

RESOLUTION NUMBER R- 310097

DATE OF FINAL PASSAGE DEC 02 2015

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO TO APPROVE ADJUSTMENTS TO POTABLE
AND FIRE SERVICE WATER RATES, ACCEPT THE COST
OF SERVICE STUDY AND TAKE ASSOCIATED ACTIONS.

WHEREAS, the City of San Diego (City) owns and operates a water system that provides safe drinking water to a population of over 1.4 million via over 275,000 connections; and

WHEREAS, the City imports 85% of its water supply from the San Diego County Water Authority, which approves rate increases on an annual basis, primarily to cover additional costs related to its commitment to purchase water from the Carlsbad Desalination Plant and higher wholesale water rates from the Metropolitan Water District of Southern California, increasing the City's costs to purchase water; and

WHEREAS, for potable water rates, the Public Utilities Department (Department) has prepared a 2015 update to the 2013 Cost of Service Study (Updated COSS) to produce a five year rate case, which addresses the current cost to produce and distribute recycled water, the increased cost of purchased water due to the San Diego County Water Authority (CWA) rate increases (which includes the Metropolitan Water District of Southern California (MWD) rate increases and completion of the Carlsbad Desalination Plant), the initial phase of the City's Pure Water program, replacement of aging infrastructure, investments in system efficiency, drought response, the State conservation mandate and recovery of required reserve levels; and

WHEREAS, based on the Updated COSS, the Department has endorsed rate increases to be implemented as follows: 9.8% on January 1, 2016; 6.4% on July 1, 2016; 6.4% on July 1, 2017; 5.0% on July 1, 2018; and 7.0% on July 1, 2019; and

WHEREAS, the cost for water purchased from CWA is known for 2016; however, the cost for 2017-2019 is estimated as a factor in the proposed rate increases, and in the event the CWA rate increase impact to City customers is different than the projected amounts, the City will only pass through the actual CWA rate increase impact to the City customers between 0% and a maximum of 7% for each year; and

WHEREAS, in accordance with Article XIID, section 6 of the California Constitution (Proposition 218), the City noticed a public hearing for November 17, 2015 and mailed a Notice of the proposed water rate adjustments to all City water customers, a copy of which Notice is on file with the City Clerk as Document No. RR- 310097; and

WHEREAS, the Proposition 218 Notice was mailed at least 45 days prior to the noticed public hearing, and the City did not receive written protests from a majority of the affected water customers by the close of the public hearing conducted in accordance with Proposition 218 and the procedures previously adopted by the Council in Resolution No. R-302245; NOW, THEREFORE,

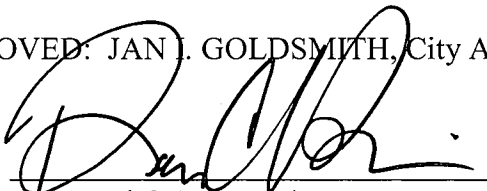
BE IT RESOLVED, by the City Council of the City of San Diego, as follows:

1. That the Water Updated COSS is accepted and the proposed potable water adjustments are authorized by the City Council, increasing water system revenues by 9.8%, effective January 1, 2016; 6.4%, effective July 1, 2016; 6.4%, effective July 1, 2017; 5.0%, effective July 1, 2018; and 7.0%, effective July 1, 2019 consistent with the Updated COSS, with the CWA component of the rate increase impact to City customers projected to be 2.5% in 2017 and 2018, and 3.0% in 2019; however, the City will only pass through the actual CWA pass through rate impact to the City customers between 0% and 7%, so the CWA pass through will not exceed 7% for each of the fiscal years 2017, 2018 and 2019; and

- a. That water base and commodity charge adjustments are authorized, consistent with the Updated COSS.
 - b. That adjustments to the monthly Private Fire Service charges are authorized, consistent with the Updated COSS.
2. That the Report to City Council is received by the City Council and on file in the office of the City Clerk as Document No. RR-310097-2.
 3. That City Council approval will be required if any projects, programs, or services will be reduced or amended to make up any shortfall in Department revenue.
 4. That the Department will provide City Council with a listing of start and completion dates for those projects marked "Scheduled Pending" in the August 27, 2015, memorandum provided to the Environment Committee.
 5. That the IBA and the Department are directed to develop a low-income assistance program proposal and present it to the Environment Committee in the first quarter of 2016.

APPROVED: JAN I. GOLDSMITH, City Attorney

By




Raymond C. Palmucci
Deputy City Attorney

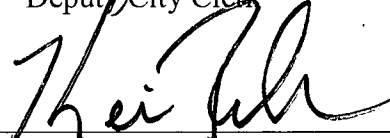
RCP:mt
November 6, 2015
November 12, 2015 Cor.Copy
November 17, 2015 Revised
Or.Dept:Public Utilities
Doc. No.: 1172277

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 17 2015.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 11/30/15
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on NOV 17 2015, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage DEC 02 2015

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

(Seal)

By *Mary Sumaranday*, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 310097