

2/26
2/26/07

RESOLUTION NUMBER R- 302381

DATE OF FINAL PASSAGE MAR 05 2007

A RESOLUTION OF THE CITY COUNCIL ADOPTING FINDINGS IN SUPPORT OF THE STATUTORY EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT RELATED TO THE ADJUSTMENT OF WATER RATES.

WHEREAS, the Office of the Mayor has prepared and submitted Report to Council No. 07-011, dated January 3, 2007; and

WHEREAS, Page 9 of Report to Council No. 07-011 states that the Water Rate Model assumes a four percent increase in wages and salaries in FY08, an estimated \$2,400,000 per year for additional pension costs for years FY08 through FY11, and an estimated \$2,000,000 to \$6,000,000 per year increases in Retiree Health Annual Required Contributions for years FY08 though at least FY11; and

WHEREAS, Pages 10 and 11 of Report to Council No. 07-011 state that that the Water Rate Model assumes an increase in Operating Reserves from 45 days to 70 days between FY07 and FY11, Secondary Purchase Reserves equal to six percent of the annual water purchase budget, Unallocated Reserves of four percent of the Water Department's Operating Budget beginning in FY08, and a CIP Reserve of \$5,000,000; and

WHEREAS, Page 8 of Report to Council No. 07-011 states that that the Water Rate Model assumes population growth rate within the City of San Diego of one and one-tenth percent per year between FY08 and FY10, and one percent per year thereafter; and

WHEREAS, the 4-Year CIP Project Forecast Attached to Report to Council No. 07-011 shows the project forecasts for years FY08 through FY11; NOW, THEREFORE,

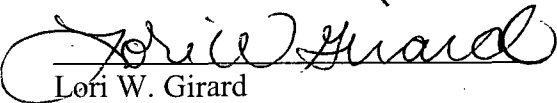
BE IT RESOLVED, by the City Council of the City of San Diego, that, based on the assumptions in the Water Rate Model relating to increases in wages, salaries, pension costs, and Retiree Health Annual Required Contributions, the Council finds that some portion of the water rate adjustments will be used to meet operating expenses, including salaries, wages and fringe benefits.

BE IT FURTHER RESOLVED, that based on the assumptions in the Water Rate Model relating to operating reserves, Secondary Purchase Reserve, Unallocated Reserves, and CIP Reserves, the Council finds that some portion of the water rate adjustments will be used to meet financial reserve needs and requirements.

BE IT FURTHER RESOLVED, that based on the 4-Year CIP Project Forecast, and the Population Growth Projections assumption used in the Water Rate Model, the Council finds some portion of the water rate adjustments will be used to obtain funds for capital projects, necessary to maintain service within existing service areas, because expansions in system capacity from some capital projects are to serve increases in population within existing services areas, and not to expand the water system to new service areas.

BE IT FURTHER RESOLVED that based on the foregoing findings, the City Council of the City of San Diego finds that the water rate adjustments approved pursuant to Resolution No. R- 302380 (R-2007-810), are exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273(a).

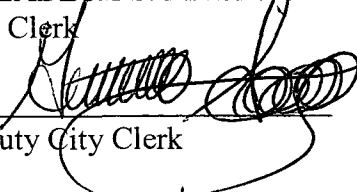
APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Lofi W. Girard
Deputy City Attorney

LWG:cla
02/20/2007
Or.Dept:Water
R-2007-811

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of FEB 26 2007.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 3-5-07
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor