



Legislation Text

File #: 20-230, **Version:** 1

Report Prepared by: Venus Rodriguez, Finance Officer

SUBJECT: Adoption of Resolution Approving a One Time Utility Rebate of \$25.00 for Each Residential, Commercial, and Industrial Water and Sewer Service on the June Water and Sewer Statement

REPORT IN BRIEF

Considers providing a utility rebate to all water and sewer customers.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2020-27**, a Resolution of the City Council of Merced, California, authorizing the City Manager to provide economic assistance related to the economic impacts of COVID-19: and,
- B. Authorizing the Finance Officer to administer the rebates.

ALTERNATIVES

- 1. Approve, as recommended by staff; or
- 2. Approve subject to other than recommended by staff (identify specific findings and or conditions amended to be addressed by City Council motion); or
- 3. Deny; or
- 4. Refer back to staff for reconsideration of specific items (specific items to be addressed in the motion); or
- 5. Continue to a future City Council meeting (date and time to be specified in the motion).

AUTHORITY

City of Merced Charter Article IV. City Council Section 405 - Powers vested in the city council.

CITY COUNCIL PRIORITIES

City Council ratified Local Emergency due to COVID-19 on March 16, 2020 with Resolution 2020-10 and continued the declaration on May 4, 2020 with Resolution 2020-23.

Provide Economic Assistance.

DISCUSSION

The novel coronavirus outbreak began in Wuhan China in 2019 and spread across the globe and into

the United States. As of Monday, May 4, 2020, there are 142 positive cases of COVID-19 and 3 deaths in Merced County.

Friday, March 13, 2020, the President of the United States declared a national emergency due to the outbreak. Also, on Friday, Merced County declared a state of emergency. This followed the March 4, 2020 state of emergency that was declared by Gov. Newsom. The City of Merced City Manager also declared a local emergency as the Director of Emergency Services, which was ratified by the City Council on March 16, 2020 and continued on May 4, 2020.

The City of Merced is facing an unprecedented situation with the COVID-19 emergency. The County of Merced has issued Shelter in place orders. Local residents and businesses are experiencing significant economic losses.

On April 20, 2020, the City Council appointed a subcommittee and directed staff to provide possible measures to assist local businesses and residents through a proposed COVID-19 Recovery Plan. On May 4, 2020, several options were presented to the City Council, including a utility rebate for all water and sewer customers.

City Council voted 6-1 to move forward with a utility rebate including a one-time \$25 rebate to all water customers and a one-time \$25 rebate to all sewer customers as part of the June 2020 utility billing. This includes, residents, small business, commercial, and industrial accounts. In order to move forward with the rebate process the City Council needs to approve a resolution. The maximum approved proposition 218 rate will be charged without reduction. In addition, the one time (temporary rebate) will be applied to the maximum rate. Since the maximum rate is not reduced and the rebate is one time and temporary, there is no increase which requires voter approval.

IMPACT ON CITY RESOURCES

The City of Merced currently administers approximately 22,000 water and sewer accounts. This rebate would create a \$550,000 revenue impact to the Water Operations Enterprise Fund 557 and \$550,000 revenue impact to the Wastewater Operations Enterprise Fund 553, totaling \$1.1 million.

ATTACHMENTS

1. Resolution 2020-27