

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLISTER APPROVING CITY WATER RATES AND FINDING THE RATES WILL NOT EXCEED THE ESTIMATED AMOUNT NECESSARY TO FUND THE OPERATION OF THE CITY WATER SYSTEM

WHEREAS, pursuant to the Hollister Municipal Code Section 13.08.180, water rates may be set and modified by resolution of the City Council; and

WHEREAS, it is the desire of the City Council to maintain flexibility to best meet the needs of the City and water consumers; and

WHEREAS, proposed water rate changes were presented to Council at its October 20, 2025, meeting and again at the Council Public Hearing on January 20, 2026, following the Proposition 218 Notice process; and

WHEREAS, the rate increase will begin on February 16, 2026; and

WHEREAS, the proposed water rate structure includes a fixed charge and a volumetric rate, with the Volumetric Charge including four customer classes - (1) Single Family Residential; (2) Multi-Family Residential; (3) Commercial; and (4) Landscape; and

WHEREAS, the Monthly Service Charge is a fixed charge established on the basis of the size of the water meter (in inches) serving a property and is calculated to recover a percentage of the water utility's annual fixed costs of providing water service, such as utilities, equipment, materials, billing, collections, customer service, meter reading, and meter maintenance; and

WHEREAS, the proposed water rates include revenue adjustments over the five-year rate-setting period to make sure the Water Operating Fund has sufficient funds to cover annual expenses and to build reserves to target levels by the end of the rate-setting period, in the Year 2030; and

WHEREAS, the proposed water rates enable the City to increase water revenues, to fund expected operations, maintenance, and CIP expenditures, and maintain a sufficient Reserve Fund balance; and

WHEREAS, a public notice concerning said rate changes was duly mailed to residents in accordance with Proposition 218 noticing requirements on December 3, 2025, and a duly noticed public hearing concerning said rate adjustments was conducted by the City Council on January 20, 2026; and

WHEREAS, the City duly gave notice of the period and means for submitting written objections, and the City Council has determined that, pursuant to Proposition 218, a majority protest does not exist and the City Council may therefore proceed to set the

water service rates; and

WHEREAS, the City Council finds that the proposed water rates do not exceed the reasonable and proportional costs of providing services to the ratepayers and the various categories of ratepayers.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hollister as follows:

SECTION 1. RECITALS. The above-stated recitals and true and correct and represent the findings of the City Council.

SECTION 2. RATES. The City Council hereby adopts the following rates for water service, beginning on February 16, 2026:

Monthly Fixed Charge	Current	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Proposed FY 2030
5/8"	\$13.29	\$23.98	\$33.33	\$34.00	\$34.68	\$35.37
3/4"	\$13.29	\$23.98	\$33.33	\$34.00	\$34.68	\$35.37
1"	\$28.16	\$37.52	\$52.15	\$53.19	\$54.25	\$55.34
1 1/2"	\$52.68	\$71.37	\$99.20	\$101.18	\$103.20	\$105.26
2"	\$78.95	\$111.98	\$155.65	\$158.76	\$161.94	\$165.18
3"	\$155.53	\$240.61	\$334.45	\$341.14	\$347.96	\$354.92
4"	\$232.13	\$430.17	\$597.94	\$609.90	\$622.10	\$634.54
6"	\$461.93	\$1,086.85	\$1,510.72	\$1,540.93	\$1,571.75	\$1,603.19
8"	\$713.61	\$1,899.23	\$2,639.93	\$2,692.73	\$2,746.58	\$2,801.51
Commodity Charges	Current	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Proposed FY 2030
Single Family Residential						
Tier 1	\$3.38	\$5.81	\$8.08	\$8.24	\$8.40	\$8.57
Tier 2	\$5.54	\$7.79	\$10.83	\$11.05	\$11.27	\$11.50
Tier 3	\$6.34	\$8.85	\$12.30	\$12.55	\$12.80	\$13.06
Multi-Family/Industrial	\$4.39	\$6.74	\$9.37	\$9.56	\$9.75	\$9.95
Commercial	\$4.39	\$6.58	\$9.15	\$9.33	\$9.52	\$9.71
Landscape	\$4.39	\$7.42	\$10.31	\$10.31	\$10.73	\$10.94

PASSED AND ADOPTED, by the City Council of the City of Hollister at a regular meeting held on January 20, 2026, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Roxanne Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:
Lozano Smith Attorneys at Law

Jennifer Woodworth, MMC, City Clerk

Jennifer P. Thompson, City Attorney

I, Jennifer Woodworth, MMC, City Clerk of the City of Hollister, do hereby certify that the attached Resolution No. 2026-XX is an original resolution, or true and correct copy of a City resolution, duly adopted by the Council of the City of Hollister at a regular meeting held on January 20, 2026 at which meeting a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Hollister on January 20, 2026.

Jennifer Woodworth, MMC
City Clerk of the City of Hollister