RESOLUTION NUMBER R- 304435

DATE OF FINAL PASSAGE NOV 2 5 2008

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. <u>08-167</u>, dated November 6, 2008 indicating that 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, the Report to Council describes in detail the basis and reasons for implementing water rate adjustments in order to pass through the increased wholesale water purchase costs from CWA; and

WHEREAS, Pages 3-4 of the Report to Council states that Staff is recommending the adoption of the proposed water rate adjustments in order to maintain cost/revenue neutrality and to maintain consistency with the City's previously approved 4-year water rate plan; and

WHEREAS, Pages 6-9 of 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 [Project]; NOW, THEREFORE,

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

1. That, based on the Report to the City Council, none of the revenue from the CWA pass through water rate increases will be used to fund capital projects for the expansion of the water system.

- 2. That the CWA pass through water rate increases will allow the City to maintain cost/revenue neutrality and to maintain consistency with the City's previously approved 4-year water rate plan.
- 3. That water commodity rates will 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 the Project.
- 4. That, based on the foregoing findings, the Council of the City of San Diego finds that the water rate increases approved pursuant to Resolution Number R- 304434 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

Raymond C. Palmucci Deputy City Attorney

RCP:js 11/06/08 Or Dept:Wa

Or.Dept:Water R-2009-625

ELIZABETH S. MALAND
City Clerk

By Deputy City Clerk

Approved: 11-25-07
(date) JERRY SANDERS, Mayor

Vetoed: JERRY SANDERS, Mayor

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of $\underbrace{N0V \ 1 \ 8 \ 2008}$.