

DATE ISSUED: December 20, 2001 REPORT NO. 01-280

ATTENTION: Honorable Mayor and City Council

SUBJECT: Notice of Adjustment of City Water Rates Pursuant to Actions of the San Diego County Water Authority

### SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE MAYOR AND CITY COUNCIL.

### BACKGROUND

Section 67.05.08 of the San Diego Municipal Code requires that water rates be automatically adjusted as necessary to proportionately compensate for any increase in the wholesale cost of water purchased by the City. Notice of such adjustment must be given to the Mayor and Council by report, and to the public by publication in the City's official newspaper on or before the thirtieth day prior to the effective date of the adjustment.

### DISCUSSION

#### Increase in Currently Effective Commodity Charges Due to Higher Wholesale Water Cost.

At its May 24, 2001 meeting, the Board of Directors of the San Diego County Water Authority (CWA) voted to raise wholesale raw water rates by \$5 per acre-foot beginning January 1, 2002. This increase will raise the wholesale cost of imported water from \$439 to \$444 per acre-foot - an increase of 1.2 per hundred cubic feet (HCF), the City's retail billing unit, which equals 748 gallons.

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Adjusted Water Rates Effective January 20, 2002

The current average water rate is \$1.493 per HCF. As of January 20, 2002, that rate will rise by 1.2 to \$1.505 per HCF, consistent with the calculations shown below:

Current Average Rate per HCF	\$1.493
1.2 /HCF CWA Raw Water Increase	<u>\$ .012</u>
Average Rate per HCF Effective 1/20/02	\$1.505

CONCLUSION

The new bill rate of \$1.505 per HCF effective January 20, 2002 will raise the bill of a single-family domestic customer using 14 HCF per month by about .16 , to \$30.06 per month, or \$60.12 on a two-month bill. This represents a .5% increase in the current bill, which is \$29.90 per month, or \$59.80 on a two-month bill.

Respectfully submitted,

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Approved: George I. Loveland	Submitted by: Larry Gardner
Senior Deputy City Manager	Water Department Director

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