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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

1391-35TH AVENUE
SACRAMENTO, CA
95822-2911

DIVISION OF
FLOOD CONTROL AND SEWERS

916-449-5271

May 30, 1990

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: PROPOSED SEWER SERVICE RATE ADJUSTMENT FOR FISCAL YEAR
1990-91**

SUMMARY

This report recommends adoption of a 60% (average \$2.20 per month) increase in the residential and commercial sewer service rates to be effective July 1, 1990.

BACKGROUND

Revenue from sewer service charges is the principle revenue source to the sewer fund. This fund provides for sanitary sewer service collection and maintenance.

The City's aging sewer system is resulting in greater preventative and corrective maintenance efforts as well as additional capital improvements. Because of the age and condition of the sewer system, it is necessary to continue to increase the scope of the preventive maintenance programs, including such programs as line cleaning, pump inspection, and general maintenance. This increased maintenance activity requirement can be accomplished only with additional personnel and equipment.

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Corrective maintenance activities are growing in demand as well. The number of customer service requests has increased by 10% annually over the last three years.

The Capital Improvement Program must be expanded in order to replace and upgrade deteriorating sewer lines. Other growing costs include: costs of existing labor, purchases of mandated safety equipment, replacement of outdated equipment and an additional plant operator supervisor. At present there are 44 sanitary pumping stations and 7 combined system stations, with a total of 143 pumps, located throughout the 100 square mile area serviced by City sewer and pump station maintenance crews. The additional supervisor will allow the division to more closely monitor the operation and maintenance of these pumping facilities.

Sewer System Improvement Plan

The aging of the central city sewer system requires attention now and in the immediate future. Inspections have revealed serious problems with the older mains, especially leakage, infiltration, blockage, broken pipes, and capacity (in relation to increased discharges). These problems pose risks to the public and to the system's effectiveness and will require substantial expenditures to correct. Several capital improvement projects must be undertaken in order to ensure continuing operation of the central City combined system. The Department of Public Works is developing an overall plan within this year's capital improvement budget to plan, design, and initiate replacement, rebuilding, and upgrading of the combined waste-water/stormwater system. The Department's strategy for this project is in six phases.

Phase I: (FY 1990-1993) Daily operations and maintenance of the existing system requires adequate staff and equipment to respond to the ever-increasing number of service calls on the existing system. Many of the problems can be and are fixed with internal resources. The first priority is to maintain a professional workforce capable of responding to and correcting these day-to-day deficiencies.

Phase II: (FY 1990-1991) The Department will expand the capital improvement program for rehabilitation of the highest priority sections of the sewer system.

Phase III: (FY 1990-1991) The Department will prepare and present to the City Council a plan to implement a long-term program to upgrade the combined sewer and storm drainage

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system. This plan will include projects, alternatives, schedules, costs, and financing recommendations.

Phase IV: (FY 1992-2020) The Department will implement the plan approved by the Council to correct the problems of and to upgrade the combined system.

Phase V: (FY 1992-1993) The Department will recommend to the City Council a plan to correct deficiencies in the North Sacramento/Robla districts and other localized areas of concern.

Phase VI: (FY 1995-2025) The Department will implement the plan approved by the City Council in Phase V to correct and upgrade the remaining inadequate systems.

The proposed budget for the 1990-91 fiscal year contains recommendations for sewer service rates based on projected operating expenses, capital improvement projects to repair and maintain a 100-year-old sewer system, and the restoration of the contingency reserve to a safe level following a year of a deficit budget. A 60% increase in rates will increase the average ratepayer's monthly bill by \$2.20. The increase in service rates supports three new crews and two supervisors needed to increase the sewer line repair program, to re-institute the pest control program initially curtailed in 1979, and to expand the sewer line flow monitoring program to more accurately determine the present capacity, size, and type of line and pump replacements needed. The size of the capital improvement program will increase substantially so that immediate repair or replacement can be made on the most severely deteriorated sewer lines and pumping stations. There is no recommendation to raise the sewer connecting or sewer development fees at this time.

FINANCIAL

The proposed rate increase will impact the average residential ratepayer (6-7 room house) as follows:

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<u>Category</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Increase</u>
Single Family	\$3.66	\$5.86	\$2.20	60%

The fee for the typical 6-7 room house would be distributed as follows:

<u>Service Component</u>	<u>Actual FY 89-90</u>	<u>Proposed FY 90-91</u>	<u>Change</u>	<u>Portion of Increase</u>
Sewer line and pump station cleaning, repair and maintenance	\$ 2.92	\$ 3.69	\$.77	21%
Capital improvement projects	.60	1.48	.88	24%
Contingency reserves and emergencies	____.14	____.69	____.55	<u>15%</u>
TOTAL MONTHLY CHARGE	\$ 3.66	\$ 5.86	\$ 2.20	60%

Exhibit A shows the proposed changes in all rate categories.

Based on this proposed rate adjustment, FY 1990-91 revenue from utility service charges is estimated at \$8,411,000, an increase of \$3,180,000 from the 1989-90 fiscal year. There will be an estimated increase of .5% in the number of users in the 1990-91 fiscal year. Revenue from connection fees will continue to decrease due to declining in-fill construction. The limited growth in this revenue combined with the increasing cost of maintaining the aging system will make annual rate increases necessary to maintain an adequate fund balance.

POLICY CONSIDERATIONS

The City Council establishes sewer and storm drainage rates by resolution pursuant to Sacramento City Code 36.502, Division 1, Article V, of Chapter 36.

MBE/WBE EFFORTS

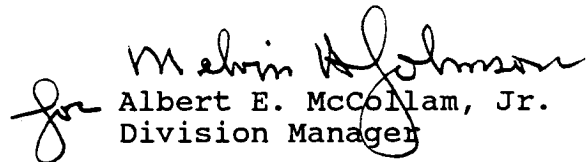
Not applicable.

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RECOMMENDATION


It is recommended that the Budget and Finance Committee approve the findings and an increase of 60% in sewer service rates to be effective July 1, 1990. It is further recommended that the Joint Committee forward the attached resolutions to the City Council for final adoption.


Respectfully submitted,


for Melvin H. Johnson
Albert E. McCollam, Jr.
Division Manager

Recommendation approved:

Approved:


Jack R. Crist
Deputy City Manager


Melvin H. Johnson
Director of Public Works

Contact Person:
Albert E. McCollam, Jr.
Division Manager
449-5271

May 30, 1990
All Districts

PUBLIC WORKS DEPARTMENT - SEWER SERVICES

I. SEWER SERVICE RATES - RESIDENTIAL

Single-family residence:	1-3 rooms	2.40	3.84
	4-5 rooms	3.05	4.88
	6-7 rooms	3.66	5.86
	8-9 rooms	4.23	6.77
	10-15 rooms	4.86	7.78
	over 15, each additional room	0.34	0.54

Multiple-family residence: Each dwelling unit charged the same as a single-family residence

II. SEWER SERVICE RATES - MONTHLY COMMERCIAL

Bakery, each 1,000 sq.ft. of gross floor area or fraction thereof	6.09	9.74
Barber Shop or Beauty Parlor, each 1,000 sq.ft. of gross floor area or fraction thereof	3.27	5.23
Bowling Alley, each 1,000 sq.ft. of gross floor area or fraction thereof	2.95	4.56
Dining Facilities (including restaurant, cafeteria, cafe, bar) each 1,000 sq.ft. of gross floor area or fraction thereof	6.55	10.48
Drug Store, each 1,000 sq.ft. of gross floor area or fraction thereof	2.14	3.42
Furniture Store, each 1,000 sq.ft. of gross floor area or fraction thereof	.70	1.12
Garage, each 1,000 sq.ft. of gross floor area or fraction thereof	.58	.93
Halls (including lodge or auditorium), each 1,000 sq.ft. of gross floor area or fraction thereof	1.89	3.02
Hotel, per sleeping room	.65	1.04
Laundry (where laundry is performed on premises), each 1,000 sq.ft. of gross floor area or fraction thereof	12.68	20.29
Market, each 1,000 sq.ft. of gross floor area or fraction thereof	2.74	4.38
Mortuary, each 1,000 sq.ft. of gross floor area or fraction thereof	1.80	2.88
Motel, per sleeping room or fraction thereof	.65	1.04
Office Building, each 1,000 sq.ft. of gross floor area or fraction thereof	2.21	3.54
Religious Worship (premises), each 1,000 sq.ft. of gross floor area or fraction thereof	.97	1.55
Rest or Convalescent Home, per sleeping room or fraction thereof	1.04	1.66

School, each 100 pupils or fraction thereof		5.79	9.26
Service Station and Used Car Lot (no wash racks):			
Water tap size to City main:	3/4"	3.44	5.50
	1"	4.48	7.17
	1 1/2"	7.37	11.79
	2"	12.68	20.29
Store, each 1,000 sq.ft. of gross floor area or fraction thereof		2.28	3.65
Theater, each 1,000 sq.ft. of gross floor area or fraction thereof		2.69	4.30
Warehouse, each 1,000 sq.ft. of gross floor area or fraction thereof		.53	0.85
Minimum rate, not less than:		3.42	5.47
III. SPECIAL SEWER RATES - MONTHLY			
Air Conditioning Systems			
For systems on flat-rate service, each month during air conditioning season, per ton of system capacity:		5.46	8.74
With water conservation device:		.53	.85
Evaporative coolers (commercial establishments), for each month during air conditioning season, unit capacity - per 1,000 cfm, without recirculation:		.73	1.17
With water conservation device, with recirculation:		.21	.34
Refrigeration systems, for systems on flat-rate service, per compressor horsepower:		5.46	8.74
With water conservation device:		.53	.85
Dining Facility, each 1,000 sq.ft. or fraction thereof		4.23	6.77
Gymnasium, each shower head		1.96	3.14
Hydraulically operated elevator		16.81	26.90
With water conservation device		2.93	4.69
Swimming Pool, non-commercial, per pool capacity			
Under 300 cu.ft. (fill & draw)		.00	.00
Over 300 cu.ft. (fill & draw), each 100 cu.ft. contents		.70	1.12
Under 300 cu.ft. (filtered)		.00	.00
Over 300 cu.ft. (filtered), each 100 cu.ft. contents		.18	.29
IV. METERED SEWER USE, PER 100 CU.FT.		.14	.22
Water Meter Size	Quantity of Sewage Allowed Without Additional Payment		
5/8" x 3/4"	1,200 cu.ft., 9,000 gal.	3.42	5.47
3/4"	1,700 cu.ft., 13,000 gal.	3.42	5.47

1"	2,100 cu.ft., 16,000 gal.	3.71	5.94
1 1/2"	3,700 cu.ft., 28,000 gal.	6.33	10.13
2"	6,200 cu.ft., 46,000 gal.	10.58	16.93
3"	12,500 cu.ft., 94,000 gal.	21.10	33.76
4"	21,800 cu.ft., 163,000 gal.	36.95	59.12
6"	50,000 cu.ft., 374,000 gal.	73.86	118.18
8"	106,200 cu.ft., 794,000 gal.	131.86	210.98
10"	168,700 cu.ft., 1,262,000 gal.	184.66	295.46
12"	262,500 cu. ft., 1,964,000 gal.	263.80	422.08

V. SERVICE CONNECTION TO CITY SEWER SYSTEM

Sewer service installation (total charge to be based on unit cost times one-half street width)

Nom. Dia.	Streets & Alleys	Easements
4"	91.42/ft.	382.40
Larger	4.94/2" dia. increase	30.89/2" dia. increase

Easements

City connects first pipe: Rate schedule determined by City Manager based on average cost during a reasonable past period of time. (Code Sec. 36.601, Ordinance 3454/4178)

Connection into manhole or trunk: Rate schedule determined by City Manager based on average cost during a reasonable past period of time. (Code Sec. 36.601, Ordinance 3454/4178)

City labor and materials: Average cost recovery.

Reconnect following disconnection: Full cost recovery. (Code Sec. 36.703, Ordinance 3353)

Trunk connections in district parcels--North Bannon Street District only (Code Sec. 36.903, Ordinance 3711):

Parcel Number	Forced Main Fee	Outfall Fee	Area Fee	Total Fee
1	1,111.70	311.48	1,831.00	3,254.18
2	193.41	54.21	578.92	826.54
3	193.41	54.21	578.92	826.54
4	193.41	54.21	578.92	826.54
5	193.41	54.21	578.92	826.54
6	193.41	54.21	578.92	826.54
7	193.41	54.21	578.92	826.54
8	193.41	54.21	578.92	826.54

VI. SEWER SYSTEM DEVELOPMENT FEES

Size of connection:	4"	123.54
	6"	277.68
	8"	494.17

10"	771.85
12"	1,111.89

If the existing service is replaced by one of a larger size at the owner's request, the fee shall be equal to the difference between the fee for the original service size and that for the replacement service size in the schedule shown above.

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AMENDING THE CITY OF SACRAMENTO FEE AND CHARGE REPORT
TO ESTABLISH SEWER SERVICE AND CONNECTION FEES AND CHARGES
PURSUANT TO SECTION 36.502 OF THE SACRAMENTO CITY CODE

			<u>RATE CODE</u>
I.	SEWER SERVICE RATES - RESIDENTIAL		
	Single-family residence:		
		1-3 rooms	3.84 200
		4-5 rooms	4.88 200
		6-7 rooms	5.86 200
		8-9 rooms	6.77 200
		10-15 rooms	7.78 200
		over 15, each additional room	0.54 200
	Multiple-family residence:	Each dwelling unit charged the same as a single-family residence	
II.	SEWER SERVICE RATES - MONTHLY COMMERCIAL		
	Bakery, each 1,000 sq.ft. of gross floor area or fraction thereof	9.75	230
	Barber Shop or Beauty Parlor, each 1,000 sq.ft. of gross floor area or fraction thereof	5.23	231
	Bowling Alley, each 1,000 sq.ft. of gross floor area or fraction thereof	4.56	232
	Dining Facilities (including restaurant, cafeteria, cafe, bar) each 1,000 sq.ft. of gross floor area or fraction thereof	10.48	233
	Drug Store, each 1,000 sq.ft. of gross floor area or fraction thereof	3.42	234
	Furniture Store, each 1,000 sq.ft. of gross floor area or fraction thereof	1.12	235
	Garage, each 1,000 sq.ft. of gross floor area or fraction thereof	.93	236

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

PUBLIC WORKS DEPARTMENT - SEWER SERVICES

RATE
CODE

Halls (including lodge or auditorium), each 1,000 sq.ft. of gross floor area or fraction thereof	3.02	237
Hotel, per sleeping room	1.04	238
Laundry (where laundry is performed on premises), each 1,000 sq.ft. of gross floor area or fraction thereof	20.29	239
Market, each 1,000 sq.ft. of gross floor area or fraction thereof	4.38	240
Mortuary, each 1,000 sq.ft. of gross floor area or fraction thereof	2.88	241
Motel, per sleeping room or fraction thereof	1.04	238
Office Building, each 1,000 sq.ft. of gross floor area or fraction thereof	3.54	242
Religious Worship (premises), each 1,000 sq.ft. of gross floor area or fraction thereof	1.55	243
Rest or Convalescent Home, per sleeping room or fraction thereof	1.66	244
School, each 100 pupils or fraction thereof	9.26	245
Service Station and Used Car Lot (no wash racks):		
Water tap size to City main: 3/4"	5.50	246
1"	7.17	247
1 1/2"	11.79	248
2"	20.29	249
Store, each 1,000 sq.ft. of gross floor area or fraction thereof	3.65	250
Theater, each 1,000 sq.ft. of gross floor area or fraction thereof	4.30	251
Warehouse, each 1,000 sq.ft. of gross floor area or fraction thereof	0.85	252
Minimum rate, not less than:	5.47	

III. SPECIAL SEWER RATES - MONTHLY

Air Conditioning Systems

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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PUBLIC WORKS DEPARTMENT - SEWER SERVICES

RATE
CODE

For systems on flat-rate service, each month during air conditioning season, per ton of system capacity:	8.74	271
With water conservation device:	0.85	272
Evaporative coolers (commercial establishments), for each month during air conditioning season, unit capacity - per 1,000 cfm, without recirculation:	1.17	273
With water conservation device, with recirculation:	0.34	274
Refrigeration systems, for systems on flat-rate service, per compressor horsepower:	8.74	275
With water conservation device:	0.85	276
Dining Facility, each 1,000 sq.ft. or fraction thereof	6.77	279
Gymnasium, each shower head	3.14	280
Hydraulically operated elevator	26.90	281
With water conservation device	4.69	282
Swimming Pool, non-commercial, per pool capacity		
Under 300 cu.ft. (fill & draw)	0.00	
Over 300 cu.ft. (fill & draw), each 100 cu.ft. contents	1.12	277
Under 300 cu.ft. (filtered)	0.00	
Over 300 cu.ft. (filtered), each 100 cu.ft. contents	0.29	278
IV. METERED SEWER USE, PER 100 CU.FT.	0.22	

Water Meter Size	Quantity of Sewage Allowed Without Additional Payment		
5/8" x 3/4"	1,200 cu.ft., 9,000 gal.	5.47	260
3/4"	1,700 cu.ft., 13,000 gal.	5.47	261
1"	2,100 cu.ft., 16,000 gal.	5.94	262
1 1/2"	3,700 cu.ft., 28,000 gal.	10.13	263
2"	6,200 cu.ft., 46,000 gal.	16.93	264
3"	12,500 cu.ft., 94,000 gal.	33.76	265
4"	21,800 cu.ft., 163,000 gal.	59.12	266
6"	50,000 cu.ft., 374,000 gal.	118.18	267
8"	106,200 cu.ft., 794,000 gal.	210.98	268
10"	168,700 cu.ft., 1,262,000 gal.	295.46	269
12"	262,500 cu.ft., 1,964,000 gal.	422.08	270

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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PUBLIC WORKS DEPARTMENT - SEWER SERVICES

V. SERVICE CONNECTION TO CITY SEWER SYSTEM

Sewer service installation (total charge to be based on unit cost times one-half street width)

Nom. Dia.	Streets & Alleys	Easements
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Larger	4.94/2" dia. increase	30.89/2" dia. increase

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City labor and materials: Average cost recovery.

Reconnect following disconnection: Full cost recovery. (Code Sec. 36.703, Ordinance 3353)

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Parcel Number	Forced Main Fee	Outfall Fee	Area Fee	Total Fee
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3	193.41	54.21	578.92	826.54
4	193.41	54.21	578.92	826.54
5	193.41	54.21	578.92	826.54
6	193.41	54.21	578.92	826.54
7	193.41	54.21	578.92	826.54
8	193.41	54.21	578.92	826.54

VI. SEWER SYSTEM DEVELOPMENT FEES

Size of connection:	4"	123.54
	6"	277.68
	8"	494.17
	10"	771.85
	12"	1,111.89

PUBLIC WORKS DEPARTMENT - SEWER SERVICES

If the existing service is replaced by one of a larger size at the owner's request, the fee shall be equal to the difference between the fee for the original service size and that for the replacement service size in the schedule shown above.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION OF FINDINGS ON INCREASED SEWER SERVICE AND CONNECTION FEES

WHEREAS, the Budget and Finance Committee has held a public hearing on sewer service and connection fees on May 30, 1990, at which staff made a presentation including a report and at which public testimony was heard and said committee recommended adoption of an increased sewer service and connection fee schedule, and

WHEREAS, the City Council on May 30, 1990, at regular public council meeting, received the following information:

- (1) A staff report on the proposed increased sewer and connection fees;
- (2) Oral presentation by City Staff;
- (3) Public testimony from interested parties.

NOW THEREFORE, based on this data and all information part of the public record on this matter, the City Council makes the following finding to comply with Government Code Section 210809 (b)8 to establish that the passing of the increased sewer service and connection fees of even date herewith serves the following purposes:

- (1) The sewer fees will provide funds to meet operating expenses.
- (2) The sewer fees will permit the generation of necessary cash flow to finance maintenance of the system and meet financial reserves requirements.
- (3) The sewer fees will permit the purchase of necessary equipment for the sewer system.
- (4) The sewer fees are essential as a source of funds for capital projects necessary to maintain the sewer system.

NOW THEREFORE, based on this information and the public words, the Council of the City of Sacramento makes the specific finding contained herein as well as all other matters in the public record as its basis for the resolution establishing the fees passed of even date herewith.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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