

REQUEST FOR COUNCIL ACTION
CITY OF SAN DIEGO

1. CERTIFICATE NUMBER
(FOR AUDITOR'S USE ONLY)

TO: CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT):
Metropolitan Wastewater Department

3. DATE:
December 18, 2006

4. SUBJECT:
Proposition 218 Noticing of Proposed Sewer Rate Adjustments

5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.)
Darlene Morrow-Truver 858-292-6384 MS 901A

6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.)
Jeanne Cole 858-292-6313 MS 901A

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	41506		
DEPT.	776		
ORGANIZATION	455		
OBJECT ACCOUNT	4351		
JOB ORDER	761104		
C.I.P. NUMBER	N/A		
AMOUNT	\$115,000		

9. ADDITIONAL INFORMATION / ESTIMATED COST:

Cost of noticing property owners and utility customers is estimated at \$230,000 which will be shared equally by MWWD and the Water Department.

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG. DEPT.	<i>[Signature]</i>	12/18/06	8	DEPUTY CHIEF	<i>[Signature]</i>	12-18-06
2	E.O.C.			9	C.O.O.	<i>[Signature]</i>	12/18/06
3	E.A.S.			10	CITY ATTORNEY	<i>[Signature]</i>	12/18/06
4	LIAISON OFFICE			11	ORIG. DEPT.		

DOCKET COORD: _____ COUNCIL LIAISON: _____

COUNCIL PRESIDENT SPOB CONSENT ADOPTION

REFER TO: _____ COUNCIL DATE: _____

11. PREPARATION OF: RESOLUTIONS ORDINANCE(S) AGREEMENT(S) DEED(S)

1. Authorizing the Mayor or his designee to notice, pursuant to Proposition 218, proposed sewer rate adjustments for Fiscal Years 2007, 2008, 2009 and 2010, and;
2. Set the Public Hearing date to consider proposed rate adjustments at the City of San Diego Council meeting of February 26, 2007; and
3. Receive the Wastewater Cost of Service Rate Study.

11A. STAFF RECOMMENDATIONS:
Adopt the resolutions

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S): A11

COMMUNITY AREA(S): A11

ENVIRONMENTAL IMPACT: This activity is not a "project" and is therefore not subject to CEQA per CEQA Guidelines Section §15060(c)(2).

ATTACHMENTS: Report to the City Council; Proposition 218 Notice; 4-year CIP Forecast; R. affelis Financial Consultants, Inc. Wastewater Cost of Service Rate Study; Mayer Hoffman McCann P.C., Independent Accountant's Review (4 reports); Sewer Rate Comparison

CITY CLERK INSTRUCTIONS: Please forward one copy of the executed City Council Action and copy of the Resolution to MS 901A, MWWD, Rose Salarda.

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: December 18, 2006 REPORT NO:
ATTENTION: Council President and City Council, Council Meeting of January 8, 2007
ORIGINATING DEPARTMENT: Metropolitan Wastewater Department (MWWD)
SUBJECT: Proposition 218 Noticing of Proposed Wastewater Rate Adjustments
COUNCIL DISTRICT(S): All
CONTACT/PHONE NUMBER: Darlene Morrow-Truver/Jeanne Cole (858)292-6384/6313

REQUESTED ACTION: City Council authorization to notice, pursuant to Proposition 218, proposed sewer rate adjustments for Fiscal Years 2007, 2008, 2009 and 2010; set the Public Hearing date to consider proposed rate adjustments at the City of San Diego Council Meeting of February 26, 2007; and receive the Wastewater Cost of Service Rate Study (COSS).

STAFF RECOMMENDATION: Authorize the Mayor or his designee to notice, pursuant to Proposition 218, proposed sewer rate adjustments, set the Public Hearing Date and receive the Wastewater COSS.

EXECUTIVE SUMMARY: The rate adjustments were developed to enable the City to sign the Final Consent Decree with the EPA by June 30, 2007. This will fund the O&M and CIP projects mandated in the first 4 years in the Final Consent Decree. Prior to Council's formal consideration of rate increases, Council must provide property owners 45 day advance notice of rate increases that will be considered, as per Proposition 218. This action authorizes this Notice to take place. This action also requests that City Council receive the Wastewater COSS.

FISCAL CONSIDERATIONS: Cost of noticing property owners and utility customers is estimated at \$230,000 which will be shared equally with the Water Department and MWWD.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: The sewer rate subcommittee of the Public Utilities Advisory Commission (PUAC) on November 29, 2006 and the PUAC on December 4, 2006, supported the proposed sewer rate adjustments of 8.75% in FY 2007 and FY 2008 and 7% in FY 2009 and FY 2010 and supported the wastewater COSS recommendations.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: Public Input sessions have been held throughout San Diego as follow:

Various stakeholder meetings

November 27, 2006 Town Hall Meeting San Ysidro Multi-Cultural Center

November 28, 2006 Town Hall Meeting Balboa Park War Memorial

November 29, 2006 PUAC Water and Wastewater Rate Sub-Committee Meetings (2)

December 4, 2006 Full PUAC Meeting

December 5, 2006 Town Hall Meeting Rancho Bernardo Library

A stakeholder meeting will be scheduled the week of January 2, 2007


Additional public outreach and workshops will be scheduled before the public hearing date.

Additional community outreach briefings will be scheduled at the request of Council members and the Community.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: City of San Diego property owners and wastewater customers will receive a notice of the hearing to take place on February 26, 2007.



R.J. Verrier
Wastewater Department Acting Director



R.F. Haas
Deputy Chief of Public Works