

**RESOLUTION NO. 4606/ PPUA 03**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND THE PERRIS PUBLIC UTILITY AUTHORITY IMPOSING AND INCREASING WATER SERVICE RATES RELATED TO THE NORTH PERRIS WATER SYSTEM**

**WHEREAS**, City purchased a water system (the "Water Enterprise") under threat of condemnation pursuant to the Asset and Real Property Purchase Agreement, dated December 12, 2008 (the "Purchase Agreement"), by and between the City and McCanna Ranch Water Company, a California corporation ("MRWC"); and

**WHEREAS**, the Water Enterprise is now known as the North Perris Water System ("NPWS"); and

**WHEREAS**, the City assigned the Water Enterprise to the Perris Public Utility Authority, a joint powers authority duly organized under the laws of the State of California (the "Authority") pursuant to the Assignment and Assumption of Asset and Real Property Purchase Agreement, dated as of December 13, 2008 ("Purchase Agreement"), by and among the City, the Authority and MRWC in exchange for certain promises and payments by the Authority; and

**WHEREAS**, the City and Authority have entered into a Water Enterprise Management Agreement, dated April 1, 2009, pursuant to which the City has agreed to manage and operate the Water System for the Authority, including levying the water service rates; and

**WHEREAS**, Article XIID of the California Constitution sets forth the procedures for a City to follow with respect to adopting increases in "property related fees" such as water service fees; and

**WHEREAS**, the City of Perris, through its consultant Stetson Engineers, Inc., conducted a water rate study (the "Study") that confirmed existing rates charged by the City for water and services are not adequate to cover the fully burdened costs of the water system ("System"); and

**WHEREAS**, due to the costs to, maintain, operate and purchase the system, the City desires to increase the rates to the Water Enterprise customers; and

**WHEREAS**, the ongoing operation, maintenance and capital improvement of the System are critical to the preservation of public health and safety in that the Water Enterprise provides essential water services to certain of the City residents, and the lack of funds caused by inadequate water rates jeopardizes the City's and/or Authority's ability to provide such services; and

**WHEREAS**, Article XIID of the California Constitution requires that prior to the public hearing to increase water rates, the City and/or Authority mail to each customer, property owner or renter subject to the fee, at least 45 days prior to such public hearing, a notice describing (a) the amount of the fee or charge to be imposed upon each parcel, (b) the basis upon which the amount of the proposed fee or charge was calculated, (c) the reason for the fee or charge, and (d) the date, time, and location of a public hearing on the proposed fee or charge; and

**WHEREAS**, on May 23, 2013, the City's Finance Department mailed the notice of public hearing to be held on July 9, 2013, relating to the increased water charges in accordance with California Constitution Article XIID Section 6; and

**WHEREAS**, the City published said notice in *The Perris Progress/Perris City News*, a newspaper of general circulation in the City, on May 29 and June 26, 2013; and

**WHEREAS**, the City has held such public hearing on July 9, 2013, and received and considered all oral and written protests related to the proposed increases in the water charges;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Perris, California and the Governing Board ("Board") of the Perris Public Utility Authority, as follows:

**Section 1.** The foregoing recitals are true and correct and incorporated herein by reference.

**Section 2.** The Council and the Board have each fully considered this matter and has:

- A. Reviewed the submittal, notice and the information submitted herewith regarding the proposed increase, the "Study," the parcels to which the proposed fee increase would apply, and the reasons and basis for the increase and the fees;
- B. Provided notice of the proposed fee increase to the record owners (or renters responsible for payment of the fee) of all parcels to which the proposed fee increase would apply in accordance with Article XIID of the California Constitution;
- C. Heard and received all objections, protests, or other written communications from any owners (or renters) of real property subject to the fee;
- D. Taken and received oral and documentary evidence pertaining to the proposed fee increase; and
- E. Been fully informed of this matter.

**Section 3.** The Council and the Board determine that written protests have not been received from property owners representing a majority of the parcels subject to the proposed fee increases.

**Section 4.** The Council and the Board determine that the rates are consistent with Article XIID of the California Constitution.

**Section 5.** That based on these facts and circumstances presented and the information received during the public hearing, the City Council and the Board each find that increases in water rates are necessary and are hereby approved.

**Section 6.** Adjustments to Monthly Water Rates. The rates charged to customers of the Water Enterprise shall be:

- A. Monthly Service Charge. The monthly service charge for all customers of the Water Enterprise shall be based upon meter size as follows (including residential, duplexes, condominiums, commercial, industrial, hotels and motels):

<u>Meter Size</u>	<u>Charge</u>
3/4"	\$ 12.92
1 1/2"	\$ 40.33
2"	\$ 82.84
3"	\$ 168.90
4"	\$ 266.70

- B. Monthly Water Consumption Charge. The water consumption charge (as measured by the monthly meter reading) for all customers of the Water Enterprise shall be \$2.50 per one hundred feet of consumption.
- C. The revised rates and charges approved and established herein shall take effect on July 15, 2013.

- D. Effective July 15, 2014, commencing July 15, 2014 and each July 15 thereafter until July 15, 2018, the water consumption charges shall be increased based upon increases in the following consumer price index –U.S. Bureau of Labor and Statistics, U.S. Department of Labor, Consumer Price Index (Los Angeles - Orange County - Riverside), measured on the previous March index number and covering a one-year period.

**Section 7.** The City Clerk and the Secretary of the Authority shall certify as to the adoption of this Resolution.

**ADOPTED, SIGNED and APPROVED** this 9th day of July 2013.

CITY OF PERRIS

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Mayor, Daryl R. Busch

ATTEST:

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City Clerk, Nancy Salazar

PERRIS PUBLIC UTILITY AUTHORITY

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Chairman, Daryl R. Busch

ATTEST:

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Secretary, Nancy Salazar

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

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 4606 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 9th of July, 2013, and that it was so adopted by the following called vote:

AYES: RODRIGUEZ, ROGERS, LANDERS, YARBROUGH, BUSCH  
NOES: NONE  
ABSENT: NONE  
ABSTAIN: NONE

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City Clerk, Nancy Salazar

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

I, Nancy Salazar, SECRETARY OF THE PERRIS PUBLIC UTILITY AUTHORITY, DO HEREBY CERTIFY that the foregoing Resolution Number PPUA 03 was duly and regularly adopted by the Perris Public Utility Authority at a regular meeting thereof held the 9th of July, 2013, and that it was so adopted by the following called vote:

AYES: RODRIGUEZ, ROGERS, LANDERS, YARBROUGH, BUSCH  
NOES: NONE  
ABSENT: NONE  
ABSTAIN: NONE

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Secretary, Nancy Salazar