WHEREAS, the City of Richmond (the "City") has identified a need to make certain repairs, replacements and improvements to its wastewater system (the "Wastewater System") to assure reliable operations and compliance with federal and state regulations and with the requirements of the City’s permits relating to the Wastewater System; and

WHEREAS, Veolia Water N.A., a qualified consulting engineering firm (the "Consulting Engineer"), has performed an extensive review of the various operating, replacement and capital improvement costs of the Wastewater System for the purpose of determining fair and equitable user rates and fees to produce sufficient revenues to fund ongoing operations and maintenance, to retire debt that will be incurred to finance the construction of the improvements to the Wastewater System and to build and maintain operating revenues and reserves to continue the necessary ongoing repairs and replacements in the Wastewater System; and

WHEREAS, the Consulting Engineer and City staff have recommended that fees and charges imposed on users of the Wastewater System be increased to accommodate the capital and operating needs (including debt service costs) of the Wastewater System; and

WHEREAS, Section 6 of Article XIIID of the California Constitution requires that a public agency conduct a hearing upon a proposed property related fee or charge not less than 45 days after mailing the notice of the proposed fee or charge to the record owners of each identified parcel upon which the fee or charge is proposed for imposition; and

WHEREAS, the City has full legal right, power and authority under the Constitution and the laws of the State of California to enter into the transactions hereinafter authorized.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Richmond (the "Council"), as follows:

Section 1. The foregoing recitals are true and correct and this Council hereby so finds and determines.

Section 2. The Council declares that it proposes to increase wastewater user rates and fees in accordance with the attached schedule.

Section 3. The Council will convene a public hearing on June 6, 2006 at or around 7 pm at the City Council Chambers, 1401 Marina Way South, Richmond, CA to receive oral and written comments and written protests concerning the proposed user rate and fee increases.

Section 4. The Council authorizes and directs the City Manager to have all record owners noticed by letter mailed though the US Postal Service not later than April 19, 2006 and to also publish notice of such meeting, each in such form and manner as the City Manager and the City Attorney shall deem appropriate.

Section 5. The Council directs the City Manager to collect on the Council’s behalf all written comments and written protests received by the City before the scheduled hearing on June 6, 2006 and provide copies and a summary to the Council at that public hearing.

Section 6. The officers and agents of the City are, and each of them hereby is, authorized and directed to do any and all things necessary and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this resolution, and otherwise to carry out, give effect to and
comply with the terms and intent of this resolution, and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 7. This resolution shall take effect immediately upon its passage.

I certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond, California at a regular meeting thereof, held on April 18, 2006, by the following vote:

AYES: Councilmember Bates, Butt, Griffin, Marquez, McLaughlin, Rogers, Thurmond, Virmanontes, and Mayor Anderson

NOES: None

ABSTENTIONS: None

ABSENT: None

DIANE HOLMES
Clerk of the City of Richmond

(Seal)

Approved:

IRMA L. ANDERSON
Mayor

Approved as to form:

JOHN EASTMAN
City Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of Resolution No.34-06, finally passed and adopted by Council of the City of Richmond at a regular meeting held on April 18, 2006, published in accordance with law.
### Schedule of Proposed Rates

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8% Annual Rate Increase</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Residential Unit (current rate $372)</td>
<td>$401.76</td>
<td>$433.90</td>
<td>$468.61</td>
<td>$506.10</td>
<td>$546.59</td>
</tr>
<tr>
<td>Multiple Residential Unit per unit (current rate $299)</td>
<td>$322.92</td>
<td>$348.75</td>
<td>$376.65</td>
<td>$406.79</td>
<td>$439.33</td>
</tr>
<tr>
<td>Commercial/Industrial Base Rate (current rate $223)</td>
<td>$240.84</td>
<td>$260.11</td>
<td>$280.92</td>
<td>$303.39</td>
<td>$327.66</td>
</tr>
<tr>
<td>Bio Chemical Oxygen Demand per lb (current rate $0.573)</td>
<td>$0.62</td>
<td>0.67</td>
<td>0.72</td>
<td>0.78</td>
<td>0.84</td>
</tr>
<tr>
<td>Total Suspended Solids per lb (current rate $0.261)</td>
<td>$0.28</td>
<td>0.30</td>
<td>0.33</td>
<td>0.36</td>
<td>0.38</td>
</tr>
<tr>
<td>Industrial Waste Unit per each (current rate $27)</td>
<td>$29.16</td>
<td>31.49</td>
<td>34.01</td>
<td>36.73</td>
<td>39.67</td>
</tr>
</tbody>
</table>
CLERK’S CERTIFICATE

I, Diane Holmes, City Clerk of the City of Richmond, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a special meeting of the City Council of said City duly and regularly held at the special meeting place thereof on the _____ day of __________, 2006, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

An agenda of said meeting was posted before said meeting at City Hall, 1401 Marina Way South, Richmond, California 94804, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.


______________________________
City Clerk of the
City of Richmond

[SEAL]