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9/21/2021

(R-2022-73)

RESOLUTION NUMBER R- 313724

DATE OF FINAL PASSAGE OCT 01 2021

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO TO APPROVE ADJUSTMENTS TO WASTEWATER, WATER, RECYCLED WATER AND INDUSTRIAL WASTEWATER CONTROL PROGRAM RATES AND CHARGES ARE EXEMPT FROM THE CALIFORNIA ENVIRONMENT QUALITY ACT PURSUANT TO CEQA GUIDELINES SECTION 15273.

WHEREAS, the Public Utilities Department provides water for City of San Diego (City) customers through the Water Utility Fund, wastewater collection for City customers through the Municipal Wastewater Fund, and wastewater treatment and disposal services for City customers and regional partners through the Metropolitan Wastewater Fund. As enterprise funds, the Water and Wastewater Funds are supported with revenue derived from rates; and

WHEREAS, the Public Utilities Department prepared and submitted the 2021 Wastewater Cost of Service Study and supplemental addendum (2021 COSS) and the Industrial Wastewater Control Program Cost Allocation Study which describe in detail the basis and reasons for implementing the water and wastewater rate adjustments; and

WHEREAS, the 2021 COSS and Industrial Wastewater Control Program Cost Allocation Study propose wastewater rate adjustments, increasing wastewater system revenues by 5%, effective January 1, 2022; 4%, effective January 1, 2023; 4% effective January 1, 2024; and 3%, effective January 1, 2025 consistent with the 2021 COSS; proposed wastewater service charges and commodity and strength charge adjustments consistent with the 2021 COSS; proposed

wastewater capacity fee consistent with the 2021 COSS; proposed recycled water service charges and commodity rate adjustments consistent with the 2021 COSS; and proposed industrial wastewater control program (IWCP) user fee adjustments consistent with the Industrial Wastewater Control Program Cost Allocation Study; and

WHEREAS, Council authorization to approve a pass through rate increase not to exceed 3% to reflect the actual San Diego County Water Authority wholesale rate increase effective January 1, 2022; and

WHEREAS, on September 21, 2021, the San Diego City Council held a duly noticed public meeting and considered the written record as well as public comment and, using its independent judgment, has determined the actions are exempt from CEQA; and

WHEREAS, the Proposition 218 Notice was mailed at least 45 days prior to the September 21, 2021 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 City Council of the City of San Diego, as follows:

1. That the City's 2021 COSS and Industrial Wastewater Control Program Cost Allocation Study is accepted and the proposed adjustments are authorized by Council by increasing wastewater system revenues by 5%, effective January 1, 2022; 4%, effective January 1, 2023; 4% effective January 1, 2024; and 3%, effective January 1, 2025 consistent with the 2021 COSS; proposed wastewater service charges and commodity and strength charge adjustments consistent with the 2021 COSS; proposed wastewater capacity fee consistent with the 2021 COSS; proposed recycled

water service charges and commodity rate adjustments consistent with the 2021 COSS; and proposed industrial wastewater control program (IWCP) user fee adjustments consistent with the Industrial Wastewater Control Program Cost Allocation Study and that the following rate increases will ensure that the utility has financial means to meet operational and capital needs, and that customers are paying their appropriate proportional share of the costs to provide services; and

2. That the proposed water pass-through rate increase is authorized and will not to exceed 3% to reflect the actual San Diego County Water Authority wholesale rate increase effective January 1, 2022 and 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; and
3. That based on the foregoing findings, the Council of the City of San Diego finds that the wastewater and water rate increases are not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15273 (Rates, Tolls, Fares, and Charges) of the California Environmental Quality Act, CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies that the public agency finds are for the purpose of meeting operating expenses, including employee wage rates and fringe benefits, purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, or obtaining funds for capital projects, necessary to maintain service within existing service areas. As such, this activity is statutorily exempt from CEQA pursuant to Section 15273(a)(1), (a)(2), (a)(3), and (a)(4) of the State CEQA Guidelines.

4. That the Report to the City Council is received by the City Council and on file in the office of the City Clerk as Document No. RR-313725.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Christine M. Leone
Christine M. Leone
Chief Deputy City Attorney

CML:soc
09/07/2021
Or.Dept: PUD
Doc. No.: 2754537

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of SEP 21 2021.

ELIZABETH S. MALAND
City Clerk

By Cennie Patterson
Deputy City Clerk

Approved: 10/1/21
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on SEP 21 2021, by the following vote:

| Councilmembers | Yeas | Nays | Not Present | Recused |
|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Joe LaCava | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Jennifer Campbell | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Stephen Whitburn | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Monica Montgomery Steppe | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Marni von Wilpert | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Chris Cate | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Raul A. Campillo | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Vivian Moreno | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sean Elo-Rivera | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Date of final passage OCT 01 2021.

(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:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

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

By Connie Patterson, Deputy

Office of the City Clerk, San Diego, California

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