



**CITY OF PACIFICA  
COUNCIL AGENDA SUMMARY REPORT**

**7/24/2017**

**SUBJECT:**

Proposed Resolution of the City Council of the City of Pacifica Accepting the Report of Sewer Service Charges for Fiscal Year 2017-2018 and Directing the Filing of Charges for Collection by the County Controller.

**RECOMMENDED ACTION:**

Move to adopt the proposed "Resolution of the City Council of the City of Pacifica accepting the report of Sewer Service Charges for Fiscal Year 2017-2018, and directing the filing of charges for collection by the County Controller."

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**BACKGROUND/DISCUSSION:**

On May 8, 2017 the City Council approved Ordinance 816-C.S., which enacted a new five year rate structure with a maximum annual rate increase for the City's Wastewater Program service charges from Fiscal Years 2017-18 through 2021-22. A second reading of the ordinance was conducted and approved at the May 22, 2017 meeting. The Ordinance amended sections 6-6.404 through 6-6.408 of Chapter 6 Title 6 (Sewer Charges) of the Pacifica Municipal Code to reflect the new rate structure. The revenues generated by these rates are the main source of revenue for the City's Wastewater Program and address its future capital and financial needs.

This resolution implements the sewer service charges for Fiscal Year 2017-2018 (see Attachment 1) and reflects a rate increase of 8.0% above the 2016-17 rates. This 8.0% increase is based on the following:

- Anticipated 2017-2018 expenditures for the operations, maintenance, repair, and management of the City's Wastewater Program;
- Creating a reserve for contingencies which funds operations and maintenance costs for 90 days;

- Supports construction of the City's Wet Weather Equalization Basin Project with 25% contingency;
- Construction of other wastewater capital projects;
- Providing the Wastewater Enterprise Fund with the appropriate debt service coverage (net operating revenue over debt service payments).

The resolution indicates that the maximum increase is 8%; however, implementing a lower annual increase would not yield enough cash flow to fully address the financial goals listed above. The new rate structure and our 2017-18 rate proposal are supported by a detailed rate study conducted by Bartle Wells Associates dated March 17, 2017.

These charges have been calculated in accordance with the amended Municipal Code Section 6-6.404. A list of sewer charges applied to each parcel is kept in the Finance Department at City Hall for public inspection and verification.

**FISCAL IMPACT:**

This action will support the projected Sewer Operating Fund 18 revenue estimate of \$13,600,000 as reflected in the 2017-18 Budget.

**ORIGINATED BY:**

City Manager's Office  
Waste Water Treatment

**ATTACHMENT LIST:**

Attachment 1 - Sewer Service Charge Schedule 2017/18 (PDF)



**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFICA ACCEPTING THE REPORT OF SEWER SERVICE CHARGES FOR FISCAL YEAR 2017-2018 AND DIRECTING THE FILING OF CHARGES FOR COLLECTION BY THE COUNTY CONTROLLER**

WHEREAS, pursuant to Section 6-6.502 of the Pacifica Municipal Code and Section 5473 of the California Health & Safety Code, the City has received a report of sewer charges for Fiscal Year 2017-18, computed in conformity with the City’s schedule of sewer charges (“Report”) is on file in the Office of the City Clerk and available for public inspection and is incorporated herein by reference; and

WHEREAS, the City Council desires to approve the Report and to submit the charges described therein to the San Mateo County Controller for collection on the 2017-18 tax roll.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves the Report as submitted, and

BE IT FURTHER RESOLVED that the City Clerk is hereby instructed and authorized to transmit the Report to the County Controller and to file the necessary documents with the Controller to insure that the said fees will be included on the County Tax Roll for Tax Year 2017-18.

\* \* \* \* \*

Passed and adopted at a meeting of the City Council of the City of Pacifica held on the 24th day of July, 2017, by the following vote:

AYES, Council Members:

NOES, Council Members:

ABSENT, Council Members:

ABSTAIN, Council Members:

\_\_\_\_\_  
Mike O’Neill, Mayor

ATTEST:

\_\_\_\_\_  
Kathy O’Connell, City Clerk

APPROVED AS TO FORM:  
\_\_\_\_\_

Michelle Kenyon, City Attorney