



**MEMORANDUM**

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**DATE:** May 28, 2024

**TO:** Margaret Wimberly, City Clerk

**FROM:** Casey Wichert, Director of Public Works

**CC:** Tim Ogden, City Manager  
 Katy Wisinski, Interim City Attorney  
 Kerry Breen, Director of Finance and Information Systems

**SUBJECT:** Correction to Resolution No. 2023-75, Attachment A-1 and Water and Wastewater Rate Study Report

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Resolution 2023-75 was adopted by the City Council on June 13, 2023. Following the adoption of the five-year rate study, an unintended clerical error was discovered for the water 4” meter base rate for non-residential customers and needs to be corrected.

**BACKGROUND**

Following the adoption of the five-year rate study, an unintended clerical error was discovered for the water 4” meter base rate for non-residential customers. The Proposition 218 notice that was sent to all water customers correctly described the water rates for all years.

Specifically, through the Water Rate Study’s cost of service analysis, it was determined that a 6.5% increase was necessary to sustain the water enterprise operations. When the rates were transferred from the cost of service analysis into Attachment A of the water rate resolution, and into the Water Rate Study Report, the latter of which summarizes the Study methodology and findings, the water 4” meter base rate for non-residential customers was listed correctly for FY 2023/24, though the 6.5% increase that was approved by the City Council was not correctly listed for the subsequent FYs 2024/25 - 2027/28. All other water rates were listed correctly.

The following table shows the rates from the original Attachment A to Resolution 2023-75 with the incorrectly listed rates highlighted.

	<b>WATER RATES PER MONTH</b>				
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>Monthly Base Rate</b>					
4” Meter	420.31	292.65	293.65	294.65	295.65

The intended rate for FYs 2025/26 - 2027/28, as outlined in the Notice provided to all utility customers and property owners, and described in the narrative of the Rate Study Report is correctly highlighted in the table below.

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	WATER RATES PER MONTH				
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>Monthly Base Rate</b> 4" Meter	420.31	447.64	476.74	507.73	540.74

**NOTICE TO CUSTOMERS**

On April 21, 2023, Public Hearing Notices were sent to all property owners and customers of the parcels served by the City’s Water, Wastewater and Solid Waste utilities. In the Notice, the Water 4” meter base rate was correctly listed as 6.5% for FYs 2024/25 – 27/28.

**CORRECTIONS TO RESOLUTION NO. 2023-175 AND WATER RATE STUDY REPORT**

At their meeting of May 28, 2024, the City Council will be notified of this clerical error. Following that meeting, and to accurately reflect the water rates adopted by the City Council, please replace Attachment A to Resolution 2023-75, with the corrected Attachment A, and replace the Water Rate Study Report with the corrected version. Also include a copy of this memo with Resolution No. 2023-75 and the Rate Study Report. This matter was reviewed by the City Attorney and outside legal counsel, and they concur with this course of action.

Please contact me should you have any questions. Thank you for your assistance with these matters.