

ATTACHMENT B

ORIGINAL

AMENDMENT NO. 1
TO SEWER SERVICE CHARGE BILLING AND COLLECTION AGREEMENT OF
DECEMBER 12, 1997,
BY AND BETWEEN
EAST BAY MUNICIPAL UTILITY DISTRICT
AND
CITY OF OAKLAND

THIS AMENDMENT, dated the 12th day of March, 2007 (hereinafter the "AMENDMENT") amends the Agreement dated December 12, 1997 for billing and collection of sewer charges (hereinafter the "AGREEMENT"), by and between the EAST BAY MUNICIPAL UTILITY DISTRICT (hereinafter the "District"), a public entity, and the CITY OF OAKLAND (hereinafter "the Agency"), a municipal corporation.

WITNESSETH

WHEREAS District's Board of Directors adopted Motion 33076-97 on November 12, 1997 authorizing the AGREEMENT for billing and collection of sewer charges; and

WHEREAS on December 12, 1997, the Agency and District (collectively, the "PARTIES") entered into the AGREEMENT for billing and collection of sewer charges; and

WHEREAS this AMENDMENT NO. 1 is made pursuant to paragraph 3.07 - Amendments in the AGREEMENT; and

WHEREAS the PARTIES wish to amend EXHIBIT A - Agency Shared-Cost Calculations for Billing and Collection of Sewer Service Charges to delete the reference to "excluding replacement of Customer Information System" and omit the designations "minor" relating to fixed assets; and

WHEREAS the PARTIES wish to amend paragraph 1.02 - Term Of Agreement in the AGREEMENT to extend the term of the original AGREEMENT by three years from July 1, 2007 to July 1, 2010, and to provide for one year's written notice before implementing a new rate tier calculation for the new Customer Information System; and

WHEREAS this AMENDMENT NO. 1 only relates to EXHIBIT A - Agency Shared-Cost Calculations for Billing and Collection of Sewer Service Charges and paragraph 1.02 - Term Of Agreement of the AGREEMENT, as specified above and below; and

WHEREAS all other provisions of the AGREEMENT remain unchanged and in full force and effect.

NOW, THEREFORE, the PARTIES do agree as follows:

EXHIBIT A - Agency Shared-Cost Calculations for Billing and Collection of Sewer Service Charges.

EXHIBIT A – Agency Shared-Cost Calculations for Billing and Collection of Sewer Service Charges of the AGREEMENT is replaced in its entirety with EXHIBIT A, Amendment No. 1 Agency Shared-Cost Calculations for Billing and Collection of Sewer Service Charges attached.

1.02 Term Of Agreement

Paragraph 1.02 of the AGREEMENT is replaced in its entirety with the following:

The District will bill and collect the Agency's sewer service charge pursuant to the terms of this Agreement until July 1, 2010 unless otherwise terminated as provided in paragraph 1.05. The District will provide twelve months written notice prior to implementing a new rate tier calculation for the District to recover from the Agency its proportionate share of the cost of the new Customer Information System.

IN WITNESS WHEREOF, the parties hereto each herewith subscribe the same in duplicate.

EAST BAY MUNICIPAL UTILITY DISTRICT

By: Rebecca F. Lamoreaux

Rebecca F. Lamoreaux

Manager of Customer and Community Services

Date: 6/22/07

Approved As To Form

By: Joel Fried

For the Office of the General Counsel

CITY OF OAKLAND

By: Deborah A. Edgery

Name: Deborah A. Edgery

Title: City Administrator

Date: 6/12/07

COPY

EXHIBIT A - Agency Shared-Cost Calculations for Billing and Collection of Sewer Service Charges of the AGREEMENT is replaced in its entirety with EXHIBIT A, Amendment No. 1 Agency Shared-Cost Calculations for Billing and Collection of Sewer Service Charges attached.
1.02 Term Of Agreement

Paragraph 1.05 of the AGREEMENT is replaced in its entirety with the following:

The District will bill and collect the Agency's sewer service charge pursuant to the terms of this Agreement until July 1, 2010 unless otherwise terminated as provided in paragraph 1.05. The District will provide twelve months written notice prior to implementing a new rate tier calculation for the District to recover from the Agency its proportionate share of the cost of the new Customer Information System.

IN WITNESS WHEREOF, the parties hereto each herewith subscribe the same in duplicate.

EAST BAY MUNICIPAL UTILITY DISTRICT

By: _____
Rebecca F. Lamoreaux
Manager of Customer and Community Services

Date: _____

Approved As To Form

By: _____
For the Office of the General Counsel

CITY OF OAKLAND

By: _____
Name: _____
Title: _____

Date: _____

Approved As To Form

J. Jordan 5/11/07
City Attorney's Office

EXHIBIT A
Amendment No. 1

Agency Shared-Cost Calculations for Billing and Collection of
Sewer Service Charges.

The following outline is a numerical and narrative description of the shared-cost calculations for Billing and Collection of sewer service charges for any agency. It is for illustrative purposes only and does not represent any particular agency charges. The schedule summarizing the share of Billing and Collection expenses for the "Agency" follows the narrative.

The Billing and Collection expenses come from Collection, Customer Service and Meter Reading Activities, and they are allocated based on each agency's share of revenues collected, share of bills issued, and share of meters read by the District.

Calculation	Definition
Share of Collections	
Annual Agency Revenue collected for "Agency" of \$600,000 is	Annual Agency Revenue collected is the yearly amount of sewage revenue invoiced on each bill relating to the agency.
divided by the	
Annual District Revenue collected of \$200,000,000 to equal .003.	Annual District Revenue collected is the yearly amount of District water and District sewage treatment and agency revenue invoiced on each District water bill.
This factor is multiplied by	
Annual District Collection expenses of \$3,000,000 to equal "Agency's" share of Collection expenses totaling \$9,000.	Annual District Collection expenses are defined as Salaries and Employee Benefits, Services and Supplies, and Fixed Assets directly charged to Collections during the Year. In addition to the direct charges, an overhead amount is charged based on Total Collection Salary and Employee Benefit dollars.

EXHIBIT A
Amendment No. 1

Calculation	Definition
<p>Share of Customer Services</p> <p>Sixty percent of Annual District Customer Service expenses of \$5,000,000, or \$3,000,000, is</p> <p>divided by the</p> <p>Annual number of District bills rendered to customers of 2,200,000 to equal the Cost per Bill of \$1.3636.</p> <p>The Cost per Bill is multiplied by</p> <p>"Agency's" participatory share of billing entities, 1 of 3 on each bill, or 33.33 percent. The Cost per Bill for the agency charge is \$.4545. This amount is</p> <p>multiplied by</p> <p>the Annual number of "Agency" bills, issued by the District of 30,000 to equal "Agency's" share of Customer Service expenses of \$13,635.</p>	<p>Annual District Customer Service expenses are defined as Salaries and Employee Benefits, Services and Supplies, and Fixed Assets directly charged to Business Office Administration, Repair Business Office Bldgs., and Equipment, Grounds Keeping B.O.'s, Customer Records and Billings, Customer Information Systems, and Administrative and General during the Year. In addition to the direct charges, an overhead amount is charged based on Total Customer Services Salary and Employee Benefit dollars. At the present time, forty percent of the total Customer Services expenses relate only to Water System business and are not shared by agencies, and sixty percent relates to total combined District water, District sewage treatment, and agency business.</p> <p>Annual number of District bills used to collect revenues for the District.</p> <p>The portion of each bill relating to the Agency refers to the number of entities who share the benefit of billing. District Water, District Wastewater, and Agency are the three current entities who may share billing and collection. However, all three may not be present on all bills. Agencies that share the benefit of billing with only District Water have a participatory share of billing of 1 of 2 entities or 50 percent.</p> <p>The Annual number of Agency bills issued by the District may include charges for District Water, District Wastewater, and Agency. One, two or three entities may be listed on each bill depending on the location of the service.</p>

EXHIBIT A
Amendment No. 1

Calculation	Definition
<p>Share of Meter Reading</p> <p>Annual District Meter Reading expenses of \$2,000,000 is</p> <p>divided by the</p> <p>Annual number of District bills rendered to customers of 2,200,000 to equal the Cost per Bill of \$.9091.</p> <p>The Cost per Bill is multiplied by</p> <p>"Agency's" participatory share of each billing, entities 1 of 3 on each bill, or 33.33 percent. The Cost per Bill for the agency charge is \$.303. This amount is</p> <p>multiplied by</p> <p>the annual number of "Agency" bills requiring flow data from meter readings of 3,000 to equal "Agency's" share of Meter Reading Costs of \$909.</p>	<p>Total annual District Meter Reading expenses are defined as Salaries and Employee Benefits, Services and Supplies, and Fixed Assets directly charged to - Read Meters during the Year. In addition to the direct charges, an overhead amount is charged based on Total Meter Reading Salary and Employee Benefit dollars.</p> <p>Annual number of District bills used to collect revenues for the District.</p> <p>The portion of each bill relating to the Agency refers to the number of entities who use meter reading data in the calculation of charges that appear on each bill. District Water, District Wastewater, and Agency may all base charges on flow data derived from meter readings. Agencies that share the benefit of billing with only District Water have a participatory share of billing of 1 of 2 entities or 50 percent.</p> <p>The Annual number of Agency bills requiring flow data from meter readings issued by the District.</p>

In summary, by adding together the share of Collection expense of \$9,000, the share of Customer Service expense of \$13,635 and the share of Meter Reading expense of \$909, the actual annual Billing and Collection share for "Agency" will be \$23,544. This figure represents the "Agency's" shared cost of the District's billing and collection operation. Actual cost varies by the nature of events during a year, and it may not necessarily reflect the above algorithm.

OAKLAND CITY COUNCIL ^{2010 MAY 11 PM 3:26}

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AMENDMENT NO. 2 TO THE SEWER SERVICE CHARGES, BILLING AND COLLECTION AGREEMENT OF DECEMBER 12, 1997, BY AND BETWEEN EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD) AND THE CITY OF OAKLAND FOR A TERM OF THREE YEARS FROM JULY 1, 2010 TO JULY 1, 2013

WHEREAS, on December 12, 1997, both the City and the District collectively entered into an Agreement for billing and collection of sewer charges; and

WHEREAS, on March 12, 2007, the City and District entered into Amendment No. 1 to extend the term of the original Agreement by three years from July 1, 2007 to July 1, 2010; and

WHEREAS, the Amendment No. 1 extended the term of the original agreement by three years from July 1, 2007 to July 1, 2010.

WHEREAS, the Amendment No. 2 will extend the term of the Agreement by three years from July 1, 2010 to July 1, 2013; and

WHEREAS, the average projected annual revenue will be \$44,105,000 with the new proposed sewer fee increase; and

WHEREAS, the new Agreement is estimated to cost the City an average of \$1 million annually in service charges under the current rate tier calculation methodology and this cost is budgeted within the Fund 3100 – Sewer Service Fund and;

WHEREAS, this Agreement would require EBMUD to provide the City twelve months prior notice to establish a new tier calculation for Sewer Service Charges, Billing and Collections; and

WHEREAS, should the City wish to terminate the agreement, the City is required to give a 90 day notice to EBMUD; now, therefore, be it

RESOLVED, that the City Administrator is hereby authorized to execute Amendment No. 2 to Sewer Service Charges, Billing and Collection Agreement of December 12, 1997, by and between East May Municipal Utility District (EBMUD) and the City of Oakland for a term of three years from July 1, 2010 to July 1, 2013.

IN COUNCIL, OAKLAND, CALIFORNIA,
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