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(R-2011-612)
(REV. COPY)

RESOLUTION NUMBER R- 306550

DATE OF FINAL PASSAGE JAN 28 2011

A RESOLUTION OF THE CITY COUNCIL APPROVING
WATER RATE INCREASES PURSUANT TO INCREASES
IN THE WHOLESALE COST OF WATER CHARGED BY THE
SAN DIEGO COUNTY WATER AUTHORITY.

WHEREAS, the Public Utilities Department prepared and submitted a Report to Council No. 11-009, indicating that effective on January 1, 2011, the San Diego County Water Authority [CWA] will charge increased rates for water purchases from all their 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, the City Council of the City of San Diego has been asked to consider adopting proposed water rate adjustments to base and commodity charges beginning on March 1, 2011 to increase the currently effective water system rates and fees proportionately across all customer classes 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, in accordance with Article XIID, section 6 of the California Constitution, the City noticed a public hearing for January 24, 2011 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- 306550 ; and

WHEREAS, the Proposition 218 Notice was mailed at least 45 days prior to the January 24, 2011 public hearing on the proposed water rate increases, and the City did not receive written protests from a majority of affected property owners or tenants 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 5.92% from the rates as of September 1, 2010, 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 March 1, 2011; and
- b. A water rate increase of \$0.47 from the rates as of September 1, 2010, 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 March 1, 2011.

2. That the City Attorney is requested to respond to the City Council with an informational item on CWA's lawsuit filed against the Metropolitan Water District of Southern California [MWD] challenging their calculations of how transportation and commodity rates are assigned, and a Closed Session recommendation on whether or not the City should join said lawsuit.

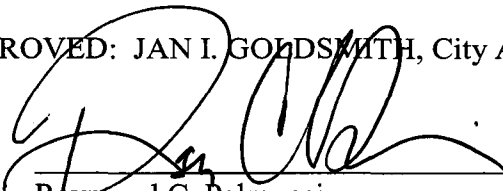
3. That the Intergovernmental Relations Department is requested to come to the City Council with a recommendation seeking approval from the Joint Legislative Audit Committee for a performance and financial audit of MWD by the Bureau of State Audits focusing on salaries and personnel costs, travel and capital project spending.

4. That the Intergovernmental Relations Department is requested to come to the City Council with a recommendation for a legislative action to put in place an Independent Rate Oversight Committee for the MWD to evaluate the price charged for water as well as operations including, but not limited to, resource management, planned expenditures, and service delivery methods.

5. That City staff is requested to come to the Natural Resource & Culture Committee with a report on any savings generated by actions two (2) through four (4), as well as any potential savings generated through managed competition of the Public Utilities Department and through the ending of Bid to Goal, and if these savings should be placed into the Dedicated Reserves from Efficiency and Savings [DRES] account for possible use not only for City infrastructure needs but also ratepayer relief.

APPROVED: JAN I. GOLDSMITH, City Attorney

By


Raymond C. Palmucci
Deputy City Attorney

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Or.Dept:Water
R-2011-612

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JAN 24 2011.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 1-28-11
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor