

CITY OF OAKLAND
AGENDA REPORT

2010 DEC -2 PM 12:40

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: December 14, 2010

RE: Resolution Authorizing Amendments To The City Of Oakland's Biennial Budget For Fiscal Year 2010-11 Per Resolution No. 82102 C.M.S. In The Sewer Service Fund To Appropriate \$4.32 Million In Additional Revenues And Expenditures Related To The Sewer Service Charge, Which Was Increased Effective January 1, 2011 To Fund Additional Operation, Maintenance And Capital Improvements To The Sanitary Sewer System

SUMMARY

Staff recommends that the City Council approve the resolution appropriating new revenues and expenditures in the amount of \$4.32 million respectively for the remainder of the Fiscal Year 2010-2011 (January 1, 2011 – June 30, 2011) in order to perform the necessary and additional construction, maintenance and operation activities on the City's sanitary sewer system.

The proposed expenditures total \$4.32 million and fall into the following categories:

<u>Expenditure Category</u>	<u>Amount</u>
Equipment Replacement	\$1.93 million
Staffing	\$0.09 million
GIS Administration and Technology	\$0.25 million
Services	\$0.25 million
Capital Repair	\$1.50 million
Franchise Fee	\$0.30 million
<u>Total</u>	<u>\$4.32 million</u>

The revenue to support the additional expenditure appropriation will come from the increased Sewer Service Charge effective January 1, 2011 in the amount of \$2.95 million and available fund balance in the amount of \$1.37 million.

The FY 2011-13 Proposed Budget will include a comprehensive two-year proposal for the Sewer Service Charge based on anticipated revenue and mandated expenditures over the next two year period.

Item: _____
Finance and Management Committee
December 14, 2010

FISCAL IMPACT

The City Council approved Ordinance No. 13035 C.M.S. on July 27, 2010, which increased the Sewer Service Charge effective January 1, 2011, provided for annual increases of 16% through January 1, 2013, and annual increases thereafter based on the consumer price index. Every party granted sewage disposal service from East Bay Municipal Utility District (EBMUD) pays a sewer service charge. The rates vary for single-family residence, multiple-family dwellings, other residential premises, and commercial or industrial businesses. These rates are outlined in the ordinance, which is attached as *Exhibit A*.

Sewer Service Charge revenue and expenditure transactions occur in an enterprise fund called the Sewer Service Fund (Fund 3100). The rate increase effective January 1, 2011 will provide additional sewer service revenue during FY 2010-11 in the estimated amount of \$2.95 million. This amount is currently not included in the FY 2010-11 Adopted Budget. If the resolution that is the subject of this report is approved, the total budgeted revenue in the Sewer Service Fund will increase by \$2.95 million, from \$34.79 million to \$37.74 million. In addition, an amount of \$1.37 million would come from the existing fund balance in the Sewer Service Fund, to balance against the total proposed expenditures of \$4.32 million.

On the expenditure side, the total appropriation would increase \$4.32 million as follows, with the detail breakdown provided in *Exhibit B*:

Expenditure Category	Amount
Equipment Replacement	\$1.93 million
Staffing	\$0.09 million
GIS Administration and Technology	\$0.25 million
Services	\$0.25 million
Capital Repair	\$1.50 million
Franchise Fee ¹	\$0.30 million
Total	\$4.32 million

BACKGROUND

A sewer service charge is collected in the City of Oakland to fund operation, maintenance, and capital improvements to the sanitary sewer system in Oakland. During the past two years, the U.S. Environmental Protection Agency (EPA), the U.S. Department of Justice, and the Regional Water Quality Control Board (RWQCB), through legal actions and new permit requirements, have significantly changed the regulatory landscape impacting the operations and maintenance of

¹ The City's General Purpose Fund collects a ten percent (10%) franchise fee from the Sewer Service Fund.

the East Bay sanitary sewer systems. New mandates require that Oakland implement new, aggressive maintenance programs and long-term capital improvement programs. These changes necessitated that the sewer service charge be significantly increased over the next years. These increases were enacted through City of Oakland Ordinance No. 13035 C.M.S. on July 27, 2010, to take effect on January 1, 2011. By law, sewer service charge funds may only be used for the construction, maintenance and operation of the City's sewer system.

Oakland and six other East Bay communities (Alameda, Albany, Berkeley, Emeryville, Piedmont, and Stege Sanitary District) each maintain and operate separate sanitary sewer collection systems. These systems are served by the East Bay Municipal Utility District (EBMUD) main treatment plant. EBMUD also owns and operates three Wet-weather Facilities and the interceptor, which is the bay side pipe that collects all sewage from these communities and takes it to the treatment plant.

These facilities were part of a regional solution designed in the mid 1980's to accept and handle wet-weather flows from the collection systems during rainy season, provide modified primary treatment only, and then discharge into the San Francisco Bay². In combination with these facilities, East Bay communities were also required to implement a targeted infiltration/inflow (I/I) correction program that was designed to reduce the region's uncontrolled wet-weather overflows. The regional program was started in mid 1980's and is scheduled to be completed in mid 2010's.³ Over the last 23 years, this program, including Oakland's I/I correction program, has reduced flows significantly, by about 50%⁴.

Oakland's program entailed rehabilitating about 25% of its collection pipes at a cost of about \$190 million. These improvements have been part of a 25-year capital improvement program that was mandated by a cease-and-desist order in the 1980's. The program is in its 22nd year, and consists of projects that repair or replace the sanitary sewer collection system in areas determined to have the highest sources of I/I. Oakland's collection system consists of over 1,000 miles of sewer pipes ranging in size from 6-inch to 66-inch in diameter, 7 pump stations, and 28,000 sewer structures.

² During rain events, sewer flows are increased significantly due to the infiltration and inflow (I/I) of storm water into sanitary sewer system, primarily due to leaky pipes. Modified primary treatment removes solids and other materials from the diluted sewage and includes chlorination before discharge.

³ The 1980's regional program was fully sanctioned and permitted by the California Regional Quality Control Board (RWQCB).

⁴ According to the Regional Water Board finding peak wet-weather flows from the East Bay Communities has reduced from about 20 times dry weather flows to just above 10.

In 2007, EPA and RWQCB began requiring East Bay communities to further reduce wet-weather flows with an ultimate goal of eliminating all wet-weather discharges from EBMUD facilities and the collection system.

In 2009, the EPA conducted facility inspections of the East Bay sewer collection systems, including Oakland. The inspections were followed by Administrative Orders (AO) requiring the communities to fully participate and cooperate with EBMUD in the development and implementation of measures to reduce wet-weather flows. The EPA inspection report also identified a number of sanitary sewer overflows from the Oakland collection system. A number of these overflows were dry-weather overflows caused by grease, roots and other blockages.

Similar to other East Bay communities, Oakland is required to develop and implement aggressive maintenance and long-term capital improvement programs with the goal of minimizing the risk of sanitary sewer overflows and wet-weather discharges. The EPA's AO requirements include development and implementation of several programs in the following areas:

- Comprehensive Asset Management Program—this requires Oakland to develop and implement an Asset Management Implementation Plan that delineates schedules and methods for routine inspection and cleaning of the entire system.
- Private Sewer Lateral Inspection and Repair Program—this requires Oakland to pass an ordinance, dovetailing with an EBMUD ordinance, to ensure private sewer laterals are inspected and repaired at the time of property transfer or major remodel.
- Flow Monitoring—this requires Oakland to measure flows in the sanitary sewer system during two winters starting in December 2010.
- Inflow Identification and Elimination Program—this requires Oakland to identify and eliminate non-sewer (storm drain) connections to the sanitary sewer system.
- Pump Station Reliability—this requires Oakland to renovate and upgrade sanitary sewer pump stations.
- Data Management – Maintenance Management System—this requires Oakland to implement a geographical information based asset management program for the collection system maintenance.
- Sewer Inspection and Cleaning Programs—this requires Oakland to implement sewer inspection and cleaning programs so that high priority sections of the system are inspected and cleaned on a schedule not to exceed 10 years.

Staff estimates that Oakland must double its sewer maintenance activities by the 2011-12 fiscal year. The capital program is also expected to be increased similarly in order to meet the new requirements. Efforts are underway to quantify the needed capital improvements, which are expected to be made final in the 2012-13 fiscal year.

The City Council adopted Ordinance No. 13035 C.M.S. on July 27, 2010 that provides for increases in the sewer service charge that are necessary to meet new regulatory mandates, and to fund increased system maintenance and long-term capital improvements.

KEY ISSUES AND IMPACTS

Typically, appropriations of revenue and expenditures are established through the City’s biennial budget development process, with some adjustments made as part of the mid-cycle process. Staff will propose a comprehensive budget for the sewer service charge as part of the FY 2011-13 process. In the meantime, it is critical to seek Council authority to appropriate additional revenue and expenditures in the current fiscal year in order to move swiftly in gearing up and implementing sewer maintenance activities required to meet the new regulatory mandates.

The proposed expenditures fall into the following categories.

Expenditure Category	Amount
Equipment Replacement	\$1.93 million
Staffing	\$0.09 million
GIS Administration and Technology	\$0.25 million
Services	\$0.25 million
Capital Repair	\$1.50 million
Franchise Fee	\$0.30 million
Total	\$4.32 million

Equipment Replacement (\$1.93 million)

The average age of the City’s fleet is 9.4 years and in need of funding for replacement. Staff proposes to use \$1.93 million to replace a portion of the vehicles used for sewer operations as follows:

Vehicle Type	Quantity
Combination Sewer Flusher	2
Power Rodder	3
Construction / Emergency Standby Truck	2
Trailer Mounted Hydro Flusher	2
Closed Circuit TV	1
Total	10

For budgeting purposes, the purchase of the vehicles will occur in the Fund 4100-Equipment, which is an Internal Service Fund. In turn the Fund 3100-Sewer Service Fund will be budgeted in and pay into the Equipment Fund to cover these expenditures.

Additional Staffing (\$0.09 million)

The new and enhanced programs required to meet the EPA's AO requirements will require that staff double its sewer maintenance efforts. These positions will be proposed as part of the FY 2011-13 budget development process. At this time, staff requests the addition of 1.0 FTE Maintenance Planner critical to planning of maintenance activities by using existing asset condition and staffing resources.

GIS Administration and Technology (\$0.25 million)

Geographic Information System (GIS) technology and sanitary sewer system software applications will be used to capture, document, centralize and provide data. Having data on the system's inventory, location, size, and condition are critical to planning and performing capital improvements and maintenance. Specifically, funds will be used to purchase and implement additional capabilities from the existing software used to for CCTV inspection services, Granite XP. The additional capabilities will enable engineering staff to readily access and analyze CCTV data, and enable the CCTV data to be synchronized with the central GIS database. Funds will also be used to purchase additional hardware, such as a storage server, and to house the CCTV data.

Funding will also be used to fund a position within the Public Works Agency to manage and support the GIS infrastructure, including the necessity of updating all GIS maps that were initially produced in the 1990s.

Lastly, funding will be used to purchase and install Automated Vehicle Locators (AVL) (also referred to as Global Positioning Systems – GPS) on sewer maintenance vehicles. AVL units provided the added benefit of being able to readily locate the vehicles for emergency deployment purposes.

Additional CCTV Services (\$0.25 million)

Closed-circuit television technology (CCTV) is the primary mechanism for inspecting and evaluating the condition of a sewer pipe. Additional CCTV capacity is needed to address the increased demand from regulatory agencies for additional sewer system inspection. The temporary measure for additional CCTV services will be performed by a construction contract for CCTV inspection services.

Capital Repairs (\$1.5 million)

Citywide Emergency Sewer Repairs - \$0.5 million. Funding will increase the City's response capacity to sewer emergencies throughout Oakland. It will fund the design and construction of

sewer rehabilitation projects to improve the condition of the City's aging sewer infrastructure and reduce the chances of sewer failures and overflows.

Public Facilities Sewer System Rehabilitation - \$1.0 million. Funding is for the design and rehabilitation of sanitary sewer lines and pumps at three municipal facilities that are in desperate need – Temescal Library, Golden Gate Library, and Lake Merritt Sail Boat House. At the Temescal Library, the rehabilitation will include replacement of the sewer lateral and installation of a new check valve to prevent sewage from backing up into the library's basement area. The basement has flooded twice causing damage and disruption of library services. At the Golden Gate Library the sewer lateral will be replaced and a sewer injector pump installed. At the Sailboat House, the rehabilitation will include the installation of a new sewer line (approximately 700 linear feet) to the pump station near the Duck Pond and a replacement and upgrade of the injector pumps. The Sailboat House is located on the shores of Lake Merritt and this rehabilitation will reduce the risk of any sewer leak that could easily reach the lake.

Franchise Fee (\$0.25 million)

The City's General Purpose Fund collects a franchise fee from the Sewer Service Fund of ten percent. It is necessary to budget for the franchise fee, in order to process the transaction.

SUSTAINABLE OPPORTUNITIES

Economic: Increased maintenance on the City's sewer system will help minimize the risk of sanitary sewer overflow, which impact the business environment and community. Capital improvements also create jobs and stimulate the local economy. Capital projects utilize the City's Local, Small Local Business, and Local Employment Programs.

Environmental: Since its inception, the City's I/I program has resulted in significantly reduced overflows of sanitary sewage during wet-weather. Construction of the capital improvements will continue to reduce the probability of such overflows. The existing program has resulted in a significantly cleaner and healthier environment for Oakland's residents. The level of increased inspection and maintenance will significantly reduce the potential for sanitary sewer overflows.

Social Equity: The increased maintenance and long-term improvements to the sanitary sewer system impact the entire community as it improves the overall environment. The program implementation is a city-wide effort and is not specific to any geographical location. Construction projects will utilize the Local Employment Programs, providing needed jobs to Oakland residents.


DISABILITY AND SENIOR CITIZEN ACCESS

There is no direct impact or benefit to persons with disabilities or seniors under this action. Capital improvements to the sanitary sewer system, when constructed in sidewalk areas, will include construction of curb ramps.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests and recommends that the City Council approve the resolution appropriating new revenues and expenditures in the amount of \$4.32 million respectively for the remainder of the Fiscal Year 2010-2011 (January 1, 2011 – June 30, 2011) in order to perform the necessary and additional construction, maintenance and operation activities on the City's sanitary sewer system.

Respectfully submitted,



Vitaly B. Troyan, P.E., Interim Director
Public Works Agency

Prepared by:
Stephanie Hom, Agency Administrative Manager
PWA, Administrative Services Department

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



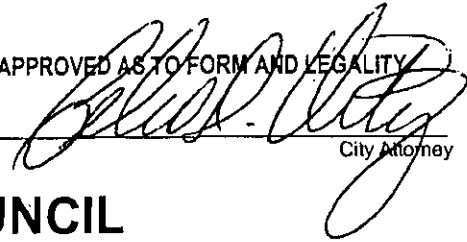
Office of the City Administrator

Item: _____
Finance and Management Committee
December 14, 2010

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 DEC -2 PM 12:40

APPROVED AS TO FORM AND LEGALITY



City Attorney

INTRODUCED BY COUNCILMEMBER _____

OAKLAND CITY COUNCIL

ORDINANCE NO. 13035 C.M.S.

A ORDINANCE AMENDING CHAPTER 13 OF THE OAKLAND MUNICIPAL CODE (Section 13.04.020) INCREASING THE SEWER SERVICE CHARGE AND PROVIDING FOR ANNUAL INCREASES OF SIXTEEN PERCENT THROUGH JANUARY 1, 2013 AND INCREASES BASED ON THE CONSUMER PRICE INDEX THEREAFTER

WHEREAS, the City was ordered by the United States Environmental Protection Agency and the Bay Area Regional Water Quality Control Board in 2009 to reduce overflows and wet-weather flows from public sanitary sewers; and

WHEREAS, the new requirements require the City to significantly increase its maintenance and infiltration and inflow correction programs; and

WHEREAS, such programs involve expenditure of public funds to operate and maintain the system; and

WHEREAS, the sewer service charge rates fund the City's sanitary sewer maintenance and capital improvement programs; and

WHEREAS, the City Council of the City of Oakland finds and determines that the current sewer service charge rates are not adequate to fund the needed programs mandated under the new requirements; and

WHEREAS, the City Council of the City of Oakland finds it necessary and prudent to increase the sewer service charge rates to adequately fund the capital improvements and maintenance and operations required under the new requirements; and

WHEREAS, the City Council of the City of Oakland finds and determines that the requirements of the California Environmental Quality Act (CEQA) of 1970, the Guidelines as prescribed by the Secretary for Resources, and the provisions of the Statement of Objectives, Criteria and Procedures for Implementation of the California Environmental Quality Act: City of Oakland, have been satisfied, and this action on the part of the City Council does not constitute a project under CEQA pursuant to California Public Resources Code Section 21080 (b)(8); or in the alternative, that this Ordinance is a project subject to CEQA that the Council has determined with certainty that no possibility exists that this Ordinance may produce significant environmental effects; and

WHEREAS, Article XIII-D of the California Constitution requires that (1) revenues derived from the sewer service charge shall not exceed the funds required to provide the property related service; (2) revenues derived from the sewer service charge shall not be used for any purpose other than that for which the charge was imposed, and (3) that the amount of the sewer service charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel; and

WHEREAS, the proposed sewer service charge increase is based on the cost of providing the capital improvements required and for the maintenance and operation of the sanitary sewer system; and

WHEREAS, at the general election of November 5, 1996, the voters of the State of California amended the state constitution, adding Article XIII-D, which requires that all new property related fees for water, sewer or refuse service are subject to a majority protest proceeding; and

WHEREAS, Article XIII-D provides that charges may be increased within limits previously approved, since increases in the costs of providing these services are likely, a rate increase structure should be included, and provide a maximum rate of increase; and

WHEREAS, in order to comply with Article XIII-D of the California Constitution, the City must provide written notice to the record owner of each parcel subject to the proposed sewer service charge increase (a) the amount of the sewer service charge proposed to be imposed upon each, (b) the basis upon which the amount of the proposed sewer service charge was calculated, (c) the reason for the sewer service charge increase, and (d) the date, time and location of a public hearing on the proposed sewer service charge increase; and

WHEREAS, following a public hearing and if there is no majority protest, the City Council may, by ordinance, adopt the proposed amendments to Chapter 13 of the Oakland Municipal Code; now, therefore,

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1.

Section 13.04.020 of Chapter 13 of the Oakland Municipal Code is amended to now read:

13.04.020 Imposition of sewer service charge. Every party in whose name sewage disposal service of the East Bay Municipal Utility District (District) is granted shall pay a sewer service charge according to the rates as follows, beginning with the first billing period following January 1, 2011:

- A. A monthly charge of twenty-five dollars and eighty cents (\$25.80) is established and assessed for the use of sewer facilities for every single-family residence as defined by the District's Business Classification Code 8800, Private Residence.

B. For multiple-family dwellings, as defined by the District's Business Classification Code 6513, Multiple Dwelling, the following monthly charges are established and assessed for the use of sewer facilities:

- a) Duplexes: twenty-eight dollars and ninety-five cents (\$28.95) per month;
- b) Triplexes: forty-three dollars and forty-three cents (\$43.43) per month;
- c) Fourplexes: fifty-seven dollars and ninety-two cents (\$57.92) per month.

C. For residential premises not included in subsection A or B of this section, a charge based upon the cubic feet of water used on the premises will be made for the use of sewer facilities, which charge shall be computed and levied as follows:

- a) One dollar and seventy-six cents (\$1.76) per one hundred (100) cubic feet per month.

In no case shall the total monthly charge be less than twenty-five dollars and eighty cents (\$25.80).

D. For premises in the district's "commercial," "industrial," and "public authority" business certifications, a charge based on cubic feet of water used upon the premises will be made for the use of sewer facilities, which charge shall be computed and levied as specified below:

- a) Industrial accounts: one dollar and sixty cents (\$1.60) per one hundred (100) cubic feet per month;
- b) Commercial accounts: one dollar and seventy-six cents (\$1.76) per one hundred cubic feet per month;
- c) Restaurants/hotels: one dollar and eighty-two cents (\$1.82) per one hundred cubic feet per month;
- d) Hospitals: one dollar and ninety-six cents (\$1.96) per one hundred (100) cubic feet per month;
- e) Laundromats/car washes: two dollars and six cents (\$2.06) per one hundred (100)
- f) cubic feet per month.

In no case shall the total monthly charge be less than twenty-five dollars and eighty cents (\$25.80).

E. For premises with a sewage meter for measuring actual sewage flow from such premises, a charge based on cubic feet of measured sewage flow from the premises, and applicable to all buildings for water consumption cycles commencing on and after January 1, 2011, will be made for the use of sewer facilities, which charge shall be computed and levied as follows:

- a) Two dollars and thirteen cents (\$2.13) per one hundred cubic feet of sewage flow per month.

In no case shall the total monthly charge be less than twenty-five dollars and eighty cents (\$25.80).

- F. The sewer service charges established and assessed in subsections C and D of this section shall be applicable to premises where no meter is installed or available in said premises for measuring the volume of sewage from such premises into sewers. The sewer service charge for these premises shall be based upon the total amount of water used from all sources, as ascertained by the district, for sewage disposal service charges imposed by such district within the City.
- G. The sewer service charge established and assessed in subsection E of this section shall be applicable to premises where a portion of the water received from any source does not flow into sewers because of manufacturing or removal by other means and a meter is installed or available in said premises for measuring the volume of sewage from such premises into sewers. The sewer service charge for these premises shall be based upon the volume of sewage discharging from such premises into the sewers, as ascertained by the district for sewage disposal service charges imposed by the district within the City.
- H. The charges established and assessed in subsections A through E of this section shall become due and payable on receipt of bill therefore. Such charges shall be paid directly to the City or to the district, as directed upon the bill. (Ord. 11801 § 1 *Exhibit A*, 1995: prior code § 6-7.02)
- I. Beginning with annual billing period that begins on or after January 1, 2012, the sewer service charge rates established above shall be increased by sixteen percent (16%) annually through the annual billing period that begins on or after January 1, 2013.
- J. For the annual billing period that begins on or after January 1, 2014, the sewer service charge rates shall be increased at an annual rate equal to but not to exceed the prior years percentage change in the Consumer Price Index for the San Francisco Bay Area, compiled by the United States Department of Labor, Bureau of Labor Statistics, or successor thereto, between such Index as of June in the year prior to the year in which rates are being increased and June twelve (12) months earlier, as provided for the use of sewer facilities owned and operated by the City.

Section 2.

The City Council makes the following findings and determinations in support of adopting this Ordinance, in compliance with Article XIII-D of the California Constitution:

- a) Revenues derived from the sewer service charge do not exceed the funds required to provide the property related service, and
- b) Revenues derived from the sewer service charge will not be used for any purpose other than that for which the charge was imposed, and
- c) The amount of the sewer service charge imposed upon any parcel or person as an incident of property ownership does not exceed the proportional cost of the service attributable to the parcel, and

- d) The proposed sewer service charge increase is based on the cost of providing the service of the sanitary sewer system, and
- e) The City of Oakland submitted written notice to the record owner of each parcel subject to the proposed sewer service charge increase, in compliance with the majority protest proceeding requirements, notifying (1) the amount of the sewer service charge proposed to be imposed upon each, (2) the basis upon which the amount of the proposed sewer service charge was calculated, (3) the reason for the sewer service charge increase, and (4) the date, time and location of a public hearing on the proposed sewer service charge increase, and
- f) The City Council held a public hearing on July 20, 2010 to hear public comments and protests, and finds that there was no majority protest, and
- g) All other requirements for the imposition of the increased fee have been met.

Section 3.

This Ordinance shall take effect January 1, 2011.

IN COUNCIL, OAKLAND, CALIFORNIA, JUL 27 2010

PASSED BY THE FOLLOWING VOTE:

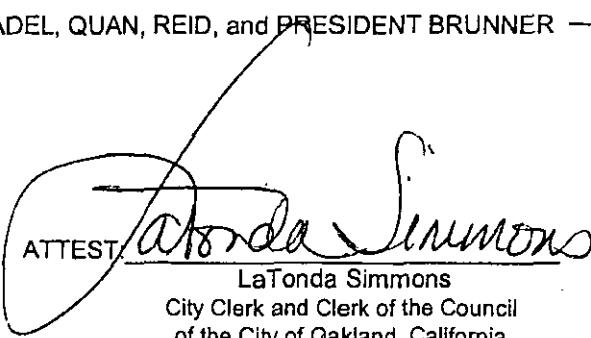
AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER — 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

Introduction Date JUL 20 2010

ATTEST 
 LaTonda Simmons
 City Clerk and Clerk of the Council
 of the City of Oakland, California

DATE OF ATTESTATION: 8/5/10

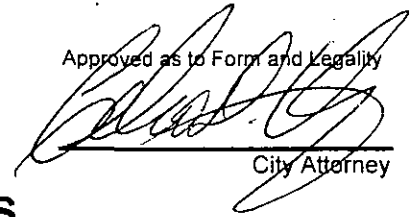
**CITY OF OAKLAND
SEWER SERVICE CHARGES AND RATES
EFFECTIVE JANUARY 01, 2011**

BCC	Description	Metered Rate Per ccf	BCC	Description	Metered Rate Per ccf
0100	Agriculture	1.60	3900	Miscellaneous Mfg.	1.60
0700	Veterinarian Services	1.76	4000	Railroad Transt	1.60
1200	Mining and Wuarrying	1.60	4100	Local/Suburb Transt	1.60
1500	Construction	1.60	4200	Warehousing	1.60
2010	Meat Prod-Proc/Pkg	1.60	4400	Water Transportation	1.60
2011	Slaughterhouse	1.60	4500	Air Transportaion	1.60
2020	Dairy Prod Processing	1.60	4700	Tranportation Sevcs	1.60
2030	Fruit/Vegetable Canning	1.60	4800	Elect Communications	1.60
2040	Grain Mills	1.60	4900	Elec., Steam, Nat Gas	1.60
2050	Bakeries	1.60	4950	Sanitary Coll/Disposal	1.60
2051	Bakeries-Bread Only	1.60	5000	Wholesale Trade	1.76
2060	Sugar Processing	1.60	5300	Retail Trade	1.76
2070	Fats and Oils	1.60	5400	Food Sales	1.76
2077	Rendering Tallow	1.60	5540	Gas/Oil Dealers	1.76
2080	Beverage Mfg.	1.60	5811	Restaurant-Fast Food	1.82
2090	Specialty Food Mfg.	1.60	5812	Restaurant	1.82
2091	Seafood Processing	1.60	5813	Drinking Bar/Club	1.82
2300	Textile Goods Mfg.	1.60	6500	Cemeteries	1.76
2400	Lumber & Wood Mfg.	1.60	6513	Apt Bldg - 5 or More	1.76
2500	Furniture	1.60	6800	Offices	1.76
2600	Pulp & Paper Prod Mfg.	1.60	7000	Hotels with Food	1.82
2700	Printing Publishing	1.60	7001	Hotels without Food	1.82
2810	Inorganic Chem Mfg.	1.60	7020	Boarding Houses	1.82
2820	Synthetic Material Mfg.	1.60	7200	Personal Services	1.76
2830	Drugs Mfg.	1.60	7210	Commercial Laundries	2.06
2840	Clean & Sanitary Prod Mfg.	1.60	7215	Coin Laundromats	2.06
2850	Paint Mfg.	1.60	7216	Clean & Dye Fabrics	2.06
2860	Organic Chemicals Mfg.	1.60	7218	Industrial Laundries	2.06
2870	Agriculture & Chem Mfg.	1.60	7260	Crematory, Funeral Home	1.76
2891	Adhesive & Gelatin Mfg.	1.60	7300	Laboratories	1.76
2893	Ink & Pigment Mfg.	1.60	7342	Fumigating	1.76
2900	Petroleum Prod Mfg.	1.60	7500	Automobile Repair Sves	1.76
3000	Rubber Products	1.60	7539	Battery Services	1.76
3110	Leather Tanning	1.60	7542	Auto Laundries	2.06
3200	Earthenware Mfg.	1.60	7600	Misc Repair Services	1.76
3300	Primary Metals Mfg.	1.60	7699	Septic Tank Cleaning	1.76
3400	Metal Prod Fabrication	1.60	7900	Amusement Services	1.76
3410	Drums & Barrels Mfg.	1.60	7940	Equestrian Activities	1.76
3470	Metal Finishing	1.60	7950	Irrigation Use Only	Exempt
3500	Machinery Mfg.	1.60	7990	Parks and Gardens	1.76
3590	Machine Shop Repair	1.60	8000	Health Services	1.76
3600	Electric Machine Mfg.	1.60	8060	Hospitals	1.96
3700	Trans Equip Mfg.	1.60	8200	Schools	1.76
3730	Shipbuilding	1.60	8600	Non-Profit Services	1.76
3800	Precision Equip Mfg.	1.60			

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

Approved as to Form and Legality



City Attorney

2010 DEC -2 PM 12:40 RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING AMENDMENTS TO THE CITY OF OAKLAND'S BIENNIAL BUDGET FOR FISCAL YEAR 2010-11 PER RESOLUTION NO. 82102 C.M.S. IN THE SEWER SERVICE FUND TO APPROPRIATE \$4.32 MILLION IN ADDITIONAL REVENUES AND EXPENDITURES RELATED TO THE SEWER SERVICE CHARGE, WHICH WAS INCREASED EFFECTIVE JANUARY 1, 2011 TO FUND ADDITIONAL OPERATION, MAINTENANCE AND CAPITAL IMPROVEMENTS TO THE SANITARY SEWER SYSTEM

WHEREAS, the City was ordered by the United States Environmental Protection Agency and the Bay Area Regional Water Quality Control Board in 2009 to reduce overflows and wet-weather flows from public sanitary sewers; and

WHEREAS, the new requirements require the City to significantly increase its operations and maintenance activities on the City of Oakland sewer system, including a Comprehensive Asset Management Program, Private Sewer Lateral Inspection and Repair Program, Flow Monitoring, Inflow Identification and Elimination Program, Pump Station Reliability, Data Management and Sewer Inspection and Cleaning Programs; and

WHEREAS, such programs involve expenditure of public funds to operate and maintain the system; and

WHEREAS, the sewer service charge rates fund the City's sanitary sewer maintenance and capital improvement programs; and

WHEREAS, the City Council adopted the Fiscal Year 2009-2011 biennial budget through Resolution No. 82102 C.M.S. on June 30, 2009, in accordance with City Charter section 800; and

WHEREAS, the City Council enacted Ordinance No. 13035 C.M.S. on July 27, 2010 providing for increases in the sewer service charge effective January 1, 2011; and

WHEREAS, sewer service charge revenue and expenditure transactions occur in the Sewer Service Fund (Fund 3100), an enterprise fund; and

WHEREAS, the increase will provide additional sewer service revenue during FY 2010-11 in the estimated amount of \$2.95 million; and

WHEREAS, the Sewer Service Fund has an available, uncommitted fund balance of \$9.3 million as of June 30, 2010; and

WHEREAS, in order to perform the necessary and additional construction, maintenance and operation activities on the City's sanitary sewer system, an increase in expenditures is requested during the Fiscal Year 2010-11; now, therefore, be it

RESOLVED: That the City Council hereby amends the City of Oakland's budget for Fiscal Year 2010-11 in the Sewer Service Fund to appropriate \$4.32 million, effective January 1, 2011, in additional revenues comprised of \$2.95 million in new sewer service charge rates and \$1.37 million from existing fund balance; and

FURTHER RESOLVED: That the Fiscal Year 2010-11 Sewer Service Fund budget also include an additional \$4.32 million in expenditures as detailed in *Exhibit B* to fund additional operation, maintenance and capital improvements to the sanitary sewer system in Oakland.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

FY 2010-11 MidYear Adjustments in Sewer Service Fund Appropriations

Sewer Service Fund (3100)

<u>Revenues</u>		<u>FY 2010-11 Amendments</u>
Account		
45113	Sewer Service Charge	2,950,000
49212	Operating Transfers In	1,371,880
TOTAL:		4,321,880

<u>Expenditures</u>	<u>Units/FTE</u>	<u>Cost Per Unit/FTE</u>	<u>Est Cost</u>	<u>FY 2010-11 Amendments</u>
1. Replace Equipment for Sewer Operations				1,935,055
(Note. Appropriation for equipment purchases occurs in Fund 4100-Equipment with like revenue from Fund 3100-Sewer Service Fund.)				
56411	Combo Sewer Flusher	2	400,000	800,000
56411	Power Rodder	3	200,000	600,000
56411	Construction/Emergency Standby Truck	2	75,000	150,000
56411	Trailer Mounted Hydro Flusher	2	50,000	100,000
56411	Closed Circuit TV	1	285,055	285,055
		10		1,935,055
2. Additional Staffing (cost estimate for 6 months)				90,091
51xxx/58xxx	Maintenance Planner	1.00	90,091	90,091
		1.00		90,091
3. GIS Administration and Technology				251,734
51xxx/58xxx	Spatial Data Analyst III	1.00	82,484	82,484
52213	Granite XP software		165,000	165,000
52213	Automated Vehicle Locators (AVL/GPS)	10	425	4,250
		11.00		251,734
4. Additional CCTV Services				250,000
54911	Temporary Contractual Services		250,000	250,000
				250,000
5. Capital Improvements				1,500,000
57xxx	Citywide Emergency Sewer Repairs		500,000	500,000
57xxx	Public Facilities Sewer System Rehabilitation		1,000,000	1,000,000
				1,500,000
6. Additional Franchise Fee				295,000
53511	Taxes and Assessments		295,000	295,000
				295,000
TOTAL:				4,321,880