

CITY OF LOS ANGELES

CALIFORNIA



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December 12, 2014

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#2 BOS

City Council
Room No. 395
City Hall


Subject: ADOPTION OF RATES NEEDED TO IMPLEMENT AGENCY WASTEWATER SERVICE AGREEMENTS IN FISCAL YEAR 2014-2015

As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works hereby transmits for your approval and adoption the following rates used for charging agencies for sewer service pursuant to the Universal Terms Agreements for service in Fiscal Year 2014-2015:

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.

There will be a positive impact on the Sewer Construction and Maintenance Fund due to an increase in both the ASSSC rates and the 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

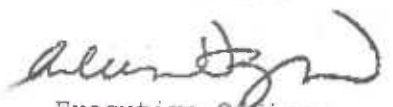
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"Policy"

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE CITY COUNCIL
DEC 12 2014

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 2
December 12, 2014


Executive Officer

CD: ALL

ADOPTION OF RATES NEEDED TO IMPLEMENT AGENCY WASTEWATER SERVICE AGREEMENTS IN FISCAL YEAR 2014-2015

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 2014-2015:

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 ASSSC rates and the ASSFC rates, as compared to last year. There is no fiscal impact on the General Fund.

TRANSMITTAL

Copy of the proposed rates, used for charging agencies for sewer service in Fiscal Year 2014-2015.

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 ASSSCs that recover the City's annual costs of providing service and the 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.

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 wastewater 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, flow and strength rather than the system capacities.

Respectfully submitted,



ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

Prepared by:
Susan Rocha, FMD
(213) 485-2328

Rates Used for Charging Agencies for Sewer Service in FY 2014-2015

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

Conveyance -	\$15,507 per mgd-mile
Treatment Flow -	\$970.68 per million gallons
Biochemical Oxygen Demand (BOD) -	\$318.20 per thousand pounds
Suspended Solids (SS) -	\$223.09 per thousand pounds

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

	O&M	Capital
Conveyance	9.1%	91.0%
Treatment Flow	60.99%	39.1%
BOD	75.5%	24.5%
SS	81.9%	18.1%

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

Conveyance -	\$ 354,946.46 mgd-mile
Treatment Flow -	\$1,736,790.89 per million gallons per day (mgd)
BOD -	\$421.68 per pound per day (ppd)
SS -	\$378.34 per ppd

4. Capital investment buyout rates:

Conveyance -	\$528,006.00 per mgd-mile
Treatment Flow -	\$2,718,193.00 per mgd
BOD -	\$737.50 per ppd
SS -	\$489.50 per ppd