

RESOLUTION NO. 25-0046

A RESOLUTION OF THE MANHATTAN BEACH CITY
COUNCIL ADOPTING AN AUTOMATIC RATE
ADJUSTMENT FOR FISCAL YEAR 2025-26 THAT PASSES
THROUGH INCREASES IN WHOLESALE WATER COSTS
PURSUANT TO GOVERNMENT CODE SECTION 53756

WHEREAS, on June 7, 2022, pursuant to its Resolution No. 22-0079, the City Council approved water rates for the five year period commencing November 1, 2022, including automatic adjustments to offset changes in wholesale water rates as authorized by Government Code Section 53756; and

WHEREAS, the Metropolitan Water District (MWD) supplies treated potable water to West Basin Municipal Water District, a regional water wholesaler that delivers the water directly to the City through a connection to the regional distribution system; and

WHEREAS, the City purchases the imported water at wholesale rates, which includes fixed and volumetric charges; and

WHEREAS, the City's 2022 Water Rate Study included cost projections based on expected wholesale rate and water volumes, but the actual MWD charges for Fiscal Year 2024-2025 exceeded the projections and the City purchased more imported water than planned due to the delay of the Peck Reservoir Treatment Plant becoming fully operational; and

WHEREAS, as a result, the City's expenses associated with water purchases for Fiscal Year 2024-2025 exceeded those anticipated in the 2022 Water Rate Study; and

WHEREAS, the City's consultant, Raftelis Financial Consultants, prepared a Fiscal Year 2025 Pass-Through Rate Calculation Report, dated March 17, 2025 ("Report"), on file in the office of the City Clerk, for the purpose of calculating a pass through rate for Fiscal Year 2025-2026 to recover the difference between the assumed and wholesale water purchase costs; and

WHEREAS, as set forth in the Report, the Fiscal Year 2025-2026 pass through rate is \$0.38 per ccf (centum cubic feet; 1 ccf is equal to 748 gallons) to be applied uniformly across all customer classes; and

WHEREAS, the Fiscal Year 2025-2026 pass through rate will take effect on July 1, 2025, provided that the City provides notice of the rate adjustment pursuant to Government Code Section 53755(a) not less than 30 days prior to July 1, 2025.

NOW, THEREFORE, THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES, FINDS AND DETERMINES AS FOLLOWS:

SECTION 1. Fiscal Year 2025-2026 Pass through Rate. The City Council hereby adopts the pass through rate of \$0.38 ccf for Fiscal Year 2025-2026. Subject to complying with the notice requirement in Section 2, the 2025-2026 pass through rate shall be effective on July 1, 2025.

SECTION 2. Notice of 2025-26 Pass Through Rate. Staff is hereby directed to provide notice of the 2025-26 pass through rate pursuant to subdivision (a) of Government Code Section 53755 not less than 30 days before the effective date of adjustment.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution.

ADOPTED on May 6, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

AMY THOMAS HOWORTH
Mayor

ATTEST:

LIZA TAMURA
City Clerk