

RESOLUTION NO. RES-2025-049

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA RESPONDING TO
TIMELY FILED WRITTEN OBJECTIONS TO THE PROPOSED INCREASES IN WATER
AND WASTEWATER RATES PURSUANT TO THE REQUIREMENTS OF STATE
ASSEMBLY BILL 2257

WHEREAS, the City of Santa Rosa (“Santa Rosa Water”), among other public services, provides high-quality drinking water, maintains a sanitary sewer collection system, treats and recycles wastewater, beneficially reuses recycled water and biosolids, and protects water resources and the local environment; and

WHEREAS, Santa Rosa Water relies on rate revenue to fund the operation, repair, maintenance and improvement of its water and wastewater systems and to continue to reliably provide water and wastewater services; and

WHEREAS, Santa Rosa Water retained an independent rate consultant, Hildebrand Consulting, LLC, to assess potential increases in water and wastewater rates and complete a 2024 Comprehensive Water and Wastewater Rate Study Report to comply with the requirements of applicable law, including Proposition 218 (California Constitution, Article XIII D, section 6); and

WHEREAS, on September 25, 2024, Governor Newsom approved State Assembly Bill 2257, codified as California Government Code sections 53759.1 and 53759.2 and made effective January 1, 2025 (“AB 2257”); and

WHEREAS, AB 2257 creates an exhaustion of administrative remedies requirement that, if implemented by a local public agency, requires ratepayers to timely submit a written objection regarding a proposed water or wastewater rate change prior to the deadline established by the local public agency in order to have exhausted administrative remedies to thereafter potentially challenge a rate change under Proposition 218 and applicable law; and

WHEREAS, the Santa Rosa Board of Public Utilities recommended utilizing AB 2257 in its recommendation on rates at its December 19, 2024 meeting; and

WHEREAS, the Santa Rosa City Council supported the utilization of AB 2257 in its study session on rates at its January 7, 2025 meeting; and

WHEREAS, on January 15, 2025, Santa Rosa Water pursuant to Proposition 218 provided Notices of Public Hearing and Proposed Increases to Water and Wastewater Rates for 2025-2029 (“Notice”) to 58,470 Santa Rosa Water customers and property owners within Santa Rosa Water’s service area; and

WHEREAS, the Notice provided at least 45 days, ending at close of business March 5, 2025, to review the proposed rates and to timely submit to Santa Rosa Water a written objection

pursuant to AB 2257 that specifies the grounds for alleging noncompliance with Proposition 218 or applicable law; and

WHEREAS, Santa Rosa Water posted on its internet website, srcity.org/WaterRates2025, the written basis for the rates, including the 2024 Comprehensive Water and Wastewater Rate Study Report; and

WHEREAS, the Notice offered to mail the written basis to a property owner or customer upon request; and

WHEREAS, the Notice included a prominently displayed statement that provided (1) all written objections must be submitted by close of business on March 5, 2025, and that failure to timely object bars any right to challenge the rates through a legal proceeding; and (2) all substantive and procedural requirements, including the requirement to fully complete a written objection form, for timely and properly submitting a written objection; and

WHEREAS, as of close of business on March 5, 2025, Santa Rosa Water received 10 written objections to the proposed water and wastewater rate increases as set forth in the Notice and as attached to this Resolution in redacted form as Exhibit A (“Objections”); and

WHEREAS, this Resolution, as required by AB 2257, responds in writing, including the grounds for which a challenge is not resulting in amendments to the proposed rate change, to the Objections prior to the close of the public hearing or ballot tabulation under section 6 of Article XIII D of the California Constitution; and

WHEREAS, this Resolution, as required by AB 2257, sets forth in Exhibit B the City’s substantive basis for retaining or altering the proposed rates in response to the Objections.

NOW, THEREFORE, BE IT RESOLVED that the Recitals set forth in this Resolution, including Exhibits A and B and the 2024 Comprehensive Water and Wastewater Rate Study Report, are true and correct statements and are incorporated as an operative part of this Resolution and made findings and determinations of the Council of the City of Santa Rosa.

BE IT FURTHER RESOLVED that the Council of the City of Santa Rosa finds it has completed all requirements of AB 2257, including completing the procedures described in paragraphs (1) to (6) of subdivision (c) of Government Code section 53759.1. Consequently, any person or entity that has not timely submitted a written objection, or any person or entity that timely submitted an objection but did not properly complete a written objection form as described in Exhibit B, is prohibited from bringing a judicial action or proceeding alleging noncompliance with Article XIII D of the California Constitution for the proposed new rates.

BE IT FURTHER RESOLVED in exercising its legislative discretion, the Council of the City of Santa Rosa determines that (1) certain Objections warrant clarifications to the analysis

but do not modify the proposed water and wastewater rate changes, as set forth in Exhibit B; and (2) to proceed to the protest hearing as required under Proposition 218.

IN COUNCIL DULY PASSED this 1st day of April, 2025.

AYES: (6) Mayor Stapp, Vice Mayor Alvarez, Council Members Bañuelos, Fleming, MacDonald, Okrepkie

NOES: (0)

ABSENT: (1) Council Member Rogers

ABSTAIN: (0)

RECUSE: (0)

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM: _____
Assistant City Attorney

Exhibit A – Written Objections
Exhibit B – Response to Written Objections