

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE BOARD OF PUBLIC WORKS

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012
(213) 978-0261
(213) 978-0278 Fax

ARLEEN P. TAYLOR
EXECUTIVE OFFICER

<http://www.bpw.lacity.org>

BOARD OF PUBLIC WORKS MEMBERS

KEVIN JAMES
PRESIDENT

MONICA RODRIGUEZ
VICE-PRESIDENT

MATT SZABO
PRESIDENT PRO TEMPORE

MICHAEL DAVIS
COMMISSIONER

BARBARA ROMERO
COMMISSIONER

August 30, 2013

#1 BOS

City Council
Room 395
City Hall

Subject: ADOPTION OF RATES NEEDED TO IMPLEMENT AGENCY WASTEWATER SERVICE AGREEMENTS IN FISCAL YEAR 2013-2014

As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works requests adoption of the following rates used for charging agencies for sewer service pursuant to the Universal Terms Agreements for service in Fiscal Year 2013-2014:

1. Amalgamated System Sewerage System Charge (ASSSC) rates.
2. Classification of ASSSC rates between operation and maintenance (O&M) and capital.
3. Amalgamated System Sewerage Facilities Charge (ASSFC) rates.
4. Capital investment buyout rates.

FISCAL IMPACT

There will be a positive impact on the Sewer Construction and Maintenance Fund (SCM) due to an increase in both the Amalgamated System Sewerage System Charge (ASSSC) rates and the Amalgamated System Sewerage Facilities Charge (ASSFC) rates, as compared to last year. There is no fiscal impact on the General Fund.

Respectfully submitted,


Arleen P. Taylor, Executive Officer
Board of Public Works

APT:mp



CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE BOARD OF PUBLIC WORKS

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012
(213) 978-0261
(213) 978-0278 Fax

ARLEEN P. TAYLOR
EXECUTIVE OFFICER

<http://www.bpw.lacity.org>

BOARD OF PUBLIC WORKS MEMBERS

KEVIN JAMES
PRESIDENT

MONICA RODRIGUEZ
VICE-PRESIDENT

MATT SZABO
PRESIDENT PRO TEMPORE

MICHAEL DAVIS
COMMISSIONER

BARBARA ROMERO
COMMISSIONER

August 30, 2013

#1 BOS

City Council
Room 395
City Hall

Subject: ADOPTION OF RATES NEEDED TO IMPLEMENT AGENCY WASTEWATER SERVICE AGREEMENTS IN FISCAL YEAR 2013-2014


As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works requests adoption of the following rates used for charging agencies for sewer service pursuant to the Universal Terms Agreements for service in Fiscal Year 2013-2014:

1. Amalgamated System Sewerage System Charge (ASSSC) rates.
2. Classification of ASSSC rates between operation and maintenance (O&M) and capital.
3. Amalgamated System Sewerage Facilities Charge (ASSFC) rates.
4. Capital investment buyout rates.

FISCAL IMPACT

There will be a positive impact on the Sewer Construction and Maintenance Fund (SCM) due to an increase in both the Amalgamated System Sewerage System Charge (ASSSC) rates and the Amalgamated System Sewerage Facilities Charge (ASSFC) rates, as compared to last year. There is no fiscal impact on the General Fund.

Respectfully submitted,


Arleen P. Taylor, Executive Officer
Board of Public Works

APT:mp

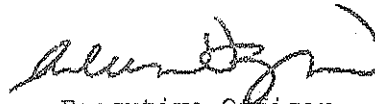


"Policy"

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE CITY COUNCIL
AUG 30 2013

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 1
August 30, 2013


Executive Officer

CD: ALL

ADOPTION OF RATES NEEDED TO IMPLEMENT AGENCY WASTEWATER SERVICE AGREEMENTS IN FISCAL YEAR 2013-2014

RECOMMENDATION

Approve and forward this report forthwith to the City Council with the recommendation that the Council adopt the following rates used for charging agencies for sewer service pursuant to the Universal Terms Agreements for service in Fiscal Year 2013-2014:

1. Amalgamated System Sewerage System Charge (ASSSC) rates.
2. Classification of ASSSC rates between operation and maintenance (O&M) and capital.
3. Amalgamated System Sewerage Facilities Charge (ASSFC) rates.
4. Capital investment buyout rates.

FISCAL IMPACT STATEMENT

There will be a positive impact on the Sewer Construction and Maintenance Fund (SCM) due to an increase in both the Amalgamated System Sewerage System Charge (ASSSC) rates and the Amalgamated System Sewerage Facilities Charge (ASSFC) rates, as compared to last year. There is no fiscal impact on the General Fund.

TRANSMITTAL

Copy of the proposed rates, used to charge agencies for sewer service in Fiscal Year 2013-2014

DISCUSSION

Background

Beginning in 1999, the City has executed Universal Terms Agreements for providing sewer service to twenty agencies located outside the City limits, such as the cities of Burbank, Glendale and Santa Monica. These agreements provide for consistent and fair charges for serving the agencies and conform to the applicable federal and state revenue program requirements. The primary charges are the Amalgamated System Sewerage System Charges (ASSSCs) that recover the City's annual costs of providing service and the Amalgamated System Sewerage Facilities Charges (ASSFCs) that recover the costs of providing capacity to serve new development within the agencies. These two charges are largely consistent with the Sewer Service Charges and Sewerage Facilities Charges levied upon the City's internal customers. However, certain differences in the charges account for differences in service between the internal and agency customers. For example, the agency charges do not include costs associated with the City's capital financing program since the agencies elected not to participate in the City's bonds.

Bureau of Sanitation
Board Report No. 1
August 30, 2013

Page 3

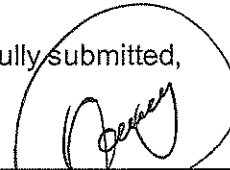
ASSFC Rates

The Bureau calculates the ASSFC rates by determining the total value of the City's conveyance and treatment facilities and by determining the conveyance and treatment flow, BOD and SS portions of the value. The Bureau then divides these portions by the total system capacity in terms of million gallons per day (mgd) of flow, mgd-miles and pounds per day of BOD and SS.

Capital Investment Buyout Rates

The agreements require agencies to remove their sewage from the City's system if they cannot agree with the City on how to amend the agreements after the agreements expire. The agreements therefore allow the agencies to recover the unused portions of their past capital investment in the system. The calculation is similar to the ASSFC rates, except that the system value includes only facilities constructed after FY 1984-85 and the allocated value is divided by the current actual mgd-miles, million gallons per day and pounds per day rather than the capacities.

Respectfully submitted,



ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

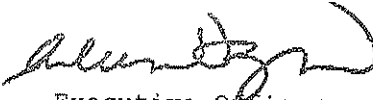
Prepared by:
Susan Rocha, FMD
(213) 485-2374

"Policy"

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 1
August 30, 2013

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE CITY COUNCIL
AUG 30 2013


Executive Officer

CD: ALL

ADOPTION OF RATES NEEDED TO IMPLEMENT AGENCY WASTEWATER SERVICE AGREEMENTS IN FISCAL YEAR 2013-2014

RECOMMENDATION

Approve and forward this report forthwith to the City Council with the recommendation that the Council adopt the following rates used for charging agencies for sewer service pursuant to the Universal Terms Agreements for service in Fiscal Year 2013-2014:

1. Amalgamated System Sewerage System Charge (ASSSC) rates.
2. Classification of ASSSC rates between operation and maintenance (O&M) and capital.
3. Amalgamated System Sewerage Facilities Charge (ASSFC) rates.
4. Capital investment buyout rates.

FISCAL IMPACT STATEMENT

There will be a positive impact on the Sewer Construction and Maintenance Fund (SCM) due to an increase in both the Amalgamated System Sewerage System Charge (ASSSC) rates and the Amalgamated System Sewerage Facilities Charge (ASSFC) rates, as compared to last year. There is no fiscal impact on the General Fund.

TRANSMITTAL

Copy of the proposed rates, used to charge agencies for sewer service in Fiscal Year 2013-2014

DISCUSSION

Background

Beginning in 1999, the City has executed Universal Terms Agreements for providing sewer service to twenty agencies located outside the City limits, such as the cities of Burbank, Glendale and Santa Monica. These agreements provide for consistent and fair charges for serving the agencies and conform to the applicable federal and state revenue program requirements. The primary charges are the Amalgamated System Sewerage System Charges (ASSSCs) that recover the City's annual costs of providing service and the Amalgamated System Sewerage Facilities Charges (ASSFCs) that recover the costs of providing capacity to serve new development within the agencies. These two charges are largely consistent with the Sewer Service Charges and Sewerage Facilities Charges levied upon the City's internal customers. However, certain differences in the charges account for differences in service between the internal and agency customers. For example, the agency charges do not include costs associated with the City's capital financing program since the agencies elected not to participate in the City's bonds.

ASSFC Rates

The Bureau calculates the ASSFC rates by determining the total value of the City's conveyance and treatment facilities and by determining the conveyance and treatment flow, BOD and SS portions of the value. The Bureau then divides these portions by the total system capacity in terms of million gallons per day (mgd) of flow, mgd-miles and pounds per day of BOD and SS.

Capital Investment Buyout Rates

The agreements require agencies to remove their sewage from the City's system if they cannot agree with the City on how to amend the agreements after the agreements expire. The agreements therefore allow the agencies to recover the unused portions of their past capital investment in the system. The calculation is similar to the ASSFC rates, except that the system value includes only facilities constructed after FY 1984-85 and the allocated value is divided by the current actual mgd-miles, million gallons per day and pounds per day rather than the capacities.

Respectfully submitted,



ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

Prepared by:
Susan Rocha, FMD
(213) 485-2374

Rates Used for Charging Agencies for Sewer Service in FY 2013-2014

1. Amalgamated System Sewerage System Charge (ASSSC) rates:

Conveyance -	\$23,154 per mgd-mile
Treatment Flow -	\$871.04 per million gallons
Biochemical Oxygen Demand (BOD) -	\$282.38 per thousand pounds
Suspended Solids (SS) -	\$206.84 per thousand pounds

2. Classification of ASSSC rates between operation and maintenance (O&M) and capital.

	O&M	Capital
Conveyance	6.9%	93.1%
Treatment Flow	63.8%	36.2%
BOD	79.4%	20.6%
SS	84.4%	15.6%

3. Amalgamated System Sewerage Facilities Charge (ASSFC) rates:

Conveyance -	\$ 319,167.94 mgd-mile
Treatment Flow -	\$1,786,836.22 per million gallons per day (mgd)
BOD -	\$434.66 per pound per day (ppd)
SS -	\$383.97 per ppd

4. Capital investment buyout rates:

Conveyance -	\$475,108.00 per mgd-mile
Treatment Flow -	\$2,818,071.00 per mgd
BOD -	\$741.00 per ppd
SS -	\$498.60 per ppd