

**CITY COUNCIL
AGENDA SUBMITTAL**

Meeting Date: July 11, 2017

SUBJECT: Resolution Declaring City's Intent to Sell the Downtown Sewer System

REQUESTED ACTION: It is recommended that the City Council consider approving Resolution No. ___ [next in order] entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE SALE OF THE CITY OF PERRIS SEWER SYSTEM

CONTACT: Eric Dunn, City Attorney

BACKGROUND/DISCUSSION:

The City owns and operates a sewer system in the Downtown area ("Sewer System"). The Sewer System consists of pipelines, lift stations, and other facilities required to collect sewage and transport it to Eastern Municipal Water District for treatment. The City also owns and operates the Downtown Water System and is contemplating acquiring the North Perris Water System from the Perris Public Utility Authority, and selling both Water Systems to a public utility.

The Public Utilities Code authorizes a municipal corporation to sell and dispose of any utility system it owns, subject to specific procedural requirements and approval by the City's voters. As such, the City sought proposals for the proposed sale of the Water Systems and the Sewer System by issuing a request for indicative bids on _____. The City received indicative bids for the purchase of the Water Systems and on July 11, 2017 will consider submitting the sale of the Water Systems to the voters at a Special Municipal Election on November 7, 2017, in accordance with PUC Section 10061.

Should the sale of the Water Systems be approved, it would be in the public interest to also sell the Sewer System. Sale of the Sewer System is generally governed by PUC Sections 10051-10060, which require that the City Council: first, adopt a resolution determining that the public interest and necessity demand that the Sewer System be sold; and second, adopt an ordinance calling an election to seek voter approval. If two-thirds of voters voting at the election approve the sale, the City Council will set a date for receiving bids on the Sewer System, and may sell the Sewer System to the highest and best bidder.

The attached resolution declares that the public interest and necessity require the sale of the Sewer System. The sale of the Sewer System concurrently with the proposed sale of the Water Systems would provide City residents with consistent sewer services and is therefore a public necessity. Further, it is in the public interest for the City to provide its residents with additional public services and the proceeds from the sale of the Sewer System would allow the City to provide residents with such additional public services.

BUDGET (or FISCAL) IMPACT:

The Fiscal Impact will depend on the bids received.

Reviewed by:

City Attorney X

Assistant City Manager DM

Assistant Director of Finance gf

Attachments: Resolution No. _____ entitled: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE SALE OF THE CITY OF PERRIS SEWER SYSTEM"

Consent:

Public Hearing:

Business Item: X

Other:

RESOLUTION NUMBER _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE SALE OF THE DOWNTOWN SEWER SYSTEM

WHEREAS, for the public purposes set forth herein, the City of Perris (“City”), California is authorized under Public Utilities Code Section 10051 to sell and dispose of the sewer system it owns and operates in the downtown area (“Sewer System”); and

WHEREAS, California Public Utilities Code Section 10052 requires that prior to ordering the proposition of selling the Sewer System be submitted to the qualified voters, the City Council must adopt by a vote of two-thirds of all members, a resolution determining that the public interest and necessity demand that the Sewer System should be sold; and

WHEREAS, the City is considering the sale of the North Perris Water System and Downtown Perris Water System (collectively “Water Systems”) which, if it occurs, will make it unnecessary for the City to maintain a separate ownership of the Sewer System; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the above Recitals are true and correct and incorporated herein by reference.

Section 2. That the City Council hereby finds that the sale of the Sewer System concurrently with the sale of the Water Systems would provide City residents with continuous and consistent sewer services and is therefore a public necessity.

Section 3. That the City Council hereby finds that it is in the public interest for the City to provide its residents with additional public services and that the proceeds from the sale of the Sewer System would allow the City to provide residents with such additional public services.

Section 4. That City staff is hereby directed to take all actions necessary and appropriate to submit a resolution for the City Council’s vote at the City Council’s next scheduled public meeting, proposing that the sale of the City’s Sewer System be submitted to the qualified voters of the City at an election held for that purpose.

Section 5. That the City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of the City of Perris; and shall make a minute of passage and adoption thereof in the records of the proceedings of the City Council of the City of Perris, in the minutes of the meeting at which same is passed and adopted.

ADOPTED, SIGNED and APPROVED this ____ day of _____, 2017.

Mayor, Michael M. Vargas

ATTEST:

City Clerk, Nancy Salazar

APPROVED AS TO FORM:

City Attorney, Eric Dunn

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number _____ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the _____ day of _____, 2017, and that it was so adopted by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

City Clerk, Nancy Salazar