

RESOLUTION NUMBER R- 304434 DATE OF FINAL PASSAGE NOV 2.5" 2008

A RESOLUTION OF THE CITY COUNCIL APPROVING WATER RATE INCREASES PURSUANT TO INCREASES IN THE WHOLESALE COST OF WATER AND FOR FUNDING AN INDIRECT POTABLE REUSE DEMONSTRATION PROJECT.

WHEREAS, effective January 1, 2009, the San Diego County Water Authority [CWA] will increase its rates for wholesale water purchases to all its participating agencies, including the City of San Diego [City]; and

WHEREAS, in order to pass through the increased wholesale water purchase costs from CWA by implementing proposed water rate increases, City staff prepared Report to City Council No. <u>08-167</u>, dated November 6, 2008 which describes in detail the basis and reasons for the proposed water rate increases; and

WHEREAS, the Report to Council provides that commodity rates will need to be temporarily increased for a period of approximately 18 months starting January 1, 2009 in order to raise \$10,711,000 of additional revenue required to pay for an Indirect Potable Reuse Demonstration Project; and

WHEREAS, in accordance with Article XIIID, section 6 of the California Constitution, the City noticed a public hearing for November 17, 2008 and mailed notice of the proposed water rate increases described above [Proposition 218 Notice], a copy of which is on file in the office of the City Clerk as Document No. RR- 304434; and

WHEREAS, the Proposition 218 Notice was mailed at least 45 days prior to the November 17, 2008 public hearing on the proposed water rate increases, and the City did not

receive written protests from a majority of affected property owners by the close of the public hearing conducted in accordance with Proposition 218 and the procedures previously adopted by the City Council in Resolution R-302245; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

- 1. That the proposed water rate increases, as referenced in the water rate tables contained within the Proposition 218 Notice, and consistent with the Report to City Council, are approved, as follows:
 - a. A water rate increase of 8.50% applied to all customer classes and tiered consumption rates equally in order to offset the increase in the wholesale cost of water purchased by the City from CWA, effective January 1, 2009; and
 - b. A water rate increase of \$0.20 per equivalent dwelling unit based upon meter size as related to the increase in the wholesale cost of water purchased by the City from CWA, effective January 1, 2009.
 - c. A temporary water rate increase of 3.08% applied to all customer classes and tiered consumption rates equally in order to fund an Indirect Potable Reuse Demonstration Project.

APPROVED: MISHAEL J. AGUIRRE, City Attorney

By

Raymond C. Palmucci Deputy City Attorney

RCP:js 11/06/2008 Or.Dept:Water R-2009-619 Aud. Cert: N/A

ELIZABETH S. MALAND	an
City Clerk	
By Dexorus	
Deputy City Clerk	
Approved: 11-25.08 (date) JERRY SANDERS, Mayor	
Vetoed:	