

Item 333
1/14/25

RESOLUTION NUMBER R- 315994

DATE OF FINAL PASSAGE JAN 23 2025

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO SETTING A DATE FOR THE PUBLIC HEARING AND AUTHORIZING NOTICE OF A PUBLIC HEARING ON PROPOSED ADJUSTMENTS TO WATER RATES IN ACCORDANCE WITH PROPOSITION 218 AND RELATED ACTIONS.

RECITALS

The Council of the City of San Diego (Council) adopts this Resolution based on the following:

A. The Public Utilities Department (PUD) provides water for City of San Diego (City) customers through the Water Utility Fund. The City's Water System extends over 404 square miles with over 3000 miles of pipeline. PUD's extensive raw water system includes nine reservoirs, which capture rain and local runoff from rainfall and store purchased imported water.

B. As an enterprise fund, the Water Utility Fund is supported with revenue derived from rates and charges to customers for water service. These rates and charges are determined through a process prescribed by State law, which includes Council approval of any rate adjustments at a public hearing.

C. The City meets the majority of its annual water needs by purchasing water from the San Diego County Water Authority (SDCWA). In June of each year, the SDCWA Board approves wholesale water rate increases that are effective January 1 of the following year to pass through its increased costs to its member agencies, including the City.

D. In September 2023, the City Council approved adjustments to the City's water rates that assumed a 7.2 percent increase in SDCWA's rate effective January 1, 2025, based on SDCWA's rate projections at that time. Subsequently, on July 25, 2024, SDCWA adopted

adjustments to the fixed and variable rates resulting in an overall rate increase of 14 percent to rates they charge the City and other local water agencies.

E. As a result, the City is proposing to implement a pass through of water purchase costs. Staff is requesting the authority to increase the fixed monthly service charge and water commodity rates for all potable water customers up to a maximum of 5.5 percent effective May 1, 2025, and to pass-through future SDCWA rate increases resulting in increased costs to purchase water from SDCWA for the next five-years through and including January 1, 2029.

F. The California Constitution, Article XIID, section 6 (Proposition 218) requires the City hold a public hearing on any proposed new or increased rates and fees and mail a written notice at least 45 days prior to the public hearing.

G. The Office of the City Attorney prepared this Resolution based on the information provided by City staff (including information provided by affected third parties and verified by City staff), with the understanding that this information is complete and accurate.

ACTION ITEMS

Be it resolved by the Council of the City of San Diego:

1. The public hearing date for the Council to consider the proposed water rate adjustments will be held during the regularly scheduled Council meeting of March 4, 2025, and will be conducted in accordance with Proposition 218 and the procedures previously adopted by the Council in Resolution R-302245 (Jan. 17, 2007), except that the notice required by Proposition 218 will be given by separate mailing to the address to which the Department customarily mails the regular customer billing statements, pursuant to California Government Code section 53755.

2. The Mayor is authorized to notice the public hearing on the proposed water rate adjustments up to a maximum of 5.5 percent effective May 1, 2025, to pass-through the actual SDCWA wholesale rate increase to purchase water starting January 1, 2025, consistent with SDCWA Ordinance Number 2024-05 (July 25, 2024). The notice shall comply with the requirements of Proposition 218 and the procedures previously adopted by the Council in Resolution R-302245, except that the notice required by Proposition 218 will be given by separate mailing to the address to which the Department customarily mails the regular customer billing statement, pursuant to California Government Code section 53755.

APPROVED: HEATHER FERBERT, City Attorney

By Melissa D. Ables
Melissa D. Ables
Senior Chief Deputy City Attorney

MDA:jn2
December 19, 2024
Or.Dept: PUD
CC No. N/A
Doc. No. 3911661_2

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on JAN 14 2025.

DIANA J.S. FUENTES
City Clerk

By [Signature]
Deputy City Clerk

Approved: 1/23/25
(date)

[Signature]
TODD GLORIA Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

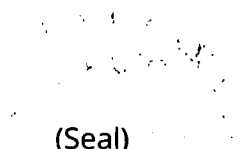
Passed by the Council of The City of San Diego on JAN 14 2025, by the following vote:

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"/>
Henry L. Foster III	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<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 type="checkbox"/>	<input checked="" 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 JAN 23 2025.

(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:



(Seal)

TODD GLORIA

Mayor of The City of San Diego, California.

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California.

By Linda Driven, Deputy
For Gilbert Sanchez

Office of the City Clerk, San Diego, California

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