

## **RESOLUTION 7071**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAL BEACH, CALIFORNIA DIRECTING STAFF TO INITIATE THE PROPOSITION 218 PROCESS AND SETTING A PUBLIC HEARING RELATING TO WATER RATES AND SEWER RATES FOR NOVEMBER 23, 2020 AT 7:00 P.M.**

WHEREAS, the City of Seal Beach has a Water Utility that provides water to residents and businesses; and,

WHEREAS, the City of Seal Beach has a Sewer Utility that provides wastewater collection services to residents and businesses; and,

WHEREAS, the City's Water Utility's operational costs, which represent the expenses associated with the daily operation of the water system, have increased substantially since the City's last rate adjustment in January of 2014, and are estimated to continue increasing significantly; and,

WHEREAS, the schedule of water rates currently established for the customers of water through the water system of the City of Seal Beach is not adequate to meet the increased operating costs associated with the delivery of water to its customers without incurring operating deficits; and,

WHEREAS, Raftelis Financial Consultants (Raftelis) was awarded a professional service agreement to prepare a comprehensive Water and Sewer Utility Rate Study at the November 12, 2019 City Council meeting; and,

WHEREAS, the scope of the Water and Sewer Rate Study included development of five year financial plans, Cost of Service Analyses, new rate designs, Customer Impact and Sensitivity Analyses, and a final Rate Study Report for both the water and sewer utility enterprise funds; and,

WHEREAS, the current City water rate structure and sewer rate structure is proposed to be changed to be more consistent with current industry practices and result in a more fair and equitable approach to assess rates on the various customer classes, consist with current rate setting practices; and,

WHEREAS, an overview of the draft Water and Sewer Rate Study analyses results and recommendations were incorporated into a PowerPoint presentation that was presented at the August 10, 2020 City Council Meeting and Raftelis is preparing a final Rate Study Report about the potential increases; and,

WHEREAS, in order to increase rates, the City must comply with Article XIID of the Constitution, more commonly known as Proposition 218.

THE CITY COUNCIL OF THE CITY OF SEAL BEACH DOES HEREBY  
RESOLVE:

Section 1. The City Council hereby directs staff to initiate the Proposition 218 majority protest process for water and sewer rate adjustments and sets a Public Hearing relating to proposed changes to water rates and sewer rates for November 23, 2020 at 7:00 p.m. in the City Council Chambers or such electronic setting as may be dictated by the current public health emergency.

Section 2. The Council hereby authorizes the City Manager to notify the public as required by law.

PASSED, APPROVED and ADOPTED by the Seal Beach City Council at a regular meeting held on the 14<sup>th</sup> day of September, 2020 by the following vote:

AYES: Council Members:\_\_\_\_\_

NOES: Council Members:\_\_\_\_\_

ABSENT: Council Members:\_\_\_\_\_

ABSTAIN: Council Members:\_\_\_\_\_

\_\_\_\_\_  
Schelly Sustarsic, Mayor

ATTEST:

\_\_\_\_\_  
Gloria D. Harper, City Clerk

STATE OF CALIFORNIA }  
COUNTY OF ORANGE } SS  
CITY OF SEAL BEACH }

I, Gloria D. Harper, City Clerk of the City of Seal Beach, do hereby certify that the foregoing resolution is the original copy of Resolution 7071 on file in the office of the City Clerk, passed, approved, and adopted by the City Council at a regular meeting held on the 14<sup>th</sup> day of September, 2020.

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Gloria D. Harper, City Clerk