

REQUEST FOR COUNCIL ACTION
CITY OF SAN DIEGO

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

TO: CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT):
Water Department

3. DATE:
December 18, 2006

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

5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.)
Rodney Greck, 619-533-5407, MS 913

6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.)
Carmel Wong, 619-533-4128, MS 913

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	41500		
DEPT.	760		
ORGANIZATION	212		
OBJECT ACCOUNT	4351		
JOB ORDER	76212		
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 the Water Department and MWD.

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG DEPT	<i>[Signature]</i>	12/13/06	8	DEPUTY CHIEF	<i>[Signature]</i>	12/18/06
2	E.A.S.			9	C.O.O.	<i>[Signature]</i>	12/16/06
3	E.O.C.P.			10	CITY ATTORNEY	<i>[Signature]</i>	12/18/06
4	DOCKET LIAISON			11	ORIG. DEPT		
5	C.F. DJFM			DOCKET COORD: _____ COUNCIL LIAISON _____			
6	C.F. O AUDITOR			<input checked="" type="checkbox"/> COUNCIL PRESIDENT <input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input type="checkbox"/> ADOPTION <input type="checkbox"/> REFER TO: _____ COUNCIL DATE: _____			
7	CFU	<i>[Signature]</i>	12/15/06				

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

1. Authorizing the Mayor or his designee to notice, pursuant to Proposition 218, proposed water rate adjustments, for Fiscal Years 2008, 2009, 2010 and 2011; 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 Water 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): All

COMMUNITY AREA(S): All

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; Raftelis Financial Consultants, Inc. Water Cost of Service Rate Study; Department of Health Services Compliance Order No. 04-14-96CCCO-022; Mayer Hoffman McCann P.C., Independent Accountant's Review (4 reports); Water Rate Comparison.

CITY CLERK INSTRUCTIONS: Please return one copy of the executed City Council Action and a copy of the resolutions to Elpie Zaragoza, (619) 533-6901, MS 906.

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: December 18, 2006 REPORT NO:
ATTENTION: Council President and City Council regarding Meeting of January 8, 2007
ORIGINATING DEPARTMENT: Water Department
SUBJECT: Proposition 218 Noticing of Proposed Water Rate Adjustments
COUNCIL DISTRICT(S): All
CONTACT/PHONE NUMBER: Rod Greek / Carmel Wong (619)533-5407 / (619) 533-4128

REQUESTED ACTION: City Council authorization to notice, pursuant to Proposition 218, proposed water rate adjustments for Fiscal Years 2008, 2009, 2010 and 2011; 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 Water Cost of Service Rate Study (COSS).

STAFF RECOMMENDATION: Authorize the Mayor, or his designee, to notice pursuant to Proposition 218 proposed water rate adjustments; set the public hearing date of February 26, 2007; and receive the Water COSS.

EXECUTIVE SUMMARY: In response to state and federal mandates requiring the City to immediately upgrade it's water system, a proposal for water rate increases for Fiscal Years 2008 through 2011 will be proposed to the City Council. Prior to Council's formal consideration of rate increases, Council must provide property owners 45 day advance notice of any 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 Water COSS.

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


PREVIOUS COUNCIL and/or COMMITTEE ACTION: The water rate subcommittee of the Public Utilities Advisory Committee (PUAC) on 11/29/2006 and the full PUAC on 12/4/2006 unanimously supported the proposed water rate adjustments of 6.5% in Fiscal Years 2008, 2009, 2010, and 2011, and the 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 water customers will receive a notice of the hearing to take place on February 26, 2007.



J.M. Barrett
Water Department Director



R.F. Haas
Deputy Chief of Public Works