RESOLUTION NO. 2007-81

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 452nd AMENDMENT TO THE MASTER FEE SCHEDULE RESOLUTION NO. 80-420 TO ADJUST VARIOUS FEES IN THE WASTEWATER/SEWER FEE SECTION UNDER THE DEPARTMENT OF PUBLIC UTILITIES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT the Master Fee Schedule Resolution No. 80-420 be and is hereby amended to adjust various fees for wastewater/sewer utility services provided by the Department of Public Utilities, Wastewater/Sewer Division in accordance with Resolution No. 2007-79 This will allow Sewer/Wastewater Enterprise to fund capital expenditure requirements, meet the required debt service, and operating coverage ratios from FY 2007 to FY 2010. The revised pages of the Master Fee Schedule are attached and made a part of this Resolution. Staff shall update the Master Fee Schedule annually during the budget process to reflect the rates in effect as per Resolution No.2007-79

THAT this resolution shall become effective on April 1, 2007.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO)ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the 27th day of February, 2007.

AYES: Calhoun, Dages, Duncan, Westerlund, Xiong
NOES: Sterling, Perea
ABSENT: None
ABSTAIN: None

Mayor Approval: March 12, 2007
Mayor Approval/No Return: N/A, 2007
Mayor Veto: N/A, 2007
Council Override Veto: N/A, 2007

REBECCA E. KLISCH
City Clerk
Rebecca E. Klisch

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE
BY: [signature]
Deputy City Attorney

Adopted 2/27/07
Approved 3/12/07
Effective 3/12/07

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2007-81

CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT COVER LETTER

PUBLIC UTILITIES DEPARTMENT

For FY 2007, the Public Utilities Department, Sewer Maintenance/Wastewater Management Divisions are proposing an increase of approximately 18.9 percent of it's Customer User Charges effective as of April 1, 2007. The fees will be increased annually for the next 5 years in accordance with the Resolution adopted by Council pursuant to proposition 218. There are no new fees proposed. The proposed fee schedule is broken down as follows:

Increased Fees: 1
Deleted Fees: 0

Increased Fees

The increases are proposed for metered and unmetered **Sewer Service Charges**. This increase in customer user rates for residential, commercial, industrial, school and municipal users is necessary to meet Capital expenditure requirements.

Impact

The proposed amendment will result in a total estimated net increase of approximately $2.0 million in revenues for FY 2007, increasing projected customer user charges from $43.1 million to $45.1 million. Staff will update the Master Fee Schedule annually in the budget process to reflect the rates in effect as per Resolution No. 07-79 that will be adopted by Council in accordance with Proposition 218.

CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL

PUBLIC UTILITIES DEPARTMENT

Sewer Service Charges
Industrial Users, Commercial Users, Residential Users, Schools, and Municipal Users

The Department has successfully managed the Sewer/Wastewater Enterprise without a rate increase for nine years despite significant increases in inflation and the cost of commodities vital to the operation such as energy chemicals and steel. The wastewater treatment facility continues to experience increased sewer flow and loadings from existing customers and also anticipates continual growth with new customers. The sewer collection system is also experiencing significant deterioration requiring pipeline replacement and rehabilitation. An approximately 18.9 percent customer user rate increase is proposed for metered and unmetered Sewer Service Charges for residential, commercial, industrial, school, and municipal users. Projected Customer User Charges will increase to approximately $45.1 million from $43.1 million estimated in FY 2007. The rates will also be increased for the next 5 years as per Resolution No. 07-79 adopted by Council in accordance with Proposition 218.

An update to the City of Fresno's Wastewater Master Plan and a financial plan developed by an outside consultant as part of the Wastewater Master Plan Update documents the need for additional bond financing to provide the necessary funding to implement the required capital program. These plans evaluated the wastewater collection and treatment infrastructure needed though 2025 and prepared a Financial Plan for the Wastewater Enterprise through 2025. The Financial Plan recognizes the need for additional funding through bond sales to fund the required capital improvements. The proposed fee increase will allow the Sewer/Wastewater Enterprise to meet the revenue coverage ratios requirements of debt service obligations for anticipated additional capital and issued bonds.

CITY OF FRESNO
MASTER FEE SCHEDULE

PUBLIC UTILITIES DEPARTMENT

WASTEWATER RATES**

Each Wastewater rate below consists of two components, Capital and Operation and Maintenance (O&M). This breakdown is listed below each rate for your information.

Fee Description & Unit/Time		Current	Proposed	Amnd
Sewer Service Charges, Industrial Users (as defined in Section 9-501.1 of the FMC)				
High Industrial: Sewage effluent volume of 25,000 gallons in a single day, or Biochemical Oxygen Demand (BOD) greater than 265 mg/liter (mg/l), or Total Suspended Solids (TSS) greater than 300 (mg/l). Total fee amount is based on three components: Flow (in hundred cubic feet (HCF) or gallons), pounds of BOD, and pounds of TSS.				
Potable water, metered				
Per HCF*		.293	.348	452
Capital	.057		.112	
O&M	.236		.236	
+ BOD / pound		.151	.179	
Capital	.028		.056	
O&M	.123		.123	
+ TSS / pound		.172	.204	
Capital	.032		.064	
O&M	.140		.140	
or				
Per 1,000 gallons**		.392	.466	
Capital	.077		.151	
O&M	.315		.315	
+BOD / pound		.151	.179	
Capital	.028		.056	
O&M	.123		.123	
+ TSS / pound		.172	.204	
Capital	.032		.064	
O&M	.140		.140	
Sewage effluent, metered				
Per HCF*		.323	.384	
Capital	.063		.124	452
O&M	.260		.260	
+ BOD / pound		.151	.179	
Capital	.028		.056	
O&M	.123		.123	
+ TSS / pound		.172	.204	
Capital	.032		.064	
O&M	.140		.140	
or				

* There are 748 gallons in a hundred cubic feet.

** Rates per 1,000 gallons are approximate as they have been rounded to the 3rd decimal place.

** Rates shall be adjusted annually by staff during the budget process to reflect the rates in effect as per Resolution no 2007-79

All fees effective 04/01/07 unless otherwise noted

CITY OF FRESNO
MASTER FEE SCHEDULE

PUBLIC UTILITIES DEPARTMENT

WASTEWATER RATES**

Fee Description & Unit/Time		Current	Proposed	Amnd
High Industrial (continued)				
Sewage effluent, metered				
Per 1,000 gallons**		.433	.514	452
Capital	.083		.164	
O&M	.350		.350	
+ BOD / pound		.151	.179	
Capital	.028		.056	
O&M	.123		.123	
+ TSS / pound		.172	.204	
Capital	.032		.064	
O&M	.140		.140	

Pounds of BOD or TSS can be calculated using the following formulas:
*Pounds BOD = (W ÷ 1,000,000) * 8.345 *BOD concentration in mg/L (actual or estimated)*
*Pounds TSS = (W ÷ 1,000,000) * 8.345 * TSS concentration in mg/L*
W = sewer or water flow in gallons / day

Low Industrial:				
Potable water, metered				455
HCF*		.622	.739	
Capital	.121		.238	
O&M	.501		.501	
1,000 Gallons**		.831	.988	
Capital	.161		.318	
O&M	.670		.670	
Sewage effluent, metered				455
HCF*		.684	.813	
Capital	.131		.260	
O&M	.553		.553	
1,000 Gallons**		.914	1.086	
Capital	.177		.349	
O&M	.737		.737	
Minimum Charge				452
Month		14.86	17.67	
Capital	2.874		5.68	
O&M	11.991		11.99	

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CITY OF FRESNO
MASTER FEE SCHEDULE

PUBLIC UTILITIES DEPARTMENT

WASTEWATER RATES**

Fee Description & Unit/Time		Current	Proposed	Amnd
Sewer Service Charges, Commercial Users - classification determined by concentration (mg/l) of Biochemical Oxygen Demand (BOD) or Total Suspended Solids (TSS) present in flow.				
High: BOD or TSS greater than or equal to 501 mg.				452
Portable water, metered				
HCF*		2.029	2.412	
Capital	.392		.775	
O&M	1.637		1.637	
1,000 Gallons**		2.712	3.224	
Capital	.525		1.037	
O&M	2.187		2.187	
or				
Sewage effluent, metered				452
HCF*		2.231	2.652	
Capital	.432		.0853	
O&M	1.799		1.799	
1,000 Gallons**		2.983	3.546	
Capital	.577		1.140	
O&M	2.406		2.406	
Minimum Charge				452
Month		14.86	17.67	
Capital	2.874		5.68	
O&M	11.991		11.99	
Medium: BOD or TSS without a range of 201-500 mg/l				452
Potable water, metered				
HCF*		1.035	1.230	
Capital	.200		.395	
O&M	.835		.835	
1,000 Gallons**		1.385	1.646	
Capital	.268		.529	
O&M	1.117		1.117	
or				

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CITY OF FRESNO
MASTER FEE SCHEDULE

PUBLIC UTILITIES DEPARTMENT

WASTEWATER RATES**

Fee Description & Unit/Time		Current	Proposed	Amnd
Sewage effluent, metered				452
HCF*		1.139	1.354	
Capital	.220		.435	
O&M	.919		.919	
1,000 Gallons**		1.523	1.810	
Capital	.294		.581	
O&M	1.229		1.229	
Minimum charge				452
Month		14.86	17.67	
Capital	2.874		5.68	
O&M	11.991		11.99	
Low: BOD or TSS within the range of 0-200 mg/l				452
Potable water, metered				
HCF*		.622	.739	
Capital	.121		.238	
O&M	.501		.501	
1,000 Gallons**		.831	.988	
Capital	.161		.318	
O&M	.670		.670	
or				
Sewage effluent, metered				452
HCF*		.684	.813	
Capital	.132		.261	
O&M	.552		.552	
1,000 Gallons**		.914	1.086	
Capital	.177		.349	
O&M	.737		.737	
Minimum Charge				452
Month		14.86	17.67	
Capital	2.874		5.68	
O&M	11.991		11.99	
Sewer Service Charges, Residential Users				452
Single Family:				
Unit per month		14.86	17.67	
Capital	2.874		5.68	
O&M	11.991		11.99	

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CITY OF FRESNO
MASTER FEE SCHEDULE

PUBLIC UTILITIES DEPARTMENT

WASTEWATER RATES**

Fee Description & Unit/Time		Current	Proposed	Amnd
Senior Citizen (62 years or older) meeting all the conditions listed below / per month: 1. Single-family residents only; 2. Service must be in name of senior citizen; 3. Occupants of residence must be senior citizen or dependants of senior citizen (not to exceed three occupants per residence); 4. Benefitting senior citizen must notify the City when they no longer qualify.		13.38	15.90	452
Multi-family:				
First unit / per month		14.86	17.67	
Capital	2.874		5.68	
O&M	11.991		11.99	
Each Additional unit / per month		9.99	11.87	
Capital	1.928		3.81	
O&M	8.063		8.06	
Sewer Service Charges, Schools (on the basis of average daily attendance):				452
Kindergarten/elementary				
Student/Year		9.208	10.948	
Capital	1.766		3.506	
O&M	7.442		7.442	
Middle				452
Student/Year		14.289	16.989	
Capital	2.757		5.457	
O&M	11.532		11.532	
Senior high				452
Student/Year		16.874	20.063	
Capital	3.261		6.450	
O&M	13.613		13.613	
Parochial				452
Student/Year			5.923	
Capital	.973	4.982	1.914	
O&M	4.009		4.009	
College				452
Student/Year		6.144	7.305	
Capital	1.189		2.350	
O&M	4.955		4.955	

** Rates shall be adjusted annually by staff during the budget process to reflect the rates in effect as per Resolution no. 2007-79

February 28, 2007

RECEIVED
2007 MAR 12 PM 1:59
CITY CLERK, FRESNO CA

Council Adoption: 2/27/07
Mayor Approval:
Mayor Veto:
Override Request:

TO: MAYOR ALAN AUTRY

FROM: REBECCA E. KLISCH, CMC REK
City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 2/27/07, Council adopted the attached Resolution No. 2007-81 entitled **452nd amndmnt to MFS, adjust fees in Wastewater/sewer fee section**, Item No. **5:00 p.m. C-2**, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Westerlund, Xiong
Noes	:	Sterling, Perea
Absent	:	None
Abstain	:	None

Please indicate either your formal approval or veto by completing the following sections and executing and dating your action. Please file the completed memo with the Clerk's office on or before March 12, 2007. In computing the ten day period required by Charter, the first day has been excluded and the tenth day has been included unless the 10th day is a Saturday, Sunday, or holiday, in which case it has also been excluded. Failure to file this memo with the Clerk's office within the required time limit shall constitute approval of the ordinance, resolution or action, and it shall take effect without the Mayor's signed approval.

Thank you.

****

APPROVED: SEE ATTACHED

VETOED for the following reasons: (Written objections are required by Charter; attach additional sheets if necessary.)

_____

_____

Alan Autry, Mayor

Date: 3/12/07

COUNCIL OVERRIDE ACTION:

Date: _____

Ayes	:
Noes	:
Absent	:
Abstain	:

RECEIVED
2007 MAR 12 PM 1:59
CITY CLERK, FRESNO CA

MAYOR ALAN AUTRY

MEMORANDUM

TO: Henry T. Perea, Council President
Blong Xiong, Councilmember
Brian Calhoun, Councilmember
Cynthia Sterling, Councilmember
Larry Westerlund, Councilmember
Mike Dages, Councilmember
Jerry Duncan, Councilmember

FROM: Mayor Alan Autry

DATE: March 12, 2007

SUBJECT: February 27, 2007 Council Action Regarding Utility Rate Increases

After careful consideration, I have decided not to veto your action to raise utility rates.

I agree with the need to play catch up and support rate increases approved by Council scheduled for April 1 and September 1, 2007. However, I have clearly communicated my position on the rate increases for September 1, 2008, 2009 and 2010. I believe strongly that Alternative A presented a rate plan that lessens the burden on family budgets, especially for the elderly and disabled on fixed incomes.

Your action to support an Amended Alternative B presents a quandary for me, because I support parts of it, but not all of it. Navigant Consulting has already provided information indicating that if a Special District was placed on the June 2008 ballot and passed, in all likelihood, rates would decrease by $5.06 in 2008, $5.99 in 2009 and $6.39 in 2010. While these numbers may not be significant to some, those families, seniors and disabled that live on tight budgets will be greatly affected.

Unfortunately, over the years, politics have all too often driven the process of utility rate increases. The only viable way to extract the issue of utility rate increases from the political process and back to sound business practices where it truly belongs and best serves the people of the Fresno, is via a Special District. I encourage and expect the Council to adhere to the Utility Commission's recommendation to initiate the formation of a Special District by placing the issue on the June 2008 ballot so that the people may speak on this issue.

CITY OF FRESNO
CITY HALL • 2600 FRESNO STREET • FRESNO, CALIFORNIA 93721-3600
(559) 621-8000 • FAX (559) 621-7990

In addition, my final budget proposal will reflect that the September 1, 2008 rates be the lower rates associated with the formation of a Special District.

I would like to thank all of you for a job well done on evaluating this issue. Even though we may differ on some aspects, I respect your hard work and focus on the issue. This issue was certainly worthy of the time investment and focus that was committed by all of us.