

## DRAFT RESOLUTION

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, SETTING SEWER CAPACITY CHARGES FOR THE WASTEWATER DIVISION

**WHEREAS**, the City of Atascadero owns and operates a municipal wastewater collection and treatment system for the safe and reliable disposal of wastewater in accordance with applicable regulations; and

**WHEREAS**, the City of Atascadero levies and imposes one-time Sewer Capacity Charges (Sewer Connection Charges) to new customers connecting to the wastewater system and existing customers that require increased capacity due to changes from development, use or occupancy, as a capital contribution for new wastewater facilities to be acquired or constructed in the future that are of proportionate benefit to the person or property being charged for capacity in the wastewater system; and

**WHEREAS**, the current sewer connection charges associated with capacity charges were last adjusted in 2019, with subsequent annual increases based upon construction cost inflation; and

**WHEREAS**, a Wastewater Rate Study (“Rate Study”), dated April 2025, was prepared by Tuckfield & Associates for the City of Atascadero’s Wastewater Division that recommends increases to wastewater rates (sewer service fees and sewer capacity charges) to meet the on-going operational needs of the enterprise and needed funding for existing and future capital infrastructure requirements; and

**WHEREAS**, the Atascadero City Council reviewed the Wastewater Rate Study at their regular meeting on April 22, 2025, and set a Public Hearing for their regular meeting on June 10, 2025, at which time the Council adopted Resolution No. 2025-034 establishing revised Sewer Service Charges for the Wastewater Division; and

**WHEREAS**, the Rate Study evaluated Sewer Capacity Charges using industry standard methods and are based on the current value of the City’s existing wastewater facilities and include the cost of future replacement facilities and future facilities that serve new development and connections; and

**WHEREAS**, the Rate Study developed the Proposed Sewer Capacity Charges using a combination methodology; a combination of the buy-in and incremental costs whereby the charges are based on the value of existing capacity and value of Capital Improvement Program replacement and growth-related projects; and

**WHEREAS**, the Proposed Sewer Capacity Charges set forth in this Resolution provide a reasonable and equitable cost allocation to the owners of new connections to the wastewater system and existing customers that require increased capacity due to changes from development, use, or occupancy, and provide a proportionate benefit to the person or property being charged for capacity in the wastewater system; and

**WHEREAS**, the Atascadero City Council conducted a duly noticed public hearing for setting Proposed Sewer Capacity Charges on October 14, 2025, to receive public comment and to consider proposed increases in capacity charges.

**NOW, THEREFORE BE IT RESOLVED**, by the City Council of the City of Atascadero:

**SECTION 1. Recitals.** The above recitals are true and correct and are hereby incorporated by reference.

**SECTION 2. Sewer Capacity Charges Established.** The Proposed Sewer Capacity Charges as set forth in Exhibit A, attached hereto and incorporated herein by this reference, are hereby approved and shall become effective as specified in Section 6 below in accordance with California Government Code Section 66016.

**SECTION 3. Sewer Capacity Charges Adjusted Annually.** The Proposed Sewer Capacity Charges as set forth in Exhibit A shall be adjusted annually and become effective on July 1 each year by the percentage change in the Engineering News Record Construction Cost Index (ENR-CCI) from the first ENR publication in April of the previous year to the first ENR publication in April of the current calendar year.

$$\text{Adjusted Capacity Charge} = (\text{Current Charge}) \times \frac{(\text{ENR-CCI from April current year})}{(\text{ENR-CCI from April prior year})}$$

**SECTION 4.** Previous resolutions and ordinances establishing Sewer Capacity Charges (Sewer Connection Charges) are superseded upon the effective date of the Sewer Capacity Charges as established in Section 2 above and are hereby rescinded and rendered moot.

**SECTION 5. Constitutionality.** If any portion of this Resolution is declared invalid or unconstitutional then it is the intention of the City Council to have passed the entire Resolution and all its component parts, and all other sections of this Resolution shall remain in full force and effect.

**SECTION 6. Effective Date.** This Resolution shall become effective immediately upon adoption, but the Sewer Capacity Charges shall become effective 60 calendar days from the date of adoption of this Resolution, on December 14, 2025, and shall remain in effect, until revised by the City Council.

**PASSED AND ADOPTED** at a regular meeting of the City Council held on the \_\_\_ day of \_\_\_\_, 2025.

On motion by Council Member \_\_\_\_ and seconded by Council Member \_\_\_\_, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

CITY OF ATASCADERO

\_\_\_\_\_  
Charles Bourbeau, Mayor

ATTEST:

\_\_\_\_\_  
Lara K. Christensen, City Clerk