

RESOLUTION NUMBER R- 313664
DATE OF FINAL PASSAGE AUG 03 2021

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING NOTICE OF PUBLIC HEARING
ON PROPOSED ADJUSTMENTS TO WASTEWATER,
WATER, RECYCLED WATER, AND INDUSTRIAL
WASTEWATER CONTROL PROGRAM (IWCP) RATES IN
ACCORDANCE WITH PROPOSITION 218; SETTING A DATE
FOR THE PUBLIC HEARING AND RELATED ACTIONS.

WHEREAS, the Public Utilities Department (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; and

WHEREAS, in November 2020, the Department released the Fiscal Year 2022-2026 Five-Year Financial outlook which detailed the expected financial needs for the water and wastewater utilities; and

WHEREAS, on March 25, 2021, the Department released the 2021 City of San Diego Wastewater Financial Plan, Cost of Service, and Rate Study for wastewater and recycled water services and an addendum to the Final Report, dated July 7, 2021 (collectively, "2021 COSS"); and

WHEREAS, the last cost of service study for wastewater was approved on February 26, 2007, covering rates that went into effect May 1, 2007 through May 1, 2010; and

WHEREAS, the Department proposes to increase wastewater, water, and recycled water rates as described and consistent with the 2021 COSS; and

WHEREAS, the Industrial Wastewater Control Program (IWCP) is a critical component of the City's wastewater treatment process because it protects the collection system and the treatment plants by monitoring for illicit discharges and regulating the concentration of pollutants coming into the system to ensure plants can properly treat the wastewater before it is either recycled or discharged; and

WHEREAS, per San Diego Municipal Code section 64.0508, Industrial Wastewater Control Permit Fee, fees should be established from time to time and collected annually from all permittees; and

WHEREAS, IWCP fees have not been reassessed or updated since San Diego Resolution R-260133 (Feb. 21, 1984); and

WHEREAS, the Department proposes to increase IWCP rates consistent with the Industrial Wastewater Control Program Cost Allocation Study, dated November 23, 2020; and

WHEREAS, a phased-in approach (25% incremental increases each year beginning July 1, 2022), is based on feedback from stakeholders concerned with the impact on business during the current unprecedented pandemic and to allow time for businesses to plan for the increases; and

WHEREAS, the last cost of service study for water was approved by the San Diego City Council (Council) on November 17, 2015, covering rate increases that went into effect January 1, 2016 through September 1, 2019; and

WHEREAS, in June of each year, the SDCWA board approves wholesale water rate increases that increase the City's water purchase costs effective the following year on January 1; and

WHEREAS, the SDCWA passes its increased costs to its member agencies, including the City, and these increases are called "pass-throughs"; and

WHEREAS, on June 24, 2021, SDCWA passed Ordinance Number 2021-01 adjusting the fixed and volume rates charged to each member agency; and

WHEREAS, the Department proposes to increase fixed and commodity water rates for all customers up to a maximum of 3.0% to pass through these costs consistent with the 2021 COSS and based upon information provided in the Staff Report made part of this action; and

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

BE IT RESOLVED, by the City Council of the City of San Diego, that the Council is authorized to notice, pursuant to Proposition 218, the following proposed rate adjustments and associated actions:

- a. Proposed 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; and
- b. Proposed wastewater service charges and commodity and strength charge adjustments consistent with the 2021 COSS; and
- c. Proposed wastewater capacity fee consistent with the 2021 COSS; and
- d. Proposed recycled water service charges and commodity rate adjustments consistent with the 2021 COSS; and

e. IWCP user fee adjustments consistent with the Industrial Wastewater Control Program Cost Allocation Study, dated November 23, 2020 with increases and phasing in the proposed IWCP adjustments over a four-year period beginning July 1, 2022; and

BE IT FURTHER RESOLVED, that the Council is authorized to notice, pursuant to Proposition 218, proposed water rate adjustments to pass-through the actual San Diego County Water Authority (SDCWA) wholesale rate increase to purchase water starting January 1, 2022 consistent with SDCWA Ordinance Number 2021-01 (June 24, 2021) and 2021 COSS; and

BE IT FURTHER RESOLVED, that the 2021 COSS and Industrial Wastewater Control Program Cost Allocation Study, dated November 23, 2020 are accepted by the Council and placed on file in the Office of the City Clerk as Document No. RR- **313664-1** and Document No. RR- **313664-2** respectively.

BE IT FURTHER RESOLVED, that the public hearing date for the Council to consider the proposed wastewater, water, recycled water and IWCP rate adjustments will be held during the regularly scheduled Council meeting of September 21, 2021, and will be conducted in accordance with Proposition 218 and the procedures previously adopted by the Council in San Diego Resolution R-302245 (Jan. 17, 2007) (Resolution R-302245), except that the notice required by Proposition 218 will be given by separate mailing to the address to which Public Utilities Department customarily mails the regular customer billing statements, pursuant to California Government Code section 53755.

BE IT FURTHER RESOLVED, that the Mayor or designee is authorized to notice a public hearing on proposed wastewater, water, recycled water, and IWCP rate adjustments in accordance 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 Public Utilities Department customarily mails the regular customer billing statement, pursuant to California Government Code section 53755.

BE IT FURTHER RESOLVED, that the Mayor or designee is authorized to notice said public hearing via the document "Notice of Public Hearing 07/20/2021," prepared in accordance 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 Public Utilities Department customarily mails the regular customer billing statement, pursuant to California Government Code section 53755.

APPROVED: MARA W. ELLIOTT, City Attorney

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


CML:cm
June 24, 2021
July 22, 2021 COR. COPY
July 27, 2021 COR. COPY 2
Or.Dept: Public Utilities
CC No. N/A
Doc. No.: 2696662_3

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 07/20/2021

ELIZABETH S. MALAND
City Clerk

By /s/ Gil Sanchez for Linda Irvin
Deputy City Clerk

Approved: 8/3/21
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on JUL 20 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 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"/>
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"/>

* (Councilmember Cate voted nay on the portion adjusting the actual San Diego Water Authority wholesale rate increase.)

Date of final passage AUG 03 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 Linda Irwin, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- 313664