer Service Charge Report dated July 2018 without Listing of Sewer Service Charges
2. Ordinance No. 2018-445
3. Resolution No. 2018-28

Initiated by:

City Council – March 13, 2018 (Discussion Item #9)

Previous Council Consideration:

July 9, 2013; July 22, 2014; June 23, 2015; June 28, 2016; June 27, 2017; March 13, 2018; June 26, 2018

Fiscal Impact:

The rate report and expected revenues resulting from the posted rates are included in the City's approved FY 2018/19 budget.

Environmental Review:

Statutorily Exempt – CEQA Section 15273 Rates Fares Tolls and Charges

Policy Question(s) for Council Consideration:

- Not Applicable

Summary:

- Adopt Ordinance No. 2018-445 approving the proposed increases to the rates for the Sewer Service Charges and amending Municipal Code Section 10.12.130.
- Adopt Resolution No. 2018-28 approving the Report of Sewer Service Charges for Fiscal Year 2018/19 and directing the Filing of Charges for Collection by the County Tax Collector

Staff Recommendation:

Move to adopt Ordinance No. 2018-445 approving the proposed increases to the rates for the Sewer Service Charges and amending Municipal Code Section 10.12.130; and move to adopt Resolution No. 2018-28 approving the Report of Sewer Service Charges for Fiscal Year 2018/19 and directing the Filing of Charges for Collection by the County Tax Collector.



Subject: Ordinance No. 2018-445: Sanitary Sewer Rates

Purpose

Adopt Ordinance No. 2018-445 adopting Sewer Service Charges for Fiscal Year 2018/19 and approving the proposed increases to the rates for the Sewer Service Charges and amending Municipal Code Section 10.12.130; and adopt Resolution No. 2018-28, approving the Report of Sewer Service Charges for Fiscal Year 2018/19 and directing the Filing of Charges for Collection by the County Tax Collector.

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. 2013-394 in July 2013 that established sewer rates to be applied for the five-year period beginning July 1, 2013. The rates increased from year to year during years two through five of the five-year period to reflect historic trends in inflation associated with the sewer system.

To ensure that sewer utility continues to recover its costs of providing sewer services, the City performed a review of the sewer rate structure and calculation methodology with the assistance of consulting firm NBS. On March 13, 2018, the City Council approved the Sewer Rate Study prepared by NBS. The report recommends continuing to use the existing sewer rate calculation methodology for the five-year period from FY2018/19 through FY2022/23.

In accordance with Municipal Code sections 10.12.135 and 10.12.140 and as proposed, the rate structure for the sewer service charges is comprised of two components: (1) a fixed annual per parcel base charge that is determined on the basis of the number of equivalent dwelling units ("EDU") assigned to a property; and (2) a variable quantity charge. One EDU equates to the quantity of wastewater an average single-family residential customer contributes to the sewer system. One EDU is assigned to each single family residential home. The number of EDUs assigned to other customers is based on their expected wastewater flows relative to an average single-family residential customer. The quantity charge is imposed on a per unit basis, with one unit equal to one hundred cubic feet, or 745 gallons, of metered water use. The total amount of the quantity charge is based on a customer's average winter water use from the prior year (using the three wettest months of the prior year) and multiplied by 12, and is designed to reflect a customer's estimated wastewater flow. Estimated average winter water usage is used because individual sewer flows are not metered, and winter months' water usage, when outdoor water use is least likely to occur, best reflects actual flows into the sewer system. The Sewer Rate Study establishes the FY2018/19 per-parcel base sewer service charge of \$267.69 per dwelling unit plus a quantity charge of \$2.15 per estimated sewer unit.

The City's Sewer Service Charges are imposed pursuant to California Health and Safety Code section 5471 et seq. Section 5471 previously required that charges adopted in accordance therewith be adopted by an ordinance approved by two-thirds of the members of the City Council. Health and Safety Code section 5471 was amended in 2016 and allows such sewer service charges to be adopted by an ordinance or a resolution approved by two-thirds of the members of the City Council.



Subject: Ordinance No. 2018-445: Sanitary Sewer Rates

Ordinance 2018-445 proposes to amend Municipal Code Section 10.12.130 to allow future Sewer Service Charges to be adopted by a resolution in accordance with the provisions of amended Health and Safety Code section 5471.

Discussion/Analysis

In order to levy sewer service charges on property tax bills for FY2018/19, the Council must hold a hearing on the report of charges to be submitted to the County for collection for the fiscal year. That report, prepared by NBS, is on file with the City Clerk and the body of the report (excluding the parcel list) is included here as Attachment 1. Following the hearing, the Council may adopt Resolution No. 2018-28 and direct the Filing of Charges for Collection by the County Tax Collector.

On June 26, 2018, City Council conducted a public hearing on the proposed revisions of the rates for the sewer service charges. Notices of the hearing to consider the Annual Sewer Service Charge Report were published in the Los Altos Town Crier on June 27, 2018 and July 4, 2018. A notice of public hearing of the new sewer rates was mailed to all parcel owners of record on May 11, 2018.

The average annual charge for a single-family residence in FY2017/18 was \$440.40 and the average charge for a single-family residence for FY2018/19 is \$445. The total annual sewer service charge revenue was \$5,860,841 in FY 2017/18 and the total estimated annual sewer service charge revenue for FY 2018/19 is \$5,993,553.

Options

- 1) Approve Staff Report Recommendations

Advantages: The rate report and expected revenues resulting from the posted rates are consistent with the City's FY2018/19 budget

Disadvantages: None

- 2) Do not approve sewer service charges

Advantages: None

Disadvantages: The City would not have adequate funding to finance O&M and CIP Projects of the Sewer Fund

Recommendation

The staff recommends Option 1.



CITY OF LOS ALTOS

Sewer Service Charge

2018/19 Annual Report

July 2018

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis
Huntington Beach,
Joshua Tree, Riverside
Sacramento, San Jose

www.nbsgov.com

Prepared by:



ATTACHMENT 1

**CITY OF LOS ALTOS
SEWER SERVICE CHARGE
Los Altos City Hall
1 North San Antonio Road
Los Altos, CA 94022
Phone - (650) 947-2700**

CITY COUNCIL

Jean Mordo, Mayor

Lynette Lee Eng, Vice Mayor

Jeannie Bruins, Councilmember

Jan Pepper, Councilmember

Mary Prochnow, Councilmember

CITY STAFF

Chris Jordan, City Manager

Susanna Chan, Public Works Director

Christopher Lamm, Engineering Services Manager

Aida Fairman, Senior Civil Engineer

NBS

Tim Seufert, Client Services Director

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1. INTRODUCTION

The City of Los Altos (the “City”) imposes a Sewer Service Charge to fund costs associated with the City’s sanitary sewer system in accordance with its Municipal Code Chapter 10.12. The City restructured the Sewer Service Charge in July 2013 to ensure a flow-of-funds for the on-going operation and maintenance, and to fund the upgrading and refurbishing of the City’s sanitary sewer system. The main objectives for updating the rate structure were to ensure a fair and equitable charge to all sewer users and to stabilize the charges to provide needed revenue.

A new study was completed in February 2018 to support increased rates beginning July 1, 2018 and ending June 30, 2023. The City Council adopted an Ordinance in July 2018 establishing the Sewer Service Charge to be applied to each of the succeeding five fiscal years, which is comprised of a base charge per equivalent dwelling unit, plus a usage charge per estimated sewer unit. The adopted rate structure makes structural improvements to the City’s sewer revenue stream, which will assist in reducing revenue volatility and equitably allocate costs to each customer class of sewer use by improving the distribution of costs across customer classes, as well as within each class.

The Public Hearing was held on June 26, 2018. There was no majority protest amongst the property owners. The Ordinance was approved at the first reading on June 26, 2018 and adopted at the second reading on July 10, 2018. The increased rates, based on the new rate study, will commence thirty (30) days later on August 10, 2018. As such, the Sewer Service Charges for Fiscal Year 2017/18 are prorated to forty (40) days and applied to July 1, 2018 through August 9, 2018. The new Sewer Service Charges for Fiscal Year 2018/19 are prorated to three-hundred-twenty-five (325) days and applied to August 10, 2018 through June 30, 2019, as illustrated in Section 3 of the report. Future years’ rate schedules will commence as scheduled on July 1st of each year.

The Sewer Service Charge is levied pursuant to the California Health and Safety Code, Sections 5471 et seq. and the City’s Municipal Code Chapter 10.12. Payment of the Sewer Service Charge for each parcel will be made in the same manner and at the same time as payments are made for property taxes. This report contains the necessary data required to establish the Sewer Service Charge and is submitted for filing in the office of the City Clerk, where it shall remain open for public inspection.

2. SEWER SERVICE CHARGE CALCULATION

The total annual Sewer Service Charge for a parcel will be the sum of the base charge plus the usage charge. The calculation for each charge is described in this section.

Base Charge (Per EDU)

The base charge is determined by multiplying the per equivalent dwelling unit (EDU) rate by the number of EDUs on each parcel. For residential parcels, 1.0 EDU is assigned for each dwelling unit (multi-family residential parcels included).

Parcels with non-residential structures or improvements shall also be assigned 1.0 EDU for the first 110 water units (or fraction thereof) of estimated sewer use for non-residential improvements on the parcel plus a number of additional EDUs (or fractions thereof) equal to the remaining estimated sewer use for non-residential improvements on the parcel divided by 110.

Where multiple non-residential parcels share a common water meter, the equivalent dwelling units calculated based on water use measured by that meter shall be divided equally amongst the parcels sharing the meter. A minimum of 1.0 EUD is assigned to each non-residential parcel.

Usage Charge (Per Unit of Estimated Sewer Use)

The usage charge is based on water consumption data provided by the California Water Service Company for the previous year. The three monthly billing periods which indicate the lowest total water consumption are selected as the wet seasons in that they represent a reasonable approximation of the amount of sewer usage. Water usage from the wet season months is averaged and multiplied by 12 to calculate estimated annual sewer usage.

Where actual monthly water consumption data is not available for a water account on a parcel (as when a structure(s) on the parcel is recently connected to a water system), sewer use is estimated as the average estimated sewer use for the prior year of all parcels in the same land use. For purposes of this section, land uses are classified as follows:

- Single-Family Home
- Condominium Unit
- Multi-Family Residence (two dwelling units)
- Multi-Family Residence (three to four dwelling units)
- Multi-Family Residence (five or more dwelling units)
- Church
- Commercial/Industrial
- Institutional
- Park
- School
- Government

3. SEWER SERVICE CHARGE CALCULATION

To provide the revenue to keep up with the increase in projected revenue needs, the City adopted an updated five-year rate structure in July 2018. Both the base charge and the usage charge per sewer unit will be increased annually each year. The first table below shows the adopted rates through Fiscal Year 2022/23 based on the rate study.

Adopted Rates	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Per EDU (Base Charge)	\$267.69	\$275.72	\$283.99	\$292.51	\$301.29
Per Unit of Estimated Sewer Use (Usage Charge)	\$2.15	\$2.21	\$2.28	\$2.35	\$2.42
Percentage Increase over Prior Fiscal Year	2.5%	3.0%	3.0%	3.0%	3.0%

The Sewer Service Charges for Fiscal Year 2017/18 are prorated to forty (40) days and applied to July 1, 2018 through August 9, 2018. The new Sewer Service Charges for Fiscal Year 2018/19 are prorated to three-hundred-twenty-five (325) days and applied to August 10, 2018 through June 30, 2019. Future years' rate schedules will commence as scheduled on July 1 of each year.

The prorated rates for Fiscal Year 2018/19 are listed, below.

Prorated Rates	7/1/18 - 8/9/18 (40 days of FY 2017/18 Rates)	8/10/18 - 6/30/19 (325 days of FY 2018/19 Rates)
Per EDU (Base Charge)	\$28.64	\$238.35
Per Unit of Estimated Sewer Use (Usage Charge)	\$2.07	\$2.15

4. WET SEASON MONTHS

The “wet season months” are the three monthly billing periods for which the records of the California Water Service Company indicate the lowest total water consumption during that calendar year by parcels connected to the City’s sewer system that are serviced by the California Water Service Company.

In 2017, the City’s three lowest months for water use were January, February, and March. Therefore, these are the months used to calculate each individual parcel’s estimated annual sewer usage for Fiscal Year 2018/19.

The following table provides the total annual sewer usage for calendar year 2017, as provided by the California Water Service Company.

Calendar Year 2017 Total Water Consumption for the City of Los Atos (1,2)											
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
101,951	90,303	90,750	135,569	178,946	317,921	329,793	338,273	350,636	293,305	242,600	162,680

(1) Data provided by the California Water Service Company for the City of Los Altos and certain parcels located within the Town of Los Altos Hills and unincorporated areas of the County that are connection to the City’s sewer system.

(2) One unit = 100 cubic feet of sewer use.

5. SUMMARY OF LAND USE CLASSIFICATIONS

The following summarizes the estimated annual sewer usage for properties that are connected to the City's sewer system for Fiscal Year 2018/19.

Land Use Classification	Number of Parcels (1)	Total Estimated Yearly Sewer Use (in Units) (1)	Average Sewer Use Per Parcel (2)
Single-Family Home	10,330	858,895	83
Condominium Unit	1,029	44,408	43
Multi-Family Residence (two units)	65	6,720	103
Multi-Family Residence (three to four dwelling units)	14	1,728	123
Multi-Family Residence (five or more dwelling units)	22	25,788	1,172
Church	21	9,903	472
Commercial/Industrial	484	104,769	216
Institutional	3	18,042	6,014
Park	4	2,444	611
School	10	8,248	825
Government	9	6,924	769

- (1) Usage data includes all parcels in the City of Los Altos and in unincorporated Santa Clara County served by the City of Los Altos's sewer program. The City's program uses capacity and facilities provided to the program by the City of Mountain View to serve some parcels in the City of Los Altos. These parcels are charged a Sewer Service Charge by the City of Los Altos, and data for these parcels is included in the above table. The City of Los Altos compensates the City of Mountain View for access to the Mountain View sewer system by providing the Mountain View's sewer program with access to a similar volume of service from the Los Altos system. Parcels located in Mountain View, but connected to the City's sewer system, are receiving service from the Mountain View sewer program and are not included in the above table or subject to City's Sewer Service Charge. Additionally, the City of Los Altos sells sewer services, in bulk, to the Town of Los Altos Hills, and the Town uses these services to serve parcels located in Los Altos Hills. Usage by parcels in Los Altos Hills is not shown in the above table because these parcels are not subject to the Sewer Service Charge. Instead, the full cost of the services indirectly provided by the Town of Los Altos Hills parcels is covered by the direct payment to the City from the Town of Los Altos Hills. Costs of these services are not spread to parcels directly served by the City of Los Altos sewer program.
- (2) Average consumption based upon parcels where actual usage data was available. Developed properties that are connected to the City's sewer system, which water consumption information is not available, are charged at the average sewer use per parcel identified above.

6. LISTING OF SEWER SERVICE CHARGES

A list of parcels subject to the Sewer Service Charge as shown on the last equalized Property Tax Roll of the Assessor of Santa Clara County is on file in the office of the City Clerk of the City of Los Altos. The list contains a description of each parcel receiving such services and the amount of the charge for each parcel for Fiscal Year 2018/19.

7. RESOLUTION FOR FISCAL YEAR 2018/19

The following page presents the Resolution approving the report of Sewer Service Charges for Fiscal Year 2018/19 and directing the filing of charges for collection by the Santa Clara County Tax Collector.

ORDINANCE NO. 2018-___

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS ESTABLISHING THE RATES OF THE SEWER SERVICE CHARGE FOR FISCAL YEAR 2018-19 AND SUBSEQUENT FISCAL YEARS AND AMENDING SECTION 10.12.110 AND 10.12.130 OF, AND ADDING SECTION 10.12.137 TO, ARTICLE 3 OF CHAPTER 10.12 OF THE LOS ALTOS MUNICIPAL CODE

WHEREAS, pursuant to Article 3 of Chapter 10.12 of the Los Altos Municipal Code, the City of Los Altos imposes a Sewer Service Charge upon parcels connected to the sewer system; and

WHEREAS, the purpose of the Sewer Service Charge is to fund costs associated with providing sewer service; and

WHEREAS, the City engaged NBS (the “Rate Consultant”) to prepare a rate study recommending a revision to the Sewer Service Charge that would fairly and equitably spread the costs of sewer system operation across parcels using sewer service and would meet the requirements of California law; and

WHEREAS, the Rate Consultant has prepared a rate study entitled “Sewer Rate Study” dated February 7, 2018 (the “Study”) which is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference; and

WHEREAS, the Study proposed new rates for the Sewer Service Charges, to become effective over a five year period (collectively, the “Rate Structure”); and

WHEREAS, on March 13, 2018, the City Council approved the Sewer Rate Study Report prepared by NBS. The report recommended continuing to use the existing sewer rate calculation methodology for the five-year period from fiscal year (“FY”) 2018/19 through FY 2022/23; and

WHEREAS, the City caused notice of the proposed rates for the Sewer Service Charges and a Public Hearing at which the rates would be considered to be mailed to the record owner of each parcel upon which the Sewer Service Charges were proposed to be imposed; and

WHEREAS, such notice was given pursuant to section 6 of article XIII D of the California Constitution (“Proposition 218”), the Proposition 218 Omnibus Implementation Act (Section 53750 *et seq.* of the California Government Code) (the “Act”), and applicable law; and

WHEREAS, on June 26, 2018, at 7:00 PM, in the City Council Chambers located at One North San Antonio Road, Los Altos, California, 94022, the City Council held the Public Hearing at which the City Council heard all oral testimony and received all written comments with respect to the proposed rates for the Sewer Service Charges and considered all written protests against the proposed rates for the Sewer Service Charges; and

WHEREAS, the City Council has determined that written protests against the proposed rates for the Sewer Service Charges have not been presented by a majority the record owners of the parcels upon which the Sewer Service Charges are proposed to be imposed; and

WHEREAS, the City Council desires to implement the rates for the Sewer Service Charges consistent with the recommendation of the Study and as set forth in Section 4 of this Ordinance; and

WHEREAS, the City is also proposing to amend the Municipal Code to allow future rate increases in the City’s Sewer Service Charges to be adopted by a resolution of the City Council pursuant to the authority granted in Health and Safety Code section 5471 et seq., and to allow the owners of two or more condominium units that are connected to and served by the same single master water meter and are collectively billed for their water use by the California Water Service Company (or its successor), to request to be billed based on sub-metered water usage for their sewer use charges; and

WHEREAS, this Ordinance is exempt from environmental review pursuant to Section 15061(b)(3) of the State Guidelines implementing the California Environmental Quality Act of 1970, as amended.

NOW THEREFORE, the City Council of the City of Los Altos does hereby ordain as follows:

SECTION 1. AFFIRMATION OF RECITALS. Each of the recitals set forth above is true and correct in all respects and are incorporated herein as findings and determinations of the City Council.

SECTION 2. APPROVAL OF RATE STUDY. The Study is hereby approved by the City Council in the form on file in the Office of the City Clerk and available for public inspection.

SECTION 4. RATES. The maximum rates of the Sewer Service Charges imposed pursuant to Section 10.12.120 of the Municipal Code and the effective dates are set forth in the table below are hereby adopted.

	August 10, 2018	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2023
\$/EDU	\$267.69	\$275.72	\$283.99	\$292.51	\$301.29
\$/HCF	\$2.15	\$2.21	\$2.28	\$2.35	\$2.42

No further action need be taken by the City Council to cause the rates established by this Section to become effective. However, the City Council may, pursuant to Section 10.12.130, as amended by this Ordinance, adopt a resolution that delays the effective date of a scheduled rate adjustment, eliminates such adjustment, or implements increases in the rates
Ordinance No. 2018-____

of the Sewer Service Charges that are less than the authorized maximum rates set forth above.

SECTION 5. RATE ADJUSTMENTS. The Sewer Service Charge rate adjustment schedule set forth in Section 4 of this Ordinance was approved by the City Council following a public hearing that was noticed and conducted pursuant to Proposition 218 and the Act. Consequently, so long as revised rates established in the future by the City Council do not exceed the maximum rates set forth in Section 4, such revision shall not constitute an “increase” of the applicable Sewer Service Charge rates for purposes of the Proposition 218 or the Act. Such rate revisions shall not, therefore, require additional compliance with the procedural requirements of the Proposition 218 or of the Act. The City Council hereby authorizes and directs the City Manager to implement and take all actions necessary to effectuate the rates for the Sewer Service Charges set forth herein.

SECTION 6. PRIOR SEWER SERVICE CHARGES. Notwithstanding the provisions of this Ordinance, Sewer Service Charges levied for fiscal years prior to Fiscal Year 2018-19 shall remain governed by the provisions of Chapter 10.12 of the Municipal Code as they existed prior to the effective date of this Ordinance and remain in effect until otherwise modified in accordance with this Ordinance.

SECTION 7. FINDINGS. The City Council, based upon the Study and upon such other testimony provided to it at the Hearing finds as follows:

- (a) Revenues derived from the Sewer Service Charges, as imposed pursuant to this Ordinance, will not exceed the funds required to provide sewer service to the parcels subject to the Sewer Service Charges.
- (b) Revenues derived from the Sewer Service Charges cannot, pursuant to Section 10.12.220 of the Municipal Code, be used for any purpose other than that for which the Sewer Service Charges are imposed.
- (c) The amount of the Sewer Service Charges imposed upon each parcel do not exceed the proportional cost of sewer service attributable to that parcel.
- (d) The Sewer Service Charges are only imposed upon parcels that are actually connected to the sewer system, and which therefore either use, or have immediate ability to use, the sewer services.
- (E) Sewer services are not a general governmental services as that term is used in California Constitution article XIII D, section 6(b)(5).

SECTION 8. AMENDMENTS TO LOS ALTOS MUNICIPAL CODE.

(a) Subdivision A of Section 10.12.110 of Article 3 of Chapter 10.12 of the Los Altos Municipal Code is hereby amended to read as follows:

Ordinance No. 2018-____

A. “Actual water consumption,” with respect to a parcel, shall mean the water consumption indicated for that parcel on the records of the California Water Service Company (or its successor) or such other water utility as serves the parcel. Provided, however, with respect to a condominium unit that has an assigned County assessor’s parcel number, a water sub-meter, and the owner of the property has requested and been authorized by the City to be billed based on sub-metered water usage, “actual water consumption” shall be determined in accordance with Section 10.12.137 of this article.

(b) Section 10.12.130 of Article 3 of Chapter 10.12 of the Los Altos Municipal Code is hereby amended to read as follows:

10.12.130. Rates.

The rates of the sewer service charges shall be stated as a rate per equivalent dwelling unit, plus a rate per unit of estimated sewer use, and shall be established by a resolution adopted by the City Council pursuant to Section 5471 of the California Health and Safety Code.

(c) Section 10.12.137 is hereby added to Article 3 of Chapter 10.12 of the Municipal Code to read as follows:

10.12.137. Billing of Master Metered Condominium Units with Water Sub-Meters.

Notwithstanding any other provision of this article, and except as provided herein, the owners of two or more condominium units that are connected to and served by the same single master water meter and are collectively billed for their water use by the California Water Service Company (or its successor), may request to be billed based on sub-metered water usage for their sewer use charges, provided that: (i) each of the condominium units has an assigned County assessor’s parcel number; (ii) each of the condominium units has a separate water sub-meter; and (iii) all of the owners of the condominium units that are connected to the same single master water meter agree in writing to be billed separately for sewer service.

Actual water consumption for each condominium unit shall mean each condominium unit’s sub-metered water consumption for the entire prior calendar year.

The owner of each condominium unit authorized to be billed based on sub-metered water usage for sewer service pursuant to this section 10.12.137 shall, at his or her sole expense, cause his or her sub-meter to be read monthly by a licensed professional in accordance with the California Division of Measurement Standards and to cause such professional to submit to the City the sub-metered water consumption data of his or her condominium for each month of the calendar year. The total calendar year water consumption data of all of the owners of the condominium units shall equal the total metered water consumption of the single master meter for the condominium units reported by the California Water Service Company (or its successor) for the same period. The City shall not be responsible for reconciling the total sub-metered water consumption data reported by the condominium unit owners with the metered water consumption data reported by the California Water

Service Company (or its successor). If the water consumption data reported by the condominium owners cannot be reconciled with the metered water consumption data reported by the California Water Service Company (or its successor), then the sewer use of such condominium owners shall be calculated in accordance with the provisions of section 10.12.140 of this article.

At his her sole expense, each condominium owner authorized to be billed for sewer service pursuant to this section 10.12.137 shall annually cause his or her sub-meter to be inspected, tested, and verified by a licensed professional in accordance with the California Division of Measurement Standards. No later than March 15 of each year, each condominium owner shall submit to the City Public Works Department the results of the inspection, testing, and verification of his or sub-meter.

For the purposes of this section 10.12.137 and section 10.12.140 of this article, the sewer use for each condominium unit upon which a sewer service charge for that parcel shall be calculated for a fiscal year shall be estimated by multiplying by twelve (12) the average actual monthly water consumption for each condominium unit during the three (3) wet season months for the prior calendar year. One (1) unit of sewer use shall be assigned for each one hundred (100) cubic feet of water use. Provided, however, that if any owner of a condominium unit authorized to be billed for sewer service pursuant to this section 10.12.137 fails to comply with any of the requirements of this section 10.12.137, then the sewer use of all condominium owners within the same condominium complex shall be calculated in accordance with the provisions of section 10.12.140 of this article.

All other provisions of this article governing sewer service charges not in conflict with this section 10.12.137 shall apply to each owner of a condominium unit authorized to be billed for sewer service in accordance with this section 10.12.137.

SECTION 9. PUBLICATION. This ordinance shall be published as provided in Government Code section 36933.

SECTION 10. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

SECTION 12. EFFECTIVE DATE. This ordinance shall be effective upon the commencement of the thirty-first day following the adoption date.

The foregoing ordinance was duly and properly introduced at a regular meeting of the City Council of the City of Los Altos held on _____, 2018 and was thereafter, at a regular meeting held on _____, 2018 passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jean Mordo, MAYOR

Attest:

Jon Maginot, CMC, CITY CLERK

RESOLUTION NO. 2018-28

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
APPROVING THE REPORT OF SEWER SERVICE CHARGES FOR FISCAL
YEAR 2017/18 AND DIRECTING THE FILING OF CHARGES FOR
COLLECTION BY THE COUNTY TAX COLLECTOR**

WHEREAS, pursuant to Chapter 10.12 of Los Altos Municipal Code, the City of Los Altos imposes Sewer Service Charges upon parcels connected to the sewer system; and

WHEREAS, pursuant to Section 5473 of the California Health & Safety Code, the City Council has elected to annually collect the Sewer Service Charges on the property tax roll; and

WHEREAS, the Public Works Director has caused to be prepared a report (the "Report") containing a description of each parcel of real property subject to the Sewer Service Charges and the amount of the Sewer Service Charges to be imposed on each such parcel for Fiscal Year 2018/19, computed in conformity with the rates prescribed by Ordinance of this City Council, which report is filed with the City Clerk, available for public inspection, and incorporated herein by reference; and

WHEREAS, on July 10, 2018, following the publication of notice as required by law, the City Council held a full and fair public hearing with respect to the Report, and at such hearing the City Council heard and considered all protest and objections to the Report; and

WHEREAS, the City Council desires to approve the Report and to submit the Sewer Service Charges described therein to the Santa Clara County Tax Collector for collection on the Fiscal Year 2018/19 tax roll.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Los Altos hereby authorizes that:

1. The City Council hereby overrules all protests and objections to the Report on the Sewer Service Charges and confirms and approves the Report and the Sewer Service Charges to be imposed on each parcel within the City subject to such charges as submitted; and
2. The City Clerk is instructed and authorized to transmit the Report to the Santa Clara County Tax Collector and to file the necessary documents with the Tax Collector that the Sewer Service Charges set forth in the Report will be included on the Santa Clara County Tax Roll for Fiscal Year 2018/19.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 10th day of July, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jean Mordo, MAYOR

Attest:

Jon Maginot, CMC, CITY CLERK