

RESOLUTION NO. _____ (2021 SERIES)

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN LUIS
OBISPO, CALIFORNIA, AMENDING THE WATER AND SEWER RATE
ASSISTANCE PROGRAM FOR RESIDENTIAL RATE PAYERS**

WHEREAS, in 1992, the City Council adopted Resolution 8073 to implement a low-income water and sewer rate assistance program for City residents; and

WHEREAS, in 1996, the State of California passed Proposition 218, now Article XIII C and D of the California Constitution, which requires rate proportionality amongst customers; and

WHEREAS, in 2006, the California Supreme Court determined that water and sewer utilities are subject to the requirements of Proposition 218; and

WHEREAS, the rate assistance program is currently subsidized by the general fund to comply with Proposition 218; and

WHEREAS, customers who do not pay their bill on-time are assessed a late fee; and

WHEREAS, late fees are not subject to Proposition 218 because they are not rates for service and they are not a required property related fee; and

WHEREAS, the City Council desires to expand eligibility for the rate assistance program while remaining compliant with Proposition 218.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of San Luis Obispo as follows:

SECTION 1. A program to assist low-income customers who receive specific State or Federal aid or whose income is less than twice the federal poverty rate as set forth in Exhibit "A" shall be established.

SECTION 2. The low-income rate assistance program shall be funded by water and sewer late fees in an amount not to exceed \$100,000 from water late fees; and not to exceed \$100,000 from sewer late fees. No property related service fees shall be used to fund the program in a manner that would result in those fees exceeding the reasonable costs of providing the service for which they are charged.

Upon motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was adopted this _____ day of _____, 2021.

Mayor Heidi Harmon

ATTEST:

Teresa Purrington,
City Clerk

APPROVED:

J. Christine Dietrick,
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

Teresa Purrington,
City Clerk

R _____

Exhibit A

The City's Rate Assistance Program is a 15% discount off of the monthly water and sewer bill of eligible customers.

A customer is eligible to receive rate assistance if:

1. The bill is in their name; and
2. The bill is for an individually metered residence; and
3. The applicant resides at the service address; and
4. The customer receives one or more of the following government subsidies at their current address:
 - a) CalWorks; or
 - b) CalFresh (food stamps); or
 - c) Supplemental Social Security and/or State Supplemental Payment; or
 - d) Medi-Cal.
5. Or, the customer declares their household income to be less than twice the federal poverty rate, as defined by the United States Department of Health & Human Services.

In order to apply for rate assistance, an application form must be completed and returned together with proof of eligibility to the City of San Luis Obispo Utilities Department. After verification of eligibility, a 15% rate reduction will be applied to the utility account for all future billings.

The discount is effective for one year. Customers will be required to renew eligibility for the rate assistance program every year in November.