

City of Gonzales

City Manager Report

September 2023



City Manager Gil and Councilmember Orozco attended the League of California Cities Conference in Sacramento from September 20th - 22nd. They connected with City representatives from across the State that are working on similar issues to Gonzales and got a chance to highlight some of our local projects. They also met with Legislative Staff from the Attorney General’s Office, and discussed some of our upcoming opportunities and challenges.

Gonzales Community Center Complex

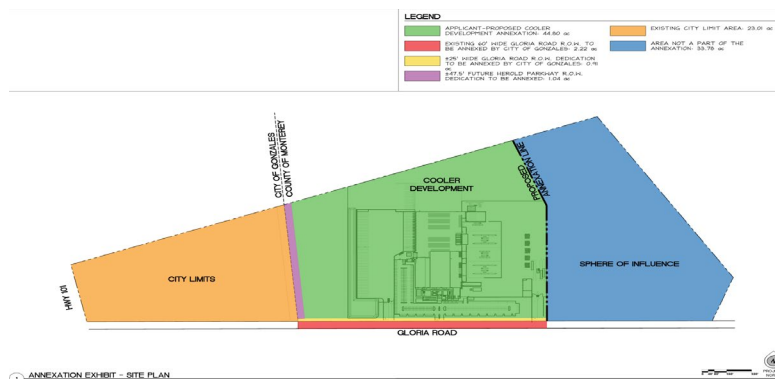
- City staff, along with our consultants, worked around the clock to secure the \$9.8 million dollar loan from the USDA for the construction of Phase 1 of the Janice and Dennis Caprara Community Center. The approval of the loan means we are well on our way to break ground on the first phase of the project in May of 2024.
- As a result, staff and consultants are meeting with user groups and Gonzales High School Students, as well as the Gonzales Youth Council members to finalize critical aspects of the center’s design.



Public Works Director, Patrick Dobbins with Otto Construction and WRNS staff along with Youth Council members conducting outreach on the project at GHS.

Economic Development and Revenue Generation

- On September 25th, the Gonzales team went to the Local Agency Formation Commission of Monterey County (LAFCo) on the Rianda Cooler annexation. The project was approved for annexation into the City. The \$80 million dollar project is expected to bring in 436 jobs and contribute \$75,000 in taxes to the City. It will encompass 45 acres and is expected to open in the Spring of 2025.



Need help paying your water bill?

If you are having trouble paying your water bill, please contact City Hall. We have payment plan options available or contact Central Cost Energy Services at 1-888-728-3637 to see if you qualify for utility assistance.



Proposed Water and Sewer Rate Adjustments Information:

Why is the City proposing to increase our water rates?

To comply with the Proposition 218/San Juan Capistrano legal ruling. We are currently out of compliance.

- Current tiers are not cost-justified; they do not reflect water use patterns.
- The adjustment will eliminate the tiered rate structure for residential and commercial customers.
- All customer classes will pay uniform consumption charges (i.e. same \$/ccf charge for all levels of use)
- It adds drought rates.

What about people who are already having trouble paying their water bill and those who are on a fixed income such as our senior citizens?

- Other non-rate revenue will fund approximately \$40,000/year which will be made available to support low-income discounts for individuals who meet an established criterion.

How will the increase impact me?

The structure will realign the fixed meter fee with max capacity of each meter size.


- Larger meter sizes will pay higher meter fees based on their capacity.
- 5/8" and 1" meters will be combined and will be charged the same meter fee.

***** About 97% of Customers have either 5/8" or 1" meter*****

		Proposed				
Fiscal Year Effective Date	Current	2023/24 Jan. 1, 2024	2024/25 Jan. 1, 2025	2025/26 Jan. 1, 2026	2026/27 Jan. 1, 2027	2027/28 Jan. 1, 2028
<u>Meter Size</u>			+7%	+7%	+7%	+7%
5/8"	\$22.12	\$23.06	\$24.68	\$26.40	\$28.25	\$30.22
1"	\$23.50	\$23.50	\$24.68	\$26.40	\$28.25	\$30.22
1-1/2"	\$24.86	\$46.12	\$49.36	\$52.80	\$56.50	\$60.44
2"	\$26.26	\$73.79	\$78.98	\$84.48	\$90.40	\$96.70
2-1/2"	\$27.28	\$110.69	\$118.46	\$126.72	\$135.60	\$145.06
3"	\$29.12	\$147.58	\$157.95	\$168.96	\$180.80	\$193.41
4"	\$30.53	\$230.60	\$246.80	\$264.00	\$282.50	\$302.20
6"	\$31.94	\$461.20	\$493.60	\$528.00	\$565.00	\$604.40

Why are we increasing sewer rates?

Our current infrastructure is over 20 years old, and we are outgrowing our system. To ensure we can maintain our sewer capacity and be ready for the future, we must upgrade and expand our Plant.


 Proposed Sewer Rates						
Fiscal Year Effective Date	Current July 1, 2023	Proposed				
		2023/24 Jan 1, 2024	2024/25 Jan 1, 2025	2025/26 Jan 1, 2026	2026/27 Jan 1, 2027	2027/28 Jan 1, 2028
Fixed Charge per Month (\$/account)						
			+18%	+18%	+3%	+3%
Residential	\$31.77	\$38.16	\$45.03	\$53.14	\$54.73	\$56.37
Commercial	\$15.18	\$10.40	\$12.27	\$14.48	\$14.91	\$15.36
Industrial	\$312.62	\$10.40	\$12.27	\$14.48	\$14.91	\$15.36
Schools	\$0.91	\$1.02	\$1.20	\$1.42	\$1.46	\$1.50
Commercial & Industrial Volume Rate (\$/ccf) (in addition to fixed charge)						
	\$2.40	\$3.33	\$3.93	\$4.64	\$4.78	\$4.92
Note: Schools are billed annually rather than monthly based on reported average daily attendance (ADA)						

Average Water and Sewer Utility Bill

	Current (July 1, 2023)	Proposed (Jan 1, 2024)	Increase
Water Meter Fee (5/8")	\$22.12	\$23.06	\$0.94
Water Usage Charges (12 ccf)	\$27.24	\$28.92	\$1.68
<u>Sewer Charges</u>	<u>\$31.77</u>	<u>\$38.16</u>	<u>\$6.39</u>
Total	\$81.13	\$90.14	\$10.33

When will these increases go into effect?

The rates will go into effect in January of 2024.

 Rate Study Schedule	
September 18:	Present final recommendations to City Council
September/October:	Community Outreach
September 29 :	Mail Prop 218 notice to customers
October/November:	45-day Prop 218 waiting period; conduct ratepayer outreach
November 20:	Proposition 218 hearing
January 1:	Implement new rates absent a majority protest

What if I want more information on this?

The full presentation is in the City Council agenda packet dated September 18th. You can retrieve it from the City of Gonzales website.

Save the Dates:

- **October 21st** for Annual Halloween **Movie in the Park** at Centennial Park.
- **October 28th** the City will be hosting a **Fall Festival** along Fourth Street