AUBURN CITY COUNCIL
REGULAR SESSION AGENDA

City Hall, Council Chambers
1225 Lincoln Way, Auburn, CA 95603
April 28, 2014
Closed Session 5:15 p.m.
Regular Session 6:00 p.m.

Meeting facilities are accessible to persons with disabilities. Requests for Assistive Listening Devices or other considerations should be made through the City Clerk's Office at (530) 823-4211, Ext. #112

CALL TO ORDER

ROLL CALL

CLOSED SESSION

By **MOTION** adjourn to a Closed Session under Government Code Section 54957.6:

1. Conference with Labor Negotiators:

(G.C. 54957.6)
Agency Designated Representatives: Rich Ramirez
Employee Group: All Bargaining Units

2. Conference with Legal Counsel; Existing Litigation (Gov. Code § 54956.9(d)(1))
Name of Case: David Lawicka v. City of Auburn
Names of Parties or Claimants: David Lawicka
WCAB Nos. ADJ8999797; ADJ8911950; ADJ9120637; ADJ9120557; ADJ9120634
(Workers' Compensation Appeals Board)

3. Public Employee Appointment:
(G.C. 54957)
Title: City Manager

REPORT OUT OF CLOSED SESSION

PLEDGE OF ALLEGIANCE

MAYOR'S COMMENDATIONS/PROCLAMATIONS/ACKNOWLEDGEMENTS/ ANNOUNCEMENTS

AGENDA APPROVAL

This is the time set aside for council members and/or the public to ask for removal, postponement or a change to the listed sequence of an agenda item.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine in nature and will be approved by one blanket motion with a roll call vote.
There will be no separate discussion of these items unless persons request specific items to be removed from the Consent Calendar for discussion and separate action. Any items removed will be considered after the motion to approve the Consent Calendar.

1. **Minutes** **Pages 3-16**

   By **MOTION**, approve the City Council minutes of 3/10/2014 and 3/24/2014.

   ********** End of Consent Calendar **********

2. **Public Comment**

   This is the time provided so that the public may speak to the Council on any item not on this agenda. Please make your comments as brief as possible. The Council cannot act on items not included on this agenda; however, the items will be automatically referred to staff. Please speak your name, spell your name, and provide your address if you desire. Council Members shall have the option to speak for 30 seconds on any item not on this agenda at this time.

COUNCIL BUSINESS

3. **Employer – Employee Relations Resolution** **Pages 17-42**

   By **RESOLUTION**, consider adoption of the updated Employer-Employee Relations Policy.

4. **Sewer Rate Study & Analysis Report** **Pages 43-110**

   By **RESOLUTION**, preliminarily accept a sewer rate analysis and direct staff to give notice of proceedings pursuant to Proposition 218.

REPORTS

5. **City Council Committee Reports**

   The purpose of these reports is to provide information to the city council and public on projects and programs that are discussed at committee meetings. **No decisions are to be made on these issues.** If a council member would like formal action on any of these discussed items, it will be placed on a future city council agenda.

ADJOURNMENT

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 1225 Lincoln Way, Room 8, Auburn, CA 95603 during normal business hours.

ITEM 1

CITY COUNCIL MINUTES
March 10, 2014
REGULAR SESSION

The Regular Session of the Auburn City Council was held in the Council Chambers, City Hall, 1225 Lincoln Way, Auburn, California on Monday, March 10, 2014 at 6:00 p.m. with Mayor Powers presiding and City Clerk Stephanie L. Snyder recording the minutes.

CALL TO ORDER at 5:15 p.m.

ROLL CALL:

Council Members Present: Kevin Hanley, J. M. "Mike" Holmes, William W. Kirby, Keith Nesbitt, Bridget Powers

Council Members Absent: None

Staff Members Present: Interim City Manager Rich Ramirez, City Attorney Michael Colantuono, Administrative Services Director Kim Juran, Fire Chief Mark D'Ambrogi, Community Development Director Will Wong, Senior Planner Reg Murray, Public Works Director Bernie Schroeder, Transit Analyst Megan Siren, and Police Chief John Ruffcorn.

CLOSED SESSION

By **MOTION**, add item 5 to the closed session agenda.
Kirby/ Hanley/ Approved 5:0

By **MOTION** adjourn to a Closed Session under Government Code Section 54957.6
MOTION: Hanley/ Nesbitt/ Unanimously approved by voice

1. Conference with Labor Negotiators (G.C. 54957.6)
Agency Designated Representatives: Rich Ramirez, Patrick Clark
Employee Group: All Bargaining Units

2. Conference with Legal Counsel; Existing Litigation (Gov. Code § 54956.9(d)(1))
Name of Case: David Lawicka v. City of Auburn
Names of Parties or Claimants: David Lawicka
WCAB Nos. ADJ8999797; ADJ8911950; ADJ9120637; ADJ9120557; ADJ9120634 (Workers' Compensation Appeals Board)

3. Conference with Real Property Negotiator (Gov. Code § 54956.8)

Property Address: Vacant lot north of Epperle Lane, west of Interstate 80, and east of Mikkelsen Drive, Auburn, CA 95603 (APN 001-020-052-000)
City Negotiator: Richard J. Ramirez
Negotiating Parties: Aiello
Under Negotiation: Price and terms of payment

4. Conference with Real Property Negotiator (Gov. Code § 54956.8)
Property Address: Old City Hall, 1103 High Street, Auburn
City Negotiator: Richard J. Ramirez
Negotiating Parties: Auburn Chamber of Commerce
Under Negotiation: Price and terms of payment for lease

5. Conference with Legal Counsel; Initiation of **Litigation**: One potential case G.C. 54956.9(c)

REPORT OUT OF CLOSED SESSION

City Attorney Michael Colantuono reported that the City Council approved adding item number 5 to the closed session agenda regarding the Placer County Supervisors approval of a Costco project and decided not to file a lawsuit but did direct the City Attorney to send a letter to Placer County asking about the County's environmental compliance on the project. He continued to report out of closed session for items: (1) Council received a report and gave instructions to their negotiator, (2) Council ratified the selection of a Worker's Compensation Lawyer to defend the case, (3) direction was given to City Staff to bring back in open session the acquisition costs, and (4) direction was given to staff to negotiation a lease with the Chamber of Commerce. He said Council Member Kevin Hanley recused himself from this item and left the closed session due to potential conflict.

PLEDGE OF ALLEGIANCE

MAYOR'S COMMENDATIONS/PROCLAMATIONS/ACKNOWLEDGEMENTS/ ANNOUNCEMENTS

Mayor Powers presented a proclamation to members of the American Red Cross.

AGENDA APPROVAL

Council Member Nesbitt asked to move Item 11 (SHAAC Recommendations) to Item 4a as a first presentation, since several members of the public were present for the item. The remainder of agenda was approved as presented by consensus of the Council.

action resulting in increases in CalPERS costs, (2) Costco and Walmart opening just outside the city limits impacting sales tax revenues, (3) SB983 reassigning sales tax revenues from card-lock fueling headquarter locations and (4) additional of a hotel outside of the city limits. He recommended at a minimum, that Council accept the financial status report and direct staff to prepare additional supplemental material for the City to review including a draft of a fiscal policy to address some of these issues and develop strategies.

Kim Juran explained the financial forecast which results in a structural deficit by 2017/2018.

Council Member questions followed regarding: (1) structural deficit forecast, (2) fuel sales tax decrease, (3) small businesses in Auburn, (4) Costco Lease, (5) SB983 status in Legislature, (6) reserve fund level, (7) reliance on fuel sales taxes, (8) CalPERS impact, (9) market absorption analysis, (10) economic development strategy, and (11) transient occupancy taxes.

Tom Dwelle business owner at 2349 Richenbacker Way in Auburn, gave background on SB983 and spoke in opposition of the bill.

Council Member Kirby spoke about the environmental review of Costco. He addressed Council Member Holmes report of the hotel outside of the city limits. He said if North Auburn had been annexed long ago none of this would be a problem.
Council Member Nesbitt spoke about the history of the Board of Equalization action in regards to the SB983 issue. He said the State of California continues to torpedo and sabotage reasonable and fiscally responsible cities.
Council Member Hanley said faced with this financial emergency Auburn must develop a legislative strategy to defeat SB 983 and create an economic plan.

Council recessed for 5 min and returned at 8:55 p.m.

MOTION made by Council Member Holmes and seconded by Council Member Hanley to receive and file the Financial Status Report for the City of Auburn for Fiscal Year 2013-14:

Ayes: Hanley, Holmes, Kirby, Nesbitt, Powers
Noes:
Abstain:
Absent:

9. **Planning Commission Priority Review 2014**

Senior Planner Reg Murray made the presentation. He said notable items from the list of the Planning Commission's priorities for the upcoming year include: the General Plan update, Geodatabase and Mapping update, FEP/GP Fee Schedule, 2013-2021 Housing Element Implementation, HOME Grant, Placer County Airport Land Use Compatibility Plan, and Parking Management. He reviewed completed tasks for the past year. He said the Historic Design Review Commission (HDRC) conducted their review of priorities as well. He said they retained their existing items from 2013 and added two new items: Historic Resource Nominations and Workshops with Interest Groups.

Council Member Holmes asked about the staff work on the massage ordinance on the special projects lists and specific recommendations from HDRC.

Council Member Hanley asked if there is a legal reason to update the General Plan, FEP fees, parking study/ parking management, and Baltimore Ravine specific plan status.

Council Member Nesbitt asked about the tree ordinance looked at a few years ago. He also asked about the input for the Airport Master Plan.

Council Member Kirby strongly recommended the discussion of Auburn's "two islands" (airport and treatment plant) to be on the Planning Commission agenda for the interest of not having them as islands only, so that the sphere of influence is not lost.

Mayor Powers asked about the reimbursement agreements in regards to the Baltimore Ravine development agreement.

MOTION made by Council Member Kirby and seconded by Council Member Hanley to receive and file report on Planning Commission Priority's 2014:

Ayes: Hanley, Holmes, Kirby, Nesbitt, Powers
Noes:
Abstain:
Absent:

10. **Auburn Airport Lease/ Extension Policy**

Council Member Nesbitt recused himself from this item and left the Council Chambers.

Interim City Manager Richard Ramirez presented the issue. He said prior to 2013 the City treated the leases on a case by case basis. He said in 2013 staff commenced an effort to bring forward a global solution due to the fact that the City lacked an approved airport lease policy. He said the staff effort did not move forward at that time. He said there are different options including: (1) temporarily freeze all requests and work on a global solution, (2) adopt an interim solution that focuses primarily on how to address updated rent figures, or (3) remain on a case by case basis.

Council Member Hanley asked about outreach to the tenants at the airport, past practices and economic development impact.

Council Member Holmes asked about current lease extensions if a freeze is enacted and the possibility for a "grandfather- in" rule.

Council Member Kirby said there should be a consistent transparent policy. He said he would like EDC to look at it and make recommendations to Council. He said leases should be subject to a freeze until a policy is adopted.

Mayor Powers asked about the new policy in regards to existing leases.

Council Member Hanley asked the difference and benefit to the city between the global solution vs. interim solution.

No public comment.

MOTION made by Council Member Kirby and seconded by Council Member Holmes to freeze current airport leases, handling them as case-by-case basis including an appraisal process, request the Economic Development Commission to review elements to create an Interim Lease Policy, with proper outreach to airport stakeholders.

Ayes: Hanley, Holmes, Kirby, Powers
Noes:
Abstain: Nesbitt
Absent:

Council Member Nesbitt returned to the dais at 9:45 p.m.

REPORTS

12. **City Council Committee Reports**

Council Member Holmes reported that last May the EDC brought forward a work plan for 2013-14 and he said he would like an update to the

Council on what projects have been completed. He also reported that the Placer County Board of Supervisors is considering an item tomorrow regarding the Costco lease. He said part of this involved the relocation of the Senior Center. He said he would like on record that the City of Auburn has concern about what happens to the Senior Center. He reported on the Bud Anderson Monument that has been approved for installation at the Auburn Airport. He said a lease modification needs to be completed for the site.

Council Member Hanley reported that the Government Affairs Committee on SACOG approved a Forestry Ethicacy Principal that he put forward to help prevent catastrophic fire. He also reported that he will be attending the Sierra Nevada Conservancy meeting on March 13th to support the fire departments request for funds for the shaded fuel break.

Council Member Nesbitt reported on the Placer County Transportation Planning Agency acting as the Airport Land Use Commission and the approval of the Airport Land Use Compatibility Plan.

ADJOURNMENT

Mayor Powers adjourned the meeting, without objection, at 9:48 p.m.

_____
Bridget Powers, Mayor

_____
Stephanie L. Snyder, City Clerk

CITY COUNCIL MINUTES
March 24, 2014
REGULAR SESSION

The Regular Session of the Auburn City Council was held in the Council Chambers, City Hall, 1225 Lincoln Way, Auburn, California on Monday, March 24, 2014 at 6:00 p.m. with Mayor Powers presiding and City Clerk Stephanie L. Snyder recording the minutes.

CALL TO ORDER at 5:15 p.m.

ROLL CALL:

Council Members Present: Kevin Hanley, J. M. "Mike" Holmes, William W. Kirby, Keith Nesbitt, Bridget Powers

Council Members Absent: None

Staff Members Present: Interim City Manager Rich Ramirez, City Attorney Michael Colantuono, Community Development Director Will Wong, Fire Chief Mark D'Ambrogi, Public Works Director Bernie Schroeder, Senior Planner Reg Murray, Transit Analyst Megan Siren, Police Chief John Ruffcorn and Police Lieutenant Victor Pecoraro.

CLOSED SESSION

By **MOTION** adjourn to a Closed Session under Government Code Section 54957.6
MOTION: Nesbitt/ Holmes/ Unanimously approved by voice

Conference with Labor Negotiators (G.C. 54957.6)
Agency Designated Representatives: Rich Ramirez, Patrick Clark
Employee Group: All Bargaining Units

2. Conference with Legal Counsel (G.C. 54956.9(c))
   Initiation of Litigation: One potential case

REPORT OUT OF CLOSED SESSION

Mayor Powers reported that two Council Members would like to meet with Placer County soon to discuss the new Costco.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

The Agenda was approved by consensus of the Council.

CONSENT CALENDAR

1. **Minutes**

By **MOTION**, approve the City Council minutes of 2/24/2014.

2. **Prop 1B Transit Security Grant Program – Emergency Generator for Corporation Yard**

By **RESOLUTION 14-20,** authorize the City Manager and/or Director of Public Works to submit and execute on behalf of the City of Auburn a grant application for the California Transit Security Grant Program.

3. **Signing Authority for the Interim City Manager**

By **RESOLUTION 14-21**, grant bank-card signing authority to Richard J. Ramirez, Interim City Manager.

4. **Letter of Support for Placer County's Probation Department – Application for Smart Probation Grant**

By **MOTION**, approve the letter of support for Placer County Probation Department's application for a Smart Probation Grant.

5. **Donation of Art to the City of Auburn**

Removed from the consent calendar.

6. **Annual General Plan Implementation Work Plan Review – 2013 Calendar Year**

By **MOTION**, adopt the 2013 General Plan Implementation Work Plan and direct staff to submit the Plan to the State Office of Planning and Research and the State Department of Housing and Community Development.

7. **Annual Housing Element Progress Report – Calendar Year 2013 Review**

Removed from the consent calendar.

********** **End of Consent Calendar** **********

By **MOTION**, approve the consent calendar excluding item 5 and 7.
The motion was made by Council Member Hanley and seconded by Council Member Nesbitt, and approved by the following roll call vote:

Ayes: Hanley, Holmes, Kirby, Nesbitt, Powers
Noes:
Abstain:
Absent:

7a. **Donation of Art to the City of Auburn**

Council Member Holmes discussed opportunities to display this art by circulating them in a loan type program within the community.

The council members agreed they should be available to the community.

By **MOTION**, accept the donation of 20 framed colored prints from Loreley Hodkin.
The motion was made by Council Member Holmes and seconded by Council Member Hanley, and approved by the following roll call vote:

Ayes: Hanley, Holmes, Kirby, Nesbitt, Powers
Noes:
Abstain:
Absent:

7b. **Annual Housing Element Progress Report – Calendar Year 2013 Review**

Council Member Holmes asked about the waiting list for the Home Occupied Rehabilitation Program.

Senior Planner Reg Murray explained the application process for the program.

By **MOTION**, adopt the 2013 Housing Element Progress Report and direct staff to submit the report to the State Office of Planning and Development (OPS) and the State Department of Housing and Community Development (HCD).The motion was made by Council Member Holmes and seconded by Council Member Hanley, and approved by the following roll call vote:

Ayes: Hanley, Holmes, Kirby, Nesbitt, Powers
Noes:
Abstain:
Absent:

8. **Public Comment**

Council Member Holmes commended the Union Pacific Foundation for their involvement in a number of different organizations in the Auburn area.

Council Member Nesbitt congratulated Cheryl Maki on their 30th anniversary of their business, Maki Heating and Air Conditioning.

Richard Anderson, as President of the Auburn Airport Business Park Association addressed the increasing crime at the airport, homeless population, and lack of response by law enforcement. His written statement was entered into the record.

COUNCIL BUSINESS

9. **Letter of Opposition to SB 983**

Interim City Manager Richard Ramirez presented this item. He reviewed recent revisions to the draft letter.

City Attorney Michael Colantuono spoke about the "warehouse rule" and the Board of Equalization.

Richard Ramirez read the revised letter in the entirety.

Tom Dwelle, Flyers Energy business owner in Auburn, said he supports the revised letter.

Council Member comments followed regarding: (1) signatures on letter, (2) recipients of letter, and (3) the policy committee meeting.

Council Member Hanley requested specific revisions to the letter. He also asked to add a couple people to the list of recipients.

Mayor Powers asked about a possible hiring freeze until this financial situation is determined.

Richard Ramirez said the magnitude of the situation if this bill were to pass, would be a "game changer" for the entire operation.

Council Member comments followed regarding verbiage on the letter.

By **MOTION**, direct staff to send a letter of opposition related to SB 983 with Council Member Hanley's revisions, copy the two members on the legislative committee and designate attendees to the Ontario, CA League of CA Cities Tax and Revenue Committee Meeting on April 3, 2014 to speak against the passage or League support of SB 983. The motion was made by Council Member Nesbitt and seconded by Council Member Kirby, and approved by the following roll call vote:

Ayes: Hanley, Holmes, Kirby, Nesbitt, Powers
Noes:

Abstain:
Absent:

10. **Critical Incident Notification Protocol**

Police Chief John Ruffcorn presented this item. He said this document acts as a guide to Directors and the future City Manager on who needs to be notified if a significant event takes place. He said the document is dynamic in nature and should be revisited each year.

Council Member Holmes asked about contact methods, airplane crash notifications, city revenue structural issue notifications and politically sensitive situations.

Council Member Kirby clarified media releases and the FAA definition of aircraft "crashes".

Council Member Hanley spoke about discretion of the City Manager on notifications.

By **MOTION**, approve the proposed Critical Incident Notification Protocol with the revision of bullet point # 3 to read: "Airplane Crash following FAA guidelines for reporting". The motion was made by Council Member Holmes and seconded by Council Member Nesbitt, and approved by the following roll call vote:

Ayes: Hanley, Holmes, Kirby, Nesbitt, Powers
Noes:
Abstain:
Absent:

11. **SB 731 Letter of Support**

Police Chief John Ruffcorn presented this item. He said the expiration of this massage industry bill will bring control back to the local level.

Council Member Hanley asked about the allegations against local massage therapists and enforcement. He asked about the League of California's meeting next week in Ontario.

Chief Ruffcorn spoke about the difficulties in enforcement when certification is at the state level.

Council Member Holmes spoke about the League Policy Committee meeting he attended where this was discussed. He asked about our local ordinance that could take jurisdiction over the massage industry.

City Attorney Michael Colantuono said the city has a massage ordinance and it could be enforced immediately if this bill were to sunset. He said it is only enforced at this time to people without a state agency issued license (non-profit agency).

Chief Ruffcorn said this bill will not sunset until 2015, so there will be ample time to review the current ordinance and make any changes as needed prior to the sunset date.

Lisa Worthington, resident of Auburn, spoke of past Planning Commission action regarding "home visits" in the ordinance.

Council member discussion followed regarding in home massage addressed in the ordinance.

Council Member Hanley suggested a balanced letter emphasizing significant changes needed to the law while not putting regulatory burdens on honest professionals in the massage industry.

By **MOTION**, direct the Police Chief to draft a letter of support to the League of CA Cities in regards to the sunset/ significant changes needed to SB 731 and direct Council Member Holmes to deliver the letter on April 4 when he is in Ontario. The motion was made by Council Member Holmes and seconded by Council Member Nesbitt, and approved by the following roll call vote:

Ayes: Hanley, Holmes, Kirby, Nesbitt, Powers
Noes:
Abstain:
Absent:

*****City Council recessed for 5 minutes, returning at 7:39 p.m.*****

12. **Historic Design Review Commission's Recommendations**

Matt Spokely and Roger Luebkeman of the HDRC presented this item. He said the original intent was to discuss and better understand their powers and duties. He said through this process they determined that they had completed many of the powers and duties entrusted in them. He reviewed powers and duties that they created subcommittees on to further review (presentation available in permanent record).

Lisa Worthington, Chair of the HDRC, said looking forward they would like to focus on creating more connectivity with other historic or art focused committees.

Council Member questions followed regarding (1) benefits of registries, (2) historical designation and recognition, (3) Mills Act, (4) Certified Local

Government, (5) inventory of buildings of historical significance, (6) applications received for inclusion on the historic survey, and (7) automatic local listings from national register.

Council Member comments followed regarding (1) the commission's great work and report, (2) homeowner certificate of appreciation, (3) improved website, and (4) better defined duties and responsibilities.

A. By **MOTION**, accept the Historic Design Review Commission's recommendations for information to be displayed on the City's website, which includes an information flyer. Community Development staff will coordinate with Administrative Services staff to complete this project.
B. By **MOTION**, accept the Historic Design Review Commission's recommendations and direct staff to finalize the recognition process to commend those who have restored renovated and/or maintained their property in an exemplary manner.
C. By **MOTION**, accept the Historic Design Review Commission's recommendations and direct staff to finalize the process for recognition signage for those properties designated in the Auburn Register of Historic Sites.
The motions were made by Council Member Nesbitt and seconded by Council Member Holmes, and approved by the following roll call vote:

Ayes: Hanley, Holmes, Kirby, Nesbitt, Powers
Noes:
Abstain:
Absent:

REPORTS

12. **City Council Committee Reports**

Council Member Hanley reported on the Greater Auburn Area Fire Safe Council Town Hall Meetings to be held in June.

Council Member Kirby reported on Cal LAFCO and the Auburn Cemetery District. He discussed many other issues brought up at the recent meeting.

Mayor Powers asked for the City Manager to arrange a meeting with the County to go over the final details of the regional sewer pipeline.

Mayor Powers also addressed Mr. Anderson's public comment tonight and spoke about an upcoming meeting at the airport. She referred the issue to staff.

Council Member Nesbitt said he would like the Chief of Police to check feasibility of having an officer stationed at the airport.

Council Member Hanley spoke about follow up on items directed to staff.

ADJOURNMENT

Mayor Powers adjourned the meeting at 8:40 p.m. in appreciation of the Historical Design Review Commission.

_____
Bridget Powers, Mayor

_____
Stephanie L. Snyder, City Clerk

Action Item

Agenda Item No. 3

City Manager's Approval

Report to the Auburn City Council

To:	Mayor and City Council Members
From:	Patrick Clark, Consultant, through Richard Ramirez, Interim City Manager
Date:	April 28, 2014
Subject:	Employer – Employee Relations Resolution

BACKGROUND

The Meyers-Milias-Brown Act (MMBA) is the collective bargaining law that governs the labor-management relations in California local government, including cities, counties, and most special districts. The MMBA authorizes the City to adopt reasonable procedures for the administration of employer-employee relations between the City and its employees and employee organizations. These procedures are currently contained in the City's Employer-Employee Relations Policy (EERP).

The MMBA has been amended since the adoption of the current EERP. The proposed Employer-Employee Relations Resolution (EERR) contains updates to be consistent with the Meyers-Milias-Brown Act.

Additionally, in the interest of government transparency, the new EERR contains a new "transparency in bargaining" procedure for Council consideration, similar to that adopted in the City of Chico and by some other cities and counties. The intent is to provide greater transparency in the collective bargaining process by doing the following:

1. Initial proposals from the City and each bargaining unit will be available for public review along with a fiscal analysis of each initial proposal. All negotiations thereafter would continue in confidence.

2. When the meet and confer process is concluded between the City representatives and an Exclusively Recognized Employee Organization (i.e., labor union or association), all matters agreed upon shall be incorporated in a written memorandum of understanding (MOU). The MOU itself, combined with a comprehensive fiscal analysis of the proposed MOU, shall be available for public review for a minimum of two weeks prior to the City Council taking action at an open public meeting.

SUMMARY

The revision process for the attached EERR began over a year ago on April 18, 2013. All bargaining units have had the opportunity to meet with City representatives or otherwise address their concerns with the proposed EERR. The only outstanding area in dispute is the Transparency in Bargaining provision. The only bargaining unit articulating a concern is the APOA.

DETAIL

City representatives met with staff from the law firm Mastagni, Holstedt, Amick, Miller & Johnson representing the Auburn Police Association (APOA), the Auburn Public Safety Association (APSA – non-sworn) and the Auburn Employees' Association (AEA). The parties met to discuss the proposed EERR including the proposed transparency in bargaining procedure and agreed to several language changes. The parties were unable, however, to develop a consensus on the transparency in bargaining provisions.

APOA: Mr. Howell argues in an April 23, 2014 email that the provisions of the transparency in bargaining procedure are "a permissive subject of bargaining and is therefore not subject to meet and confer or imposition after impasse". He had previously taken the position that this was a subject of bargaining. In his April 23, 2014 email, Mr. Howell further requests mediation through the State Mediation and Conciliation Service to seek agreement but does so while maintaining the argument that the Transparency in Bargaining provisions are a permissive subject of bargaining and therefore can never be a part of the EERR.

APSA (non-sworn) Mr. Howell indicates that he has been unable to reach anyone from the Auburn Public Safety Association and thus we have no response from the APSA to our March 17 and more recent requests for a final meeting to resolve this issue (i.e., an "impasse meeting").

AEA Mr. Howell indicates that he has been unable to reach anyone from the Auburn Employees' Association and thus we have no response from AEA to those requests.

IAFF The International Association of Fire Fighters met with City representatives and have indicated that they are in agreement with the provisions of the proposed EERR.

CHEA The City Hall Employees' Association provided comment to City representatives and revisions were made to the proposed EERR to address their concerns.

No other City units have responded to the City notice indicating any concerns with the proposed EERR.

Options

1. Direct staff to go through the optional mediation process with the APOA in an effort to reach agreement regarding the Transparency in Bargaining provisions of the EERR;
2. Adopt the attached EERR;
3. Adopt the attached EERR without the Transparency in Bargaining provisions;
4. Maintain the Status quo; and,
5. Adopt a proposal with such other changes as the City Council directs.

Recommendation:

Carefully review options and provide staff with appropriate direction.

RESOLUTION NO.___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, CALIFORNIA REPEALING THE CITY'S EXISTING EMPLOYER-EMPLOYEE RELATIONS POLICY AND PROVIDING REVISED ORDERLY PROCEDURES FOR THE ADMINISTRATION OF EMPLOYER-EMPLOYEE RELATIONS BETWEEN THE CITY AND ITS EMPLOYEES AND EMPLOYEE ORGANIZATIONS

WHEREAS, the Meyers-Milias-Brown Act (Government Code Section 3500, et seq.) authorizes the City to adopt reasonable and orderly procedures for the administration of employer-employee relations between the City and its employees and employee organizations; and

WHEREAS, on July 12, 2010, pursuant to its authority under Government Code Section 3507, the City adopted the "City of Auburn Employer-Employee Relations Policy" (EERP); and

WHEREAS, since the adoption of the EERP, the Meyers-Milias-Brown Act has been amended, but the EERP has not been similarly updated; and

WHEREAS, in the interest of government transparency, the City Council in late 2012 directed staff to bring back a "transparency in bargaining" procedure for Council consideration, similar to that adopted in the City of Chico and other communities, to provide greater transparency in the collective bargaining process and thereby aid in managing community expectations as to service levels and their costs; and

WHEREAS, the proposed "transparency in bargaining" procedure would require initial proposals of the City and a bargaining unit and fiscal analyses of those initial proposals to be available for public review, but all negotiations thereafter would continue in confidence until final agreement is reached at which time the final agreement would be made available for public review before City Council considers adopting it; and

WHEREAS, to apply the "transparency in bargaining" procedure uniformly, it is reasonable to include it as part of the existing collective bargaining provisions of the EERP along with the other proposed updates to the EERP to reflect amendments to the Meyers-Milias-Brown Act; and

WHEREAS, the proposed "transparency in bargaining" procedure is important to allow the City and its bargaining units to disclose the fiscal impacts of bargaining

proposals on the services the City and its employees provide to the community, including the labor costs of such services; and

WHEREAS, the proposed "transparency in bargaining" procedure does not implicate mandatory subjects of bargaining (e.g., wages, hours and terms and conditions of employment) and is therefore, not a negotiable policy; and

WHEREAS, the City, without waiving its right to implement the "transparency in bargaining" provision of the updated EERP, indicated its willingness to meet with its bargaining units since April 2013 to discuss its proposed changes to the EERP (including the "transparency in bargaining" policy) in an effort to identify any reasonably foreseeable effects the proposed updates might have on wages, hours and terms and conditions of employment, and to negotiate any such impacts; and

WHEREAS, on January 13, 2014, the City and the Auburn Police Officers Association ("APOA"), the Auburn Public Safety Association, the Auburn Employees Association , met to discuss the proposed updates to the EERP— including the proposed transparency in bargaining procedure and agreed to several changes to the proposed updated EERR; and

WHEREAS, the City also had informal discussions via email and otherwise with the International Association of Firefighters, the City Hall Employees Association and the bargaining unit for mid-management employees, and offered to engage in discussions with all units; and

WHEREAS, during the January 13, 2014 meeting and subsequent discussions between the APOA legal representative and the City, the parties resolved all concerns raised by the bargaining units except those regarding the "transparency in bargaining" procedure and, as to that provision, no bargaining unit identified any reasonably foreseeable effects on wages, hours and terms and conditions of employment, in particular the City is informed that the International Association of Fire Fighters and the City Hall Employees Association have no remaining concerns with the proposed EERR and no other City units not referenced in this Resolution identified any concerns with the proposed EERR; and

WHEREAS, the City Attorney conferred with legal counsel for the units presents at the January 13, 2014 meeting by letter and email in further attempts to clarify those units' position regarding any reasonably foreseeable effects of the transparency in bargaining procedure; and

WHEREAS, on March 26, 2014, the City Attorney and the APOA legal representative exchanged email confirming that neither party had changed its position since the "transparency in bargaining" procedure was proposed in April 2013, and that the APOA's legal representative viewed the "transparency in bargaining" policy to be a negotiable "ground rule" to bargaining, rather than an appropriate provision of the EERR; and

WHEREAS, on March 27, 2014, the City's representative, without waiving the City's position that the "transparency in bargaining" procedure is a non-negotiable management policy, requested an impasse meeting consistent with the existing EERP procedures to discuss the parties' differences regarding any reasonably foreseeable effects of the proposed "transparency in bargaining" procedure on wages, hours or terms and conditions of employment and in further effort to resolve the issue; and

WHEREAS, on April 17, 2014, the City's representative, sent a follow-up request for an impasse meeting; and

WHEREAS, on April 23, 2014, nearly four weeks after the initial request to meet to attempt to resolve the impasse, legal counsel for the units which participated in the January 13, 2014 meeting clarified his position that the "transparency in bargaining" procedure is a "permissive" subject of bargaining which is not subject to meet and confer or impasse procedures, but must be negotiated with each individual bargaining unit as "ground rules" prior to each negotiation for a new or amended Memorandum of Understanding; he also stated that he had not been able to reach the APSA or the AEA and could not provide a response to the City's requests of March 27 and April 17 on behalf of those units; and

WHEREAS, on April 23, 2014, after more than a year's notice to all bargaining units of the proposed "transparency in bargaining" procedure and invitation to meet to discuss the procedure and, if applicable, meet and confer over any reasonably foreseeable effects of the procedure on wages, hours or terms and conditions of employment, and there being no reasonably foreseeable effects identified during this process, voluntary negotiations between the parties ceased.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF AUBURN, CALIFORNIA, that:

1. The provisions set forth in the attached Exhibit A are adopted pursuant to Government Code Section 3507 to ensure a uniform and equitable basis for employer and employee relations.

2. The Employer-Employee Relations Resolution adopted on July 12, 2010 and every prior version of that policy are hereby repealed in their entireties and superseded by this Resolution.

3. Nothing in this Resolution shall be construed to deny to any person, employee, organization, the City or any authorized officer, body or other representative of the City, the rights, powers and authority granted by federal or state law.

4. No provision of this Resolution or the application of such provision to any person or circumstance shall be held invalid except by the final decision of a court of competent jurisdiction. In the event of such an invalidating decision, the remainder of this Resolution, or its application to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

PASSED, APPROVED AND ADOPTED, this 28th day of April 2014.

_____

Bridget Powers
Mayor

ATTEST:

_____

Stephanie Snyder
City Clerk

I, Stephanie Snyder, City Clerk of the City of Auburn, hereby certify that the foregoing resolution was duly passed at a regular meeting of the Council of the City of Auburn held on April 28, 2014 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

_____

Stephanie Snyder
City Clerk

City of

Auburn

EMPLOYER-EMPLOYEE RELATIONS POLICY

Adopted by Resolution No. _____
April 28, 2014

TABLE OF CONTENTS

EMPLOYER-EMPLOYEE RELATIONS RESOLUTION 1

ARTICLE I - GENERAL PROVISIONS 1
SECTION 1.0 Statement of Purpose 1
SECTION 2.0 Definitions 2

ARTICLE II - REPRESENTATION PROCEEDINGS 4
SECTION 3.0 Recognition By "Check Card" 4
SECTION 4.0 Filing of Recognition Petition by Employee Organization 5
SECTION 5.0 City Response to Recognition Petition 6
SECTION 6.0 Open Period for Filing Challenging Petition 6
SECTION 7.0 Election Procedure After Filing of Recognition Petition 7
SECTION 8.0 Procedure for Decertification of Exclusively Recognized Employee Organization 7
SECTION 9.0 Policy and Standards for Determination of Appropriate Units 9
SECTION 10.0 Request for Modifictaion of Established Appropriate Units 9
SECTION 11.0 Appeals 10

ARTICLE III - ADMINISTRATION 11
SECTION 12.0 Submission of Current Information by Recognized Employee Organizations 11
SECTION 13.0 Payroll Dedections on Behalf of Employee Organization 11
SECTION 14.0 Employee Organization Activities – Use of City Resources 12
SECTION 15.0 Availability of Data 12
SECTION 16.0 Administrative Rules and Procedures 13
SECTION 17.0 Memoranda of Understanding 13

ARTICLE IV - IMPASSE PROCEDURES 14
SECTION 18.0 General Provisions 14
SECTION 19.0 Initiation of Impasse Procedures 14
SECTION 20.0 Resolution of Impasse 15

ARTICLE V - MISCELLANEOUS PROVISIONS 16
SECTION 21.0 Construction 16
SECTION 22.0 Amendment 17
SECTION 23.0 Severability 17

EMPLOYER-EMPLOYEE RELATIONS RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUBURN, that the following provisions are adopted pursuant to Government Code Section 3507 to ensure a uniform and equitable basis for employer and employee relations:

ARTICLE I - GENERAL PROVISIONS

SECTION 1.0 Statement of Purpose

A. This Resolution implements Chapter 10, Division 4, Title 1 of the Government Code of the State of California (Sections 3500 et seq.), the Meyers-Milias-Brown Act, by providing orderly procedures for the administration of employer-employee relations between the City and its employees. This Resolution supersedes all previous employer-employee relations resolutions and policies that conflict with this Resolution. This Resolution is intended to strengthen the administration of the City's employer-employee relations through the establishment of uniform and orderly methods of communications between employees, Employee Organizations and the City.

B. It is the purpose of this Resolution to provide procedures for meeting and conferring in good faith with Exclusively Recognized Employee Organizations regarding matters that directly affect and primarily involve the wages, hours and other terms and conditions of employment of employees in appropriate units and that are not preempted by Federal or State law. However, nothing herein shall be construed to restrict any legal or inherent exclusive City rights with respect to matters of general legislative or managerial policy, which include among others: The exclusive right to determine the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other lawful reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; take all necessary actions to carry out its mission in emergencies; determine the time and hours of operation of City services; approve policies, goals and objectives; determine staffing patterns and the number and kinds of personnel required; build, move or modify facilities; determine the methods of raising revenue; contract out work; take action on any matter in the event of an emergency; and exercise complete control and discretion over its organization and the technology of performing its work; and the exercise of the foregoing powers, rights, authorities, duties, and responsibilities of the City and its adoption of reasonable policies, rules, regulations and practices in furtherance thereof shall not be limited, except to the extent required by law or applicable agreement to which the City is a party.

C. It is also the purpose of this Resolution to respect the rights of Employees, including their rights to form, join and participate in the activities of Employee Organizations of their own choosing for the purpose of representation in all employer-employee relations matters. Employees also have the right to abstain from joining or participating in the activities of Employee Organizations and have the right to represent themselves individually in their employment relations with the City. As required by applicable law, no Employee shall be interfered with, intimidated, restrained, coerced or discriminated against by the City or by any

Employee Organization because of his or her exercise of these rights. In addition, employees have additional rights as may be granted to them by Chapter 31 of the Auburn Municipal Code and by any memorandum of understanding which may be entered into by the City and an Exclusively Recognized Employee Organization.

SECTION 2.0 Definitions

As used in this Resolution, the following terms shall have the meanings indicated:

A. "Appropriate Unit" means a unit of employee classes or positions, established pursuant to Article II hereof.

B. "City" means the City of Auburn, and, where appropriate herein, refers to the City Council or any duly authorized City representative.

C. "Confidential Employee" means an employee who has been appointed by the City Manager or designee, and who, in the course of his or her duties, has access to confidential information relating to the City's administration of employer-employee relations that may be used in "closed session" of the City Council, or for purposes of negotiation, or in preparation of the City's bargaining position for an MOU with an Exclusively Recognized Employee Organization.

D. "Consult" and "Consultation in Good Faith" means to communicate orally or in writing for the purpose of presenting and obtaining views or advising of intended actions; and, as distinguished from meeting and conferring in good faith regarding matters within the scope of the duty to meet and confer, does not involve an exchange of proposals and counterproposals with an Exclusively Recognized Employee Organization in an endeavor to reach agreement in the form of a Memorandum of Understanding, nor is it subject to Article IV (Impasse Procedures) hereof.

E. "Day" means calendar day unless expressly stated otherwise.

F. "Employee" means any employee of the City subject to the Personnel Ordinance of the City pursuant to Auburn Municipal Code § 31.058.

G. "Employee, professional" means any employee engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction, including but not limited to attorneys, physicians, registered nurses, engineers, architects, teachers and various physical, chemical and biological scientists.

H. "Employee Organization" means a bona fide organization of any legal form that has, as one of its primary purposes, representing employees in their employment relations with the City that has no restriction on membership based on race, color, creed, sex, national origin, age, or physical disability or any other unlawful basis.

I. "Employee Relations Officer" means the City Manager or his/her duly authorized representative.

J. "Exclusively Recognized Employee Organization" means an Employee Organization which has been formally acknowledged by the City as the sole Employee Organization representing the employees in an Appropriate Unit pursuant to Article II (Representation Proceedings) hereof, having the exclusive right to meet and confer with the City in good faith concerning statutorily required subjects pertaining to unit employees, and thereby assuming the corresponding obligation to fairly represent such employees.

K. "Fact-finding panel" means an informal panel of individuals convened to hear evidence on negotiations on matters to be included in a Memorandum of Understanding which are in dispute between the City and an Exclusively Recognized Employee Organization. A fact-finding panel shall consist of three members: one selected by the City, another by the Exclusively Recognized Employee Organization and a chairperson selected either by mutual agreement of the City and Exclusively Recognized Employee Organization or by the Public Employment Relations Board as provided in Sec. 20 of this EERR below.

L. "Impasse" means that the representatives of the City and an Exclusively Recognized Employee Organization have reached a point in their meeting and conferring in good faith at which their differences on matters to be included in a Memorandum of Understanding as to which they are required to meet and confer remain so substantial and prolonged, as indicated by the submission of a "last, best, and final offer" from either party to the other, that further meeting and conferring would be futile.

M. "Management Employee" means an employee having responsibility for formulating, administering or managing the implementation of City policies and programs.

N. "Proof of Employee Support" means (1) an authorization card recently signed and personally dated by an employee, or (2) a verified authorization petition recently signed and personally dated by one or more employees, or (3) employee dues deduction authorization signed and personally dated by an employee, using the payroll register for the period immediately prior to the date a petition is filed hereunder, except that multiple dues deduction authorizations bearing the same date for more than one Employee Organization for the account of any one employee shall not be considered as proof of employee support for any Employee Organization. The only authorization which shall be considered as proof of employee support hereunder shall be the authorization most recently signed by an employee. The words "recently signed" shall mean within one hundred eighty (180) days prior to the filing of a petition.

O. "Overlapping Unit" means a unit claimed to be an Appropriate Unit which includes some but not all the classifications or positions in a unit claimed to be an Appropriate Unit by a recognition petition filed by an Employee Organization seeking recognition as an Exclusively Recognized Employee Organization.

P. "Supervisory Employee" means any employee having authority, in the interest of the City, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them, or to adjust their grievances, or effectively to recommend such action if, in connection with the foregoing, the exercise

of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment subject to appropriate administrative review for legal and policy considerations.

Q. "Meet and confer in good faith" means performance by duly authorized City representatives and an Exclusively Recognized Employee Organization of their mutual obligation to meet promptly upon request by either party and at reasonable times and to confer in good faith regarding matters within the scope of representation in an effort to reach agreement on:

1. Matters within the scope of representation prior to the adoption by the City of its final budget for the ensuing year; and

2. What will be recommended to the City Council on matters within the decision-making authority of the City Council. This does not require either party to agree to a proposal or to make a concession.

ARTICLE II - REPRESENTATION PROCEEDINGS

SECTION 3.0 Recognition By "Card Check"

Consistent with Government Code sections 3507(b) and 3507.1(c), the City shall grant exclusive or majority recognition to an Employee Organization based on a signed petition, authorization cards or union membership cards showing that a majority of the employees in an Appropriate Unit wish to be represented by that Employee Organization ("card check"), unless another Employee Organization has within the past twelve months been lawfully recognized as the exclusive or majority representative of all or part of the same unit.

A. For purposes of this section, exclusive or majority representation shall be determined by a neutral third party selected upon agreement of the City and the Employee Organization or, failing agreement, the determination shall be made by the State Mediation and Conciliation Service, in accordance with Government Code Section 3507.1(c). Within five (5) business days of an Employee Organization claiming exclusive or majority status based on card check, the Employee Organization and the City shall mutually agree on a neutral third party who shall review the petition, authorization cards or union membership cards to verify the exclusive or majority status of the Employee Organization.

B. If the neutral third party determines, based on a signed petition, authorization cards or union membership cards that one or more competing Employee Organization(s) has or have the support of at least 30 percent of employees in the unit in which recognition is sought, the neutral third party shall order an election to establish which labor organization, if any, has majority status. The election shall be conducted consistently with Section 7.0 of this EERR.

SECTION 4.0 Filing of Recognition Petition by Employee Organization

As an alternative to the procedure described in Section 3.0, an Employee Organization that seeks to be formally acknowledged as the Exclusively Recognized Employee Organization representing the employees in an Appropriate Unit may file a petition with the Employee Relations Officer containing the following:

A. Name and address of the Employee Organization.

B. Names and titles of its officers.

C. Names of representatives who are authorized to speak on behalf of the organization.

D. A statement that the Employee Organization has, as one of its primary purposes, representing employees in their employment relations with the City.

E. A statement whether the Employee Organization is a chapter of, or affiliated directly or indirectly in any manner, with a local, regional, state, national or international organization, and, if so, the name and address of each such other organization.

F. Certified copies of the Employee Organization's constitution and bylaws, if any.

G. A designation of those persons, not exceeding two in number, and their addresses, to whom notice sent by regular United States mail will be deemed sufficient notice on the Employee Organization for any purpose.

H. A statement that the Employee Organization has no restriction on membership based on race, color, creed, sex, national origin, age, or physical disability or other restriction prohibited by law.

I. The job classifications or position titles of employees in the unit claimed to be appropriate and the approximate number of member employees therein.

J. A statement that the Employee Organization has in its possession Proof of Employee Support to establish that thirty percent (30%) of the employees in the unit claimed to be appropriate have designated the Employee Organization to represent them in their employment relations with the City. Such written proof shall be submitted for confirmation to the Employee Relations Officer.

K. A request that the Employee Relations Officer formally acknowledge the petitioner as the Exclusively Recognized Employee Organization representing the employees in the unit claimed to be appropriate.

L. The Petition, including the Proof of Employee Support and all accompanying documentation, shall be declared to be true, correct and complete, under penalty under

the law of the State of California, by the duly authorized officer(s) of the Employee Organization executing it.

SECTION 5.0 City Response to Recognition Petition

Upon the receipt of a Petition as described in Section 4.0, the Employee Relations Officer shall determine whether:

A. There has been compliance with the requirements of this Resolution regarding the recognition petition, and

B. The unit claimed to be appropriate is an Appropriate Unit in accordance with Sec. 9 of this Article II.

If the Employee Relations Officer determines these two conditions are met, he/she shall so inform the petitioning Employee Organization, shall give written notice of such request for recognition to the employees in the unit, and shall take no action on said request for thirty (30) days thereafter. If the Employee Relations Officer determines that either of the foregoing conditions is not met, he/she shall offer to consult with the petitioning Employee Organization regarding his/her determination and, if such determination remains unchanged after such consultation, he/she shall inform that organization in writing of the reasons for his/her determination. The petitioning Employee Organization may appeal such determination in accordance with Sec. 11 of this Article II.

SECTION 6.0 Open Period for Filing Challenging Petition

Within thirty (30) days of the date written notice was given to affected employees that a valid recognition petition for an appropriate unit has been filed, any other Employee Organization may file a competing request to be formally acknowledged as the exclusively recognized Employee Organization of the employees in the same or in an Overlapping Unit, by filing a petition evidencing Proof of Employee Support in the unit claimed to be appropriate of at least thirty (30) percent and otherwise in the same form and manner as set forth in Sec. 4 of this Article II. If such a challenging petition seeks establishment of an Overlapping Unit, the Employee Relations Officer shall call a hearing on the competing petitions for the purpose of ascertaining the Appropriate Unit, at which time the petitioning Employee Organizations shall be heard. Thereafter, the Employee Relations Officer shall determine the Appropriate Unit or Appropriate Units pursuant to Sec. 9 of this Article II and give notice to the petitioning Employee Organizations of that determination. The petitioning Employee Organizations shall have fifteen (15) days from the date of receipt of that notice to amend their petitions to conform to that determination or to appeal that determination pursuant to Sec. 11 of this Article II.

SECTION 7.0 Election Procedure After Filing of Recognition Petition

A. The Employee Relations Officer shall arrange for a secret ballot election to be conducted by a party agreed to by the Employee Relations Officer and the concerned Employee Organization(s), in accordance with this Resolution. In the event that the parties are unable to agree on a third party to conduct an election, the election shall be conducted by the California State Mediation and Conciliation Service. All Employee Organizations which have submitted petitions determined to be in conformance with this Article II shall be included on the ballot. The ballot shall also offer employees the choice of representing themselves individually in their employment relations with the City under the label "no exclusive bargaining agent" or some other label determined by the party conducting the election. Any costs of conducting elections shall be borne in equal shares by the City and by each Employee Organization appearing on the ballot.

B. Employees entitled to vote in such election shall be those persons employed in regular permanent positions within the Appropriate Unit during the pay period immediately prior to the date which ended at least fifteen (15) days before the date the election commences, including those who did not work during such period because of illness, vacation or other authorized leaves of absence, and who are employed by the City in the same Appropriate Unit on the date the election commences.

C. An Employee Organization shall be formally acknowledged as the Exclusively Recognized Employee Organization for the designated Appropriate Unit following an election or run-off election if it received a majority of all valid votes cast in the election. In an election involving three or more choices in which none of the choices receives a majority of the valid votes cast, a run-off election shall be conducted between the two choices receiving the largest number of valid votes cast; the rules governing an initial election being applicable to a run-off election.

D. There shall be no more than one valid election in a 12-month period affecting the same Appropriate Unit except in the case of a run-off as described in paragraph C. above.

SECTION 8.0 Procedure for Decertification of Exclusively Recognized Employee Organization

A. A decertification petition alleging that an Exclusively Recognized Employee Organization no longer represents a majority of the employees in an Appropriate Unit may be filed with the Employee Relations Officer.

B. A decertification petition may be filed by two or more employees or their representative, or an Employee Organization, and shall contain the following declared to be true, correct and complete by the duly authorized signatory under penalty of perjury under the laws of the State of California:

1. The name, address and telephone number of the petitioner and not more than two designated representatives authorized to receive notices or requests for further information.

2. The name of the Appropriate Unit and of the Exclusively Recognized Employee Organization sought to be decertified as the representative of that unit.

3. An allegation that the incumbent Exclusively Recognized Employee Organization no longer represents a majority of the employees in the Appropriate Unit, and any other relevant and material facts relating thereto.

4. Proof of Employee Support demonstrating that at least thirty (30) percent of the employees in the Appropriate Unit no longer desire to be represented by the Exclusively Recognized Employee Organization. Such proof shall be submitted for confirmation to the Employee Relations Officer or to a mutually agreed upon, disinterested third party.

C. An Employee Organization may, in satisfaction of the decertification petition requirements hereunder, file a petition under this section in the form of a recognition petition that evidences Proof of Employee Support of at least thirty (30) percent of the employees in the Appropriate Unit that includes the allegation and information required under paragraph B.3 of this Section 8, and otherwise conforms to the requirements of Section 4 of this Article II.

D. The Employee Relations Officer shall determine whether a petition complies with this Article II. If the Employee Relations Officer determines that a petition does not comply with this Article II, he/she shall offer to consult with the representative(s) of the petitioning employees or Employee Organization and, if his/her determination remains unchanged after that consultation, the Employee Relations Officer shall return the petition to the employees or Employee Organization with a written statement of the reasons for doing so. The petitioning employees or Employee Organization may appeal such a determination pursuant to Sec. 11 of this Article II. If the Employee Relations Officer determines a petition complies with this Article II or his/her contrary determination is reversed on appeal, he/she shall give written notice of that fact to the Exclusively Recognized Employee Organization, to unit employees and to the petitioner(s).

E. The Employee Relations Officer shall arrange for a secret-ballot election to be held on or about fifteen (15) days after such notice to determine the wishes of unit employees as to decertification and, if a recognition petition was duly filed hereunder, the question of representation. Such election shall be conducted in conformance with Sec. 7 of this Article II.

F. When he or she has reason to believe that a majority of unit employees no longer wish to be represented by an incumbent Exclusively Recognized Employee Organization, the Employee Relations Officer may on his or her own initiative give notice to that Exclusively Recognized Employee Organization and to all employees in the Appropriate Unit that he or she will arrange for an election to determine the issue. Within fifteen (15) days of such notice, any other Employee Organization may file a recognition petition in accordance with this Sec. 8, which the Employee Relations Officer shall act on in accordance with this Sec. 8, or seek to be designated as an Exclusive Recognized Employee Organization pursuant to a card-check pursuant to Sec. 3, in which case the provisions of that section shall govern.

G. If, pursuant to Sec. 3 or this Sec. 8, an Employee Organization is acknowledged as the Exclusively Recognized Employee Organization, displacing a prior Exclusively Recognized

Employee Organization, that newly recognized Employee Organization shall be bound by all the terms and conditions of any Memorandum of Understanding then in effect for its remaining term.

SECTION 9.0 Policy and Standards for Determination of Appropriate Units

A. The Employee Relations Officer shall have the management discretion to form and define reasonable bargaining units, and to modify bargaining units based on the procedures specified in this resolution. The Employee Relations Officer may consider, but shall not be bound by, labor relations criteria considered under federal authorities such as the National Labor Relations Act. A key criterion for unit determination is whatever grouping provides the broadest feasible grouping of positions that share an identifiable community of interest. In addition, the Employee Relations Officer may consider, but is not limited to, the following criteria:

1. Similarity of general kinds of work performed, qualifications required, and general working conditions.

2. History of representation in the City and similar employment; except however, that no unit shall be deemed to be an Appropriate Unit solely on the basis of the extent to which employees in the proposed unit have organized.

3. Consistency with the organizational patterns of the City.

4. Number of employees and classifications, and the effect on the administration of employer-employee relations created by the fragmentation of classifications and proliferation of units.

5. Effect on the classification structure and impact on the stability of the employer-employee relationship of dividing a single or related classifications among two or more units.

B. Notwithstanding the foregoing provisions of this section, positions occupied by Management, Supervisory and Confidential Employees may only be included in a unit consisting solely of Management, Supervisory or Confidential employees respectively. Management, Supervisory and Confidential Employees may not represent any Employee Organization which represents employees who are not Management, Supervisor or Confidential Employees. Professional Employees shall not be denied the right to be represented separately from nonprofessional employees.

C. The Employee Relations Officer shall, after notice to and consultation with affected Employee Organizations; allocate new classifications or positions; delete eliminated classifications or positions; and retain, reallocate or delete modified classifications or positions from previously designated Appropriate Units in accordance with the provisions of this section.

SECTION 10.0 Request for Modification of Established Appropriate Units

A. Requests by Employee Organizations for modifications of established Appropriate Units shall be considered by the Employee Relations Officer. Such requests shall be submitted in the

form of a Recognition Petition and, in addition to the requirements set forth in Sec. 4 of this Article II, shall contain a complete statement of all relevant facts and citations in support of the proposed modified unit in terms of the policies and standards set forth in Sec. 9 hereof. The Employee Relations Officer shall process such petitions as other Recognition Petitions under this Article II.

B. The Employee Relations Officer may on his/her own motion propose that an established Appropriate Unit be modified.

C. The Employee Relations Officer shall give written notice of proposed modifications(s) to any affected Employee Organization and shall hold a meeting concerning the proposed modification(s), at which time all affected Employee Organizations shall be heard. Thereafter the Employee Relations Officer shall determine the composition of the Appropriate Unit or Units in accordance with Sec. 9 of this Article II, and shall give written notice of such determination to the affected Employee Organizations.

D. The Employee Relations Officer's determination may be appealed as provided in Section 11 of this Article II. If a unit is modified pursuant to the motion of the Employee Relations Officer hereunder, Employee Organizations seeking to become the Exclusively Recognized Employee Organization for a newly designated Appropriate Unit or Units may thereafter file Recognition Petitions pursuant to Sec. 4 of this Article II, or use the card check procedure pursuant to Sec. 3 of this Article II.

SECTION 11.0 Appeals

A. An Employee Organization aggrieved by an Appropriate Unit determination of the Employee Relations Officer may request mediation through the California State Mediation and Conciliation Service within ten (10) business days of notice of the unit determination.

B. Alternatively, within fifteen (15) business days of notice of such a determination, determinations by the Employee Relations Officer concerning: (a) the designation or modification of an appropriate unit; (b) recognition petitions; or (c) decertification petitions may be appealed to the City Council for final decision.

C. Appeals to the City Council shall be filed in writing with the City Clerk, and a copy shall be served on the Employee Relations Officer. The City Council shall commence consideration of the matter within thirty (30) days of the filing of the appeal. The City Council may, in its discretion, refer the dispute to a third party for hearing, hear the matter itself, or approve such other procedure it deems appropriate to determine the facts and make a final decision. Any decision of the City Council on the use of such procedure, and any decision of the City Council determining the substance of a dispute, shall be final and binding. The failure of any party to file a timely appeal within the time limits specified herein shall constitute a waiver of the right to pursue such appeal.

ARTICLE III - ADMINISTRATION

SECTION 12.0 Submission of Current Information by Recognized Employee Organizations

All changes in the information filed with the City by an Exclusively Recognized Employee Organization under items (a.) through (h.) of its Recognition Petition under Sec. 4 of this Article II shall be submitted in writing to the Employee Relations Officer within fourteen (14) days of such change.

SECTION 13.0 Payroll Deductions on Behalf of Employee Organizations

The provisions of this Section 13 shall not apply in contradiction of a Memorandum of Understanding or side letter agreed by the City with an Exclusively Recognized Employee Organization prior to July 12, 2010.

A. Only an Exclusively Recognized Employee Organization may be granted permission by the City to have dues or other authorized charges deducted from paychecks of its members, in accordance with procedures prescribed by the City.

B. Dues deduction shall be for a specified amount and shall be made only upon the written authorization of an Employee. Dues deduction authorization may be canceled and the dues check-off payroll discontinued at any time by an Employee upon written notice to the City. Dues deduction authorization or cancellation shall be made available upon forms provided by the City.

C. Should any Employee choose not to join an Exclusively Recognized Employee Organization and therefore not pay dues and other charges, the Employee may be required to pay an agency fee if required by an agency shop agreement between the City and an Exclusively Recognized Employee Organization adopted pursuant to §§ 3502.5 and 3508.5 of the Government Code.

D. An Employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of any dues deduction authorized. When a member in good standing of an Exclusively Recognized Employee Organization is in a non-paid status for an entire pay period, no dues shall be withheld to cover that pay period from future earnings nor shall the Employee deposit the amount with the City which would have been withheld if the Employee had been in paid status during that period. If an Employee is in a non-paid status during only a part of a pay period but the earnings are not sufficient to cover the full withholding, no deduction shall be made. All other legal and required deductions shall have priority over Employee Organization dues.

E. Dues or other charges withheld by the City on behalf of an Exclusively Recognized Employee Organization shall be transmitted to the officer or organization designated in writing by the Exclusively Recognized Employee Organization at the address specified in that designation.

F. All Exclusively Recognized Employee Organizations which receive dues from the City shall indemnify, defend, and hold the City and its officers, agents and employees harmless from and

against any claims made and against any suit instituted against the City, and/or its officers, agents and employees on account of withholding of Employee Organization dues, including but not limited to all costs of defending against any such claims or suits. In addition, all such Employee Organizations shall refund to the City any amounts paid to them in error upon presentation of supporting documentation or other evidence.

SECTION 14.0 Employee Organization Activities – Use of City Resources

Access to City work locations and the use of City-paid time, facilities, equipment and other resources by Employee Organizations and those representing them shall:

A. Be authorized only to the extent provided for in Memoranda of Understanding and/or upon the specific written approval by the Employee Relations Officer;

B. Be limited to lawful activities consistent with the provisions of this Resolution that pertain directly to the employer-employee relationship and not such internal Employee Organization business such as soliciting membership, campaigning for office, and organization meetings and elections; and,

C. Shall not interfere with the efficiency, safety and security of City operations.

SECTION 15.0 Availability of Data

A. The City shall make available to Exclusively Recognized Employee Organizations such non-confidential information pertaining to employer-employee relations as is contained in the public records of the City subject to the limitations and conditions set forth in this Resolution and the California Public Records Act, Government Code §§ 6250 et seq.

B. Such information shall be made available during regular office hours in accordance with the City's rules and procedures for making public records available and after payment of reasonable costs.

C. Information that shall be made available to Exclusively Recognized Employee Organizations includes regularly published data covering subjects under discussion. Data collected on a promise to keep its source confidential may be made available in statistical summaries, but shall not be made available in such form as to disclose the source or otherwise to invade the promised confidentiality.

D. Nothing in this rule shall be construed to require disclosure of records that are:

(a) Personnel, medical and similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy;

(b) Working papers or memoranda that are not retained in the ordinary course of business or any records when the public interest served by not making the record available clearly outweighs the public interest served by disclosure of the record;

(c) Records pertaining to pending litigation to which the City is a party, or to claims or appeals that have not been settled; or

(d) Any other records exempt from disclosure under the California Public Records Act or other applicable law.

E. Nothing in this paragraph shall be construed to require the City to do research for an inquirer or to do programming or to assemble data in a manner or to an extent other than usually done by the City or is required by law.

SECTION 16.0 Administrative Rules and Procedure

The Employee Relations Officer is hereby authorized to establish such rules and procedures as appropriate to implement and administer the provisions of this Resolution after consultation with affected Employee Organizations.

SECTION 17.0 Memoranda of Understanding

A. In order to promote transparency in the bargaining process, the following procedures shall govern the conduct of negotiations:

1. As part of the meet and confer process, the initial proposal containing all proposed terms for a successor Memorandum of Understanding with sufficient specificity to support a fiscal impact analysis, shall be exchanged by the Exclusively Recognized Employee Organization and the City and shall be considered a public record and made available for public review with an accompanying City analysis of fiscal impact for each proposal;

2. After the initial proposals are exchanged and made public, negotiations shall continue behind closed doors, unless otherwise agreed to by the parties through written ground-rules waiving this requirement;

3. When the meet and confer process is concluded between the City representatives and an Exclusively Recognized Employee Organization, all matters agreed upon shall be incorporated in a written memorandum of understanding signed by the Employee Relations Officer and authorized representatives of the Exclusively Recognized Employee Organization, which together with the City's written fiscal analysis of the proposed memorandum of understanding, shall be available for public review for a minimum of two weeks prior to the City Council taking action at an open public meeting.

B. A memorandum of understanding is subject to City Council approval and, should the City Council refuse approval of a memorandum of understanding, the parties shall resume good faith negotiations toward agreement.

ARTICLE IV - IMPASSE PROCEDURES

SECTION 18.0 General Provisions

These rules establish specific timelines for the completion of bargaining and any necessary impasse resolution procedures. All deadlines contained herein may be waived by mutual, written agreement. The provisions of this section shall apply only so long as state law requires the parties to proceed to a fact-finding panel (as required by Government Code §§ 3505.4 and 3505.5 when they took effect on January 1, 2012 (or, as amended by AB 1606 signed into law on September 14, 2012).

SECTION 19.0 Initiation of Impasse Procedures

A. Prior to any declaration of impasse, a "last, best and final" offer on wages, hours and working conditions must be submitted as follows:

1. The City representative must present any last, best and final offer of an Exclusively Recognized Employee Organization to the City Council in closed session;

2. The Exclusively Recognized Employee Organization must present any last, best and final offer of the City to its membership within 10 business days of receipt of the last, best and final offer from the City;

B. After consideration of a last, best and final offer, the party shall promptly inform the other party as to whether the offer is accepted or rejected within five (5) business days of the date the last, best and final offer was presented to the City Council or Employee Organization's membership.

C. If a last, best and final offer is rejected, either party may initiate the impasse procedures by filing with the other party a written request for an impasse meeting, together with a detailed statement of its position on all disputed issues, as set forth in the other party's most recent offer, counter-offer or position (which becomes the other party's last, best and final offer). The Employee Relations Officer shall then promptly schedule an impasse meeting. The purpose of such meeting shall be: (a) to review the position of the parties in a final effort to reach agreement on a Memorandum of Understanding; and (b) if the impasse is not resolved, to discuss arrangements for the utilization of the impasse resolution procedures provided in Section 20.

D. Either party has the option to request that the dispute be submitted to mediation. If the parties agree to mediate, the costs of mediation shall be borne equally. Mediation shall be conducted by a mutually agreed upon mediator or a mediator supplied by the California State Mediation and Conciliation Service. Mediation shall be confidential. The mediator shall not make public recommendations or issue any decision concerning the issues.

E. Selection of a Fact-finding Panel Chairperson

To prepare for the possibility that the Exclusively Recognized Employee Organization may ultimately desire to submit the dispute to a fact-finding panel, within five (5) days of either party filing a written request for an impasse meeting, the parties shall mutually agree on a fact-finding chairperson who will certify that he or she will start the fact-finding proceedings (described in Section 20.0) within ten (10) business days of notification by the Exclusively Recognized Employee Organization of a need to do so. If the parties are unable to agree, the City shall request that the California State Mediation and Conciliation Service provide a list of seven (7) qualified fact-finders, and the parties will select a fact-finder from this list who will certify that he or she will start the fact-finding hearing within 10 days of notification by either party of a need to do so. The parties shall confirm the pre-designated chairperson no later than ten (10) days after either party files a written request for an impasse meeting.

SECTION 20.0 Resolution of Impasse

A. Fact-finding Panel

1. Within 30 days of the conclusion of the impasse meeting described in Section 19.0, the Exclusively Recognized Employee Organization may request that the parties' differences be submitted to a fact-finding panel, pursuant to the procedures set forth in Government Code Section 3505.4.

Failure to make a written request to proceed to a fact-finding panel within 30 days of the conclusion of the impasse meeting described in Section 19.0 constitutes a waiver of the ability to proceed to a fact-finding panel.

B. Fact-finding Criteria

1. No later than the first meeting of the fact-finding panel, the Finance Director shall prepare a report on the City's financial condition, including projections of revenues and expenditures for at least three (3) fiscal years.

2. In addition to the statutory criteria set forth in Government Code Section 3505.4 (d)(1–7), the fact-finding panel must consider the impacts of any recommendation which will result in an increased cost to the City, including the impact of that additional expense on the ability of the City to continue to provide services.

C. Fact-finding Report

1. If the fact-finding panel makes findings and recommendations, those findings and recommendations shall be made on an issue-by-issue basis.

2. The fact finding report, in addition to analysis of the criteria listed under Government Code Section 3505.4(d), must include specific consideration of the impacts of any recommendation which will result in an increased cost to the City including the impact of that additional expense on the ability of the City to continue to provide services and its ability to attract and retain employees in light of prevailing labor market conditions.

3. The fact-finding panel shall limit its findings and recommendations to issues that fall within mandatory subjects of bargaining, unless the parties mutually agree, in writing, to submit other issues to the panel.

4. If the dispute is not settled within thirty (30) days of the chairperson's appointment, that panel shall make findings of fact and advisory recommendations for terms of settlement. The fact-finding panel shall submit a written report including findings of fact and recommended terms of settlement to the parties.

5. The parties shall maintain the confidentiality of the fact-finding panel's report for a period of ten (10) days. If the parties do not reach agreement in that time, the City shall make the report available to the public.

D. Costs. Each party shall bear its own costs of fact-finding, including the costs of its advocate(s). Any costs for the fact-finding panel, facilities, court reporters or similar costs shall be shared equally by the parties.

E. Implementation of Last, Best and Final Offer. On or after the date the employer has released the fact-finders' report to the public, the City Council may implement the terms of its last, best and final offer on wages, hours and working conditions after holding a public hearing on the impasse. The public hearing may not be held until conclusion of the 10-day period required by Section 20 C.5.

F. The procedures set forth in this Article IV shall apply only to disputes consistent with the provisions and intent of Government Code Sections 3505.4(d) and 3505.7.

ARTICLE V - MISCELLANEOUS PROVISIONS

SECTION 21.0 Construction

This Resolution shall be construed as follows:

A. Nothing in this Resolution shall be construed to deny to any person, employee, organization, the City, or any authorized officer, body or other representative of the City, the rights, powers and authority granted by Federal or State law.

B. This Resolution shall be interpreted so as to carry out its purposes as set forth in Article I.

SECTION 22.0 Amendment

Proposed amendments to this Resolution are excluded from the scope of meeting and conferring but are subject to consultation with Exclusively Recognized Employee Organizations pursuant to Government Code § 3507.

SECTION 23.0 Severability

If any provision of this Resolution, or the application of such provision to any persons or circumstance, shall be held invalid or unenforceable by any decision-maker with jurisdiction to do so, the remainder of this Resolution, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby and, to that end, the provisions hereof are severable.

Report to the Auburn City Council

Action Item

Agenda Item No. 4

City Manager Approval

To:	Mayor and City Council Members
From:	Rich Ramirez, Interim City Manager
	Bernie Schroeder, Director of Public Works
	Megan Siren, Administrative Analyst
Date:	April 28, 2014
Subject:	Sewer Rate Study & Analysis Report

The Issue

For the City Council to receive and file a report related to the 2014 Sewer Rate Update Study.

Conclusion and Recommendation

Staff recommends that the City Council, BY RESOLUTION, preliminarily accept a sewer rate analysis and direct Staff to give notice of proceedings pursuant to Proposition 218.

Background

On April 14, 2014, staff brought forth a status up regarding the Sewer Rate Study & Analysis update being completed by G Aronow Consulting. The Analysis identifies needed improvements to keep the wastewater treatment plant and sewer collection system in compliance with the California State Water Quality Control Board and the Federal Environmental Protection Agency requirements along with operating system improvements designed to avoid future system costs. At the April 14th City Council meeting the working draft for the Sewer Rate Study Update estimated the increase to the monthly Sewer Service Charges to be in the range of $6.00 to $8.00 over the existing rate. Staff is pleased to report that the final draft of the Sewer Rate Study Update shows the increase to the monthly Sewer Service Charge to be $5.63 over the existing rate.

At that Council meeting several suggestions were made including but not limited to:

- What would it take to move away from the current billing format of billing based on Equivalent Dwelling Units (EDU) to a water consumption billing format, e.g.
- Detail why restaurants have a higher charge? If it can be demonstrated or justified to shift the restaurant rate, what would the new rate structure look like?
- Specify the amount programed for the Regional Sewer Project and what % of the sewer rate makes up the fee adjusting for use of reserves to write down capital costs
- Is there a way for the City to subsidize seniors regardless of one's ability to pay? If ability to pay is a consideration, staff would need more information from the City Council on this point?

Analysis

The City last conducted a Sewer Rate Study in 2007 where the Council approved a 5 year rate schedule. Proposition 218 requires a Sewer Rate Study Update prior to any future Sewer Service Charges changes. The automatic rate adjustment to the current Sewer Service Charges expired on June 30, 2013. By not replacing the sewer rate necessary repayment of projected annual debt service related to capital projects will go unfunded. In particular, the Oxidation Ditch Improvement Project and the City's contribution to the Regional Sewer Common Pipeline Project, as well as other on-going improvements to lift stations and collection system projects will not have a designated funding source. The Sewer Service Charges also needs to be adjusted for increased costs of operating and maintaining the sewer system (estimated at approximately 3-4% per year).

Sewer Billing Methodology

There are a number of methodologies the City can utilize to assign sewer rates to its customers. Sewer rates are currently a flat rate based on an equivalent dwelling unit (EDU) which refers to a unit of measure that standardizes all land use types (housing, retail, office, etc.) to the level of demand created by one single-family housing unit. In the case of Auburn, 1 EDU is a single family home having 2.3 people per single family home (developed from 2012 City of Auburn census data) and each person is assumed to generate 80 gallons of wastewater per day (developed from WWTP flow records). One EDU also assumes wastewater strength of around 300 mg/L of biochemical oxygen demand which is a measure of the organic content of the water. EDU factors are assigned to customer classifications based on their relative flow and waste-strength compared to those EDU numbers. The City has 14 types of residential classifications (single family home, apartment, duplex, etc.) and 30 non-residential classifications (office, restaurant, car wash, etc.). The customer classification list and EDU factors were initially established in 1995 and have been modified slightly at each rate study. The EDU factors were originally based on guidelines from the *State Water Resources Control Board Revenue Program Guidelines*, last updated in March 1998. The cities of Roseville, SPMUD, Placer County, Folsom, and Sacramento all utilize an EDU basis for billing their customers.

Since around 2010 water providers have been required to install water meters and bill customers based on consumption of their potable water usage. Some cities have also charged wastewater rates based on water consumption (typically February meter data is used when outdoor water usage is minimized). The City of Davis charges all its customers based on the previous year's water meter data. The Cities of Woodland and Grass Valley charge its non-residential customers based on water meter data and residential customers are charged a flat rate. Many cities in the Bay Area utilize this approach using the water meter data. About half the cities in California utilize a flat rate EDU billing methodology and the other half base sewer rates on water meter records.

The City could utilize any of these approaches for billing its customers. However none are perfect. The flat rate "EDU methodology" has worked well for the City, is commonly used; allows the users to know their annual costs for sewer service, provides a stable revenue base, and represents the typical water use in Auburn. Most of the wastewater in town is generated by single family homes and the EDU calculation does not allow the City to distinguish between one or several people generating wastewater in each house. In contrast, utilizing winter water meter data to base wastewater rates is a better indication of actual water use, but is complicated to determine and implement. Each year the City would need to receive previous year's winter meter data from PCWA and recalculate each user's monthly wastewater rate. Residential water meters include both indoor

and outdoor water use. So, as an example, households that watered their yards this last February because of the drought would see an increase in their next year's sewer rates.

If the City Council desires to move to a consumption-based billing system (using on PCWA water meter data), the following actions would be required which would take between 12 – 18 months:

1) Revise the sewer rate study to reflect water meter data and a revised rate structure.
2) Conduct a public outreach campaign to educate residents and businesses on the new sewer billing methodology.
3) Complete Proposition 218 hearings for the new rate structure
4) Develop an agreement with PCWA for receiving water meter data annually.
5) Purchase and deploy a new software billing system for receiving customer data, meter data, and billing formulas.
6) Determine whether the City should bill its customers directly or have fees continue to be collected through the County tax roll

If desired, Staff could determine the additional costs and timeframes for moving to consumption based billing and report back to the Council at some point in the future.

Review of Restaurant EDU Factor

For this update to the sewer rates, staff recommends to continue to utilize the EDU methodology for the reasons described above. However, the sewer rate study recommends a modification to the current rate structure for restaurants that was adopted in 2007 to reflect recent industry practices for EDU calculation. This restaurant rate is similar to that used by SPMUD, Roseville, and Sacramento. Revised EDU's assigned to non-residential uses are shown below.

	Proposed	Old
❖ Restaurant	2.0 per 1,000 sq. ft.	2.5 per 1,000 sq. ft.
❖ Restaurant Take Out Only	1.7 per 1,000 sq. ft.	2.0 per 1,000 sq. ft.

This change reduces restaurant revenue received and, as a result, shifts some costs over to the other categories. For instance, single family homes rates are impacted by this change by about 25 cents per month.

Monthly Sewer Use Charges

The projected increase in sewer rates is dependent on the availability of reserves in the City's Sewer Enterprise Fund and how much of the reserves the City decides to use toward the upgrade project. As a means to minimize the initial increase to monthly sewer rates while maintaining sufficient reserves in the City's Sewer Fund, staff recommends using $5.1 million of the $7.6 million currently held in reserves. The fund will maintain a $1 million in operating reserves towards unanticipated capital requirements, higher-than-expected increases in operating costs and future regulatory permit requirements. The projected total increase to the City's sewer rates are $5.63 per month per EDU making the sewer rates $67.01 per month per EDU. The rate study recommends a five year rate schedule for fiscal year 2014/15 through fiscal year 2018-19 as shown in Attachment A.

Capital Projects

The projected increase in the sewer rates will fund the Oxidation Ditch Improvement Project and the City's contribution to the Regional Sewer Common Pipeline Project, as well as other on-going improvements to lift stations and collection system projects and operating expenses. The following chart shows the components of the projected monthly sewer rate and how the use of the recommended reserve funding affects the monthly sewer rate.

Breakdown of Calculated Rate by Cost Component for FY 2014-15

	FY 2014-15 Monthly Rate/EDU Equivalent
Operations & Maintenance	$31.61
Existing Debt Service	$10.39
General Reserve	$2.17
Subtotal	$44.16
Capital	
Depreciation/Capital Projects	$17.46
Oxidation Ditch Project - Debt Service [1] [3]	$6.44
Regional Pipeline Contribution - Debt Service [2] [3]	$3.44
Subtotal	$71.50
Reserve Fund Drawdown- Debt Service Equivalent [4]	($4.49)
Total	$67.01
Total Estimated EDUs	6,849

[1] Assumed Project Cost - $6.9M plus $400K for other Capital Projects
[2] Assumed Project Cost - $3.9M
[3] Assumes loan terms of 30 years and 5% interest rate
[4] Assumes Reserve Fund drawdown of $5.1M

The Regional Sewer Common Pipeline Project contributes to $3.44 per month, but collectively with the use of reserves and the other capital projects, the total rate is recommended to increase by $5.63. The Regional Sewer Common Pipeline Project is not eligible for State Revolving Loan Fund monies as the State only funds whole projects and not portions of projects.

Options for Low Income Individuals

State law (Proposition 218) requires each person's rates to be proportionate to the cost of serving them, so it is not currently legally feasible to offer discounted rates to fixed income customers. For the City to fund a discount for low-income individuals the City has the following options:

1) Obtain 2/3 voter approval of the practice, treating the portion of rates which funds the subsidy as a special tax; or
2) Fund it from general fund or other discretionary revenues; or
3) Don't do it

However, in light of the significant challenges faced by the City General Fund, or any other City source, option 2 is not viable and Staff would not recommend subsidies at this time. With respect to Option 1, a general tax can only be levied be considered at the time of a City Council election. In other words, the first consideration would be in November 2014. Given the need to meet all the necessary election code deadlines, the City Council would need to give staff direction no later than June 2, 2014.

Proposition 218 Process

State law (Proposition 218) requires that each property owner that is receiving sewer service from the City be noticed 45 days prior to the public hearing. A draft notice is attached to the staff report as Attachment B. The notice will be mailed to all property owners that are connected to City Sewer. The schedule for adoption of the Sewer Rate Study and implementation of the Sewer Service Charges is as follows:

April 28, 2014 – Introduction of Sewer Rate Study Update
April 29, 2014 – Mail Public Notice to Sewer Customers
June 23, 2014 – Public Hearing and Sewer Rate Adoption
June 23, 2014 – Public Hearing to Place Sewer Service use Charges on County of Placer Tax Rolls

Enterprise Fund

The Sewer Fund is an enterprise fund in the City's Annual Budget. An enterprise fund is a fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Alternatives Available to Council; Implications of Alternatives

1. Proceed with the Staff Recommendation - Scenario 1 – Most Prudent Monthly Rate: Assumes $5.1M in Reserve Drawdown, $6.1M in bond financing, defers a portion of the capital projects to collection system until 2016 or later, revises the EDU for restaurants, provides for $175,000 in additional operational costs = $5.63/month increase
2. Scenario 2 – Lowest Possible Rate: Assumes approximately $5.3M in Reserve Drawdown, Shifts or defers capital improvement program, provides for $175,000 in additional operational costs, no change in restaurant EDUs = $5.49/month increase
3. Scenario 3 – Least Risk Rate: Assumes $5.1 M in Reserve Drawdown, Capital Improvements programmed fully, provides for $175,000 in additional operational costs, no change to Restaurant EDU = $7.62/month increase.
4. Direct staff to continue with Staff Recommendation, but in addition, return to Council prior to July 2015 with costs associated with changing the methodology of billing sewer to consumption based.

5. Do not proceed with staff recommendation and provide specific direction the Interim City Manager how to proceed in funding the wastewater operation sans a dedicated revenue source.

Fiscal Impact

At the point of approval, the Sewer Rate will fund the Capital and Operational needs for the Sewer Fund over the next 5 years. The rate, if approved will fund approximately $3.0 million in annual operating costs and $3.0 million annually in capital costs including depreciation and existing debt and estimated future debt service, adjusted for inflation until 2018/19. After 2018/19 no further rate increases are scheduled and any future rate increases will require the City Council to undertake an updated rate study. The recommended increases to the sewer use charges are necessary to provide funding for such improvements as the Oxidation Ditch Improvement Project, the City's contribution to the Regional Sewer Common Pipeline Project, as well as other on-going improvements to lift stations and collection system projects, annual operating costs and ongoing future capital requirements. Absent increases to the use charges and connection fees, the City would be unable to perform necessary facility improvements, ultimately exposing the City to financial sanctions. Additionally, existing Sewer Fund reserves will be eroded by ongoing operating and capital costs, potentially rendering the Sewer Fund insolvent.

Attachments:

Attachment A: Draft Proposition 218 Notice
Attachment B: Draft 2014 Sewer Rate Study Update
Attachment C: 2007 Sewer Rate Study

Attachment A

SPECIAL NOTICE

A Special Legal Notice in Conformance with Proposition 218

ON JUNE 23, 2014 AT 6:00 P.M. IN THE CITY COUNCIL CHAMBERS AT 1225 LINCOLN WAY, AUBURN, CA 95603 THE CITY COUNCIL WILL HOLD A PUBLIC HEARING ON SEWER RATE INCREASES

Introduction

The City of Auburn is proposing to increase sewer rates to maintain, repair and upgrade the sewer system needed for proper operations and regulatory compliance, and to meet operational and capital requirements. The rate increase, proposed to be a five year rate schedule is depicted in this notice for your reference.

This Notice of Public Hearing provides information regarding proposed rate adjustments to property owners served by the City of Auburn pursuant to the requirements of Proposition 218. The proposed rate adjustments will be presented to the City Council for adoption on June 23, 2014 at 6:00 p.m. in the City Council Chambers. This Notice also provides information on how rates are calculated, the reasons for the required rate adjustments, and how customers can file a protest against the proposed rate adjustments.

The City hired an independent consulting firm (G Aronow Consulting) to provide a comprehensive rate analysis that provides sufficient revenue to meet operating and capital improvement needs for the sewer utility.

Background

The City's sewer systems are operated in conformance with Federal, State and Local regulations and permits. To meet current and anticipated regulatory requirements the City's sewer infrastructure must be upgraded and funds established to replace or repair assets used in providing these essential services in a safe, healthy and reliable manor.

Sewer rates are the primary source of revenue to operate the City's sewer systems; reliance on General Fund subsidies is discouraged. These rates generate the revenue to operate the systems and invest in necessary upgrades. The City last conducted a sewer rate study in 2007. The proposed increases are necessary to pay for (i) new state and federal regulatory requirements for the protection of the environment, (ii) repair and replacement of aging sewer lines and treatment plant improvements, (iii) purchase of capacity in the Regional Sewer Common Pipeline Project and (iv) inflation since 2013.

CAPITAL PROJECTS

The following are the main projects that the City will be completing over the next five years: Regional Sewer Common Pipeline Project, New Oxidation Ditch at the Wastewater Treatment Plant, Lift Station Upgrades and Sewer Collection System upgrades.

SEWER SERVICE CHARGES

The proposed sewer service charges are for fiscal year 2014-15 and further increases are proposed for each year through 2018-19. The following are the basic rates for FY 2014-15 for residential customers who do not require a lift station:

	Proposed Monthly Charge
Single Family Home (No Lift Station)	$67.01
Duplex/Triplex/Condo (Per Dwelling Unit)	$51.60
Multiple Dwelling (Apartments (Per Dwelling Unit)	$47.58

In Fiscal Year 2015-16 and future years, the City Council may increase the proposed rates for inflation by the change in the Consumer Price Index, but capped at 5% per year.

Attachment A

City of Auburn
Sewer Enterprise Fund
Current vs. Calculated Rate

		EDU Factor	Current Rate	Calculated Rates 2014-15	2015-16	2016-17	2017-18	2018-19
Residential								
Single Family	per unit	1.00	$ 61.38	$ 67.01	$ 69.81	$ 72.56	$ 75.49	$ 78.62
Single Family w/ 1 Sewer Lift Station	per unit	1.22	$ 74.88	$ 81.75	$ 85.16	$ 88.52	$ 92.09	$ 95.91
Single Family w/2 Sewer Lift Stations	per unit	1.43	$ 87.77	$ 95.83	$ 99.83	$ 103.75	$ 107.95	$ 112.42
Duplex/Triplex/Condo/Townhome	per unit	0.77	$ 47.26	$ 51.60	$ 53.75	$ 55.87	$ 58.12	$ 60.53
Duplex/Triplex/Condo/Townhome w/ 1 Sewer Lift Station	per unit	0.99	$ 60.77	$ 66.35	$ 69.12	$ 71.84	$ 74.74	$ 77.84
Duplex/Triplex/Condo/Townhome w/ 2 Sewer Lift Station	per unit	1.20	$ 73.66	$ 80.42	$ 83.78	$ 87.07	$ 90.59	$ 94.35
Multiple Dwelling	per unit	0.71	$ 43.58	$ 47.58	$ 49.57	$ 51.52	$ 53.60	$ 55.82
Multiple Dwelling w/ 1 Sewer Lift Station	per unit	0.99	$ 60.77	$ 66.35	$ 69.12	$ 71.84	$ 74.74	$ 77.84
Single Family w/ CDBG Reduction*	per unit	0.79	$ 48.38	$ 52.82	$ 55.02	$ 57.19	$ 59.50	$ 61.97
Single Family w/ 1 Sewer Lift Station w/ CDBG Reduction*	per unit	1.01	$ 61.88	$ 67.56	$ 70.38	$ 73.15	$ 76.10	$ 79.26
Single Family w/ 2 Sewer Lift Station w/ CDBG Reduction*	per unit	1.22	$ 74.77	$ 81.63	$ 85.04	$ 88.39	$ 91.96	$ 95.77
Duplex/Triplex/Condo/Townhome w/ CDBG Reduction*	per unit	0.56	$ 34.26	$ 37.41	$ 38.97	$ 40.50	$ 42.14	$ 43.88
Single Family w/o CDBG & w/ CDBG Reduction*	per unit	1.79	$ 109.76	$ 119.84	$ 124.84	$ 129.75	$ 134.99	$ 140.59
Multiple Dwelling w/ CDBG Reduction*	per unit	0.50	$ 30.58	$ 33.39	$ 34.78	$ 36.15	$ 37.61	$ 39.17

*Properties receive a $13/month reduction from previously received Community Development Block Grant (CDBG) funds. Current program funding ends in FY 2019/2020

Non-Residential								
Auto Dealership	per 1,000 SF	0.20	$ 12.28	$ 13.40	$ 13.96	$ 14.51	$ 15.10	$ 15.72
Bank/Financial Institution	per 1,000 SF	0.30	$ 18.41	$ 20.10	$ 20.94	$ 21.77	$ 22.65	$ 23.59
Bakery	per 1,000 SF	1.70	$ 104.35	$ 113.92	$ 118.68	$ 123.35	$ 128.33	$ 133.65
Bar	per 1,000 SF	0.70	$ 42.97	$ 46.91	$ 48.87	$ 50.79	$ 52.84	$ 55.03
Dry Cleaner	per 1,000 SF	1.70	$ 104.35	$ 113.92	$ 118.68	$ 123.35	$ 128.33	$ 133.65
Hall, Lodge, Auditorium	per 1,000 SF	0.30	$ 18.41	$ 20.10	$ 20.94	$ 21.77	$ 22.65	$ 23.59
Health Studio, Gym	per 1,000 SF	0.30	$ 18.41	$ 20.10	$ 20.94	$ 21.77	$ 22.65	$ 23.59
Market w/ Disposal Unit	per 1,000 SF	1.00	$ 61.38	$ 67.10	$ 69.81	$ 72.56	$ 75.49	$ 78.62
Market w/o Disposal Unit	per 1,000 SF	0.20	$ 12.28	$ 13.40	$ 13.96	$ 14.51	$ 15.10	$ 15.72
Medical/Dental Office	per 1,000 SF	0.40	$ 24.55	$ 26.81	$ 27.92	$ 29.02	$ 30.20	$ 31.45
Business Office	per 1,000 SF	0.20	$ 12.28	$ 13.40	$ 13.96	$ 14.51	$ 15.10	$ 15.72
Place of Worship	per 1,000 SF	0.20	$ 12.28	$ 13.40	$ 13.96	$ 14.51	$ 15.10	$ 15.72
Public Agency	per 1,000 SF	0.60	$ 36.83	$ 40.21	$ 41.89	$ 43.53	$ 45.29	$ 47.17
Mortuary	per Slumber Room	1.30	$ 79.79	$ 87.12	$ 90.75	$ 94.32	$ 98.14	$ 102.21
Restaurant	per 1,000 SF	2.00	$ 153.45	$ 134.03	$ 139.62	$ 145.12	$ 150.98	$ 157.24
Restaurant, Take Out Only	per 1,000 SF	1.70	$ 122.76	$ 113.92	$ 118.68	$ 123.35	$ 128.33	$ 133.65
Retail	per 1,000 SF	0.20	$ 12.28	$ 13.40	$ 13.96	$ 14.51	$ 15.10	$ 15.72
Warehouse	per 1,000 SF	0.10	$ 6.14	$ 6.70	$ 6.98	$ 7.26	$ 7.55	$ 7.86
Used Car Lot	per 10 fixtures	0.20	$ 12.28	$ 13.40	$ 13.96	$ 14.51	$ 15.10	$ 15.72
Car Wash	per Stall	0.70	$ 42.97	$ 46.91	$ 48.87	$ 50.79	$ 52.84	$ 55.03
Barber/Beauty Shop	per chair	0.20	$ 12.28	$ 13.40	$ 13.96	$ 14.51	$ 15.10	$ 15.72
Hotel, Motel	per sleeping room	0.30	$ 18.41	$ 20.10	$ 20.94	$ 21.77	$ 22.65	$ 23.59
Self Service Laundry	per machine	0.50	$ 30.69	$ 33.51	$ 34.91	$ 36.28	$ 37.74	$ 39.31
Garage	per Bay	0.10	$ 6.14	$ 6.70	$ 6.98	$ 7.26	$ 7.55	$ 7.86
Rest Home/Boarding House	per Bed	0.30	$ 18.41	$ 20.10	$ 20.94	$ 21.77	$ 22.65	$ 23.59
School	Per 100 Students	1.00	$ 61.38	$ 67.10	$ 69.81	$ 72.56	$ 75.49	$ 78.62
Service Station	Per Pump	0.10	$ 6.14	$ 6.70	$ 6.98	$ 7.26	$ 7.55	$ 7.86
Theatre	Per 100 Seats	0.30	$ 18.41	$ 20.10	$ 20.94	$ 21.77	$ 22.65	$ 23.59
Brewery	per 1,000 SF	4.80	$ 294.62	$ 321.67	$ 335.09	$ 348.28	$ 362.35	$ 377.38

Action

In compliance with Proposition 218, the City of Auburn is hereby notifying all affected property owners and customers of the proposed sewer rate increase effective July 1, 2014, as follows:

- ✓ Affected property owners and other customers are notified by mail about the proposed rate increase. This notice outlines the public protest process (see below) and publishes the public hearing date and time.
- ✓ If written protests are presented by a majority of affected property owners prior to the close of the public hearing, the proposed rate increase will be rejected.
- ✓ This notice provides information relating to the proposed rate increase.

Process

If you wish to oppose the proposed sewer rate increase, your protest must be submitted in writing to be considered, even if you plan to attend the public hearing. If written protests are submitted by a majority of affected property owners, the proposed sewer rate increase will not be imposed. Written protest can be submitted to the City Council prior to the close of the public hearing. Written protests must contain a description of the property, including the parcel number. Please indicate you are protesting and send your written protest to: City Clerk, City of Auburn, 1225 Lincoln Way, Auburn, CA 95603.

Please note that the City of Auburn requires that rate increase protests be submitted in writing, and that **email protests will not be accepted.** If you have any questions about this notice, please call Bernie Schroeder, Public Works Director, City of Auburn at 530-823-4211 x 144.

Aronow Consulting
ECONOMICS & PUBLIC FINANCE

Memorandum

To: **Bernie Schroeder, City of Auburn**
Megan Siren, City of Auburn

From: **Georgette Aronow**

CC: **Dan Rich, Nexgen**

Date: **April 7, 2014, revised April 24, 2014**

RE: **City of Auburn Sewer Rate Update, DRAFT**

This memo provides an overview of the updated sewer rate analysis for the City of Auburn that was last done in April 2007. With this current analysis, rates have been updated to reflect current assumptions, detailed below, and have been projected for the next five years. The following describes the major assumptions and updates:

- Updated revenue and expense data for the Sewer Enterprise Fund. The budgeted 2013-14 sewer expenses are used as the baseline for projecting costs over the next five years.
- Updated customer account information (number of customers and billing units).
- Updated schedule of capital improvement projects (CIP) over the next ten years including two major projects, the monetary contribution toward the Regional Pipeline project and the Oxidation Ditch project.
- Assumptions regarding how the City will likely fund the major CIP projects (contribution to Regional Pipeline and Oxidation Ditch improvements) which include a combination of financing/loans and pay-as-you-go (PAYG) funding.

The following describes the key tables and rate calculations.

Table 1: Rate Summary – Current vs. Calculated Rates

Table 1 summarizes the calculated rates and also provides the current rates for the customer categories. Rates are projected through 2018-19.

Capital project costs, i.e., the Regional Contribution and Oxidation Ditch projects, which are scheduled to occur in the next two years, are largely driving the need for rate increases.

11182 Daniels Drive • Nevada City California 95959 • Cell (530) 263-6165 • garonowconsulting@att.net

Table 2: Historical Summary of Revenues and Expenses

Table 2 shows the historical sewer fund revenues and expenses through 2012-13. The budgeted revenues and expenses are shown for 2013-14. The budgeted 2013-14 expenses are used as the basis from which future year expenses are projected.

Table 3: Summary of Wastewater User Characteristics

The wastewater customers and user characteristics are summarized in Table 3. The City bills its sewer service charge annually with the property tax assessment rolls. The City charges residential parcels based on the number of units associated with each parcel. However, the basis for charge for non-residential uses varies from a per square foot (sqft) basis, to students, to chairs, etc. Customer accounts and units were updated based on current information.

The wastewater characteristics are based on previous rate studies, but were reviewed to assess whether they continue to reflect industry standards for flow and strength, as incorporated by the EDU Factor shown on Table 3. All but the Restaurant and Restaurant Take Out EDU Factors were found to be equitable representations for wastewater flow and strength. Restaurants and Take Out Restaurants' EDU factors were lowered from 2.5 and 2.0 to 2.0 and 1.7 respectively. These reduced characteristics are more consistent with industry standards for restaurant uses today.

It should be clarified that in some cases, the EDU factor not only represents the flow/strength factors, but also may represent additional allocations, such as in the case of a residential parcel associated with a lift station(s) or where there is a CDBG designation.

Table 4: Summary of Projected Expenses

Table 4 summarizes the projected expenses on an annual basis through 2018-19. The annual cost adjustment factors are also noted at the bottom of the table.

Salaries and Benefits are assumed to increase by approximately 5% a year and all other operating costs are assumed to increase by approximately 3% a year. However, in FY14-15, an additional $175,000 in salaries and benefits is assumed to fill positions that were previously eliminated due to lack of funding, but that are deemed necessary.

The capital project expenses reflect significant costs over the next three to four years, due to the Regional Sewer contribution and the Oxidation Ditch project as well as ongoing annual capital project improvements. The projected annual capital expenses are detailed in the appendix, Table A-1. It is assumed that these capital project expenses will be funded by a combination of current capital reserves/set-asides, rate increases, and financing/loan.

Table 5: Project Loan/Bond Sizing and Debt Service

The City does not have the capacity to fully fund the two major capital projects out of reserves as they total a combined $10.8 million, plus fund the nearly $1.5 to $2 million in annual capital projects. The City has approximately $5.1 million in capital reserves to apply towards these projects. To pay

the remaining solely via rates greatly increases monthly rates, so it is assumed that the City will borrow money or finance a portion of the project costs for the major improvements.

Table 5 calculates the annual debt service for an assumed $6.1 million loan. Conventional bond terms are assumed, however, the City may pursue CWSRF funding for the Oxidation Ditch Project. Therefore, the loan terms assumed in the rate analysis may be conservative, but prudent since all options are still currently being explored.

Table 6: Summary of Annual Revenue Requirement through FY 2018-19

Table 6 brings forward the projected annual expenses from Table 4 and includes offsetting revenues for a projection of the total annual revenue requirement necessary from annual sewer rate revenues. Offsetting revenues are based on other non-sales related revenue from the current budget year. One of these line items is Sewer Connection Fee revenue of $36,000, representing approximately 11 new connections a year.

Table 7: Projected Cash Flow

Table 7 shows the projected cash flow for the 5 year period FY 2014-15 through FY 2018-19. The revenues, including the projected sewer rate revenues, are shown at the top. Below the total revenues, the projected expenses are shown. Net revenue, before debt service and depreciation/facility replacement are shown next.

The debt service coverage ratio is calculated by dividing the net revenues by the estimated debt service. Coverage ratios are relatively high at approximately 1.5x debt service.

Table 8: Capital Improvement Project (CIP) Pro Forma Cash Flow

Table 8 shows a projected cash flow for capital improvement fund. Revenues include transfers from the operating fund (Table 7) to the capital fund for depreciation and for capital projects, interest income, as well as bond/loan proceeds in years 2 and 3.

Expenses are based on the City's ten year projection of capital projects shown in Table A-1.

Beginning and ending balances are shown at the bottom of the table. As mentioned above, it is assumed that approximately $5.1 million of current reserves (beginning balance) is applied toward the expenses over the first few years. After year 5, FY 2018-19, it is projected that the City will begin to once again accumulate capital reserves that can be applied to future major capital improvements to the sewer system.

Table 9: Projected Costs and Distribution between Collection and Treatment System

Table 9 provides the allocation of the projected costs (from Table 6) between collection and treatment. This calculation is repeated for each of the fiscal years through 2018-19. However, only the 2014-15 fiscal year is shown.

Table 9 also shows the cost adjustment factors used to project future costs. Salaries and benefits are projected to increase by 5% per year, all other costs, excluding debt service which are typically fixed or have a set schedule, are projected to increase by 3% per year.

CIP expenses are an exception however. The FY 2014-15 CIP cost allocation in rates is assumed to be $970,000, which is then escalated by 12% for FY15-16 and 10% per year thereafter. The cost allocation for FY 2014-15 is less than the projected costs for that year, as shown in Table 8 and based on Table A-1, under expenses. A lower starting assumption for CIP costs in the revenue requirement was used to minimize the rate impacts in the earlier years of the projection period. It is assumed that the additional capital costs will be funded through the loan/financing as opposed to pay-as-you go funding.

Table 10: Unit Cost Determination

The distributed annual revenue requirement from Table 9 is brought forward into Table 10. These costs are allocated to flow and inflow and infiltration (I&I). These unit allocations are the same assumptions that were used in the previous sewer rate analysis.

The projected costs are multiplied by the flow and I&I unit allocations and then divided by the total annual capacity amounts from Table 3. The result is a unit cost per million gallons of flow and I&I.

Table 11: Allocation of Costs to Flow, BOD, and SS by Customer Category

In Table 11, the unit costs, calculated in Table 10, are used to allocate costs back to customer categories based on the customer group's estimated flow. For example, for the single-family customer group, the collection (flow) unit cost of $1,585.01 is multiplied times 181.63 MG/yr of flow, resulting in $287,881 costs being allocated to this customer group for this category. The total cost allocated to single-family residential users is estimated at $2.1 million approximately. This calculation is repeated for each cost type and customer type, so that the total costs for the fiscal year are fully allocated.

Table 12: Detailed Sewer Rate Calculation

Table 12 shows the calculation of the monthly sewer rate for residential and non-residential customers. To calculate the rates, the allocated cost from Table 11 is brought forward and divided by the number of billing units to get the annual cost allocated. The annual cost is divided by 12 to determine the monthly charge. The basis of the charge whether residential unit, square feet, beds, etc. is also shown.

Appendix A: Sewer Program Projects

Table A-1 shows the historical and projected capital improvement projects for the sewer fund through FY 2023-24. The project costs total approximately $28.7 million from FY 2013-14 through FY 2023-24.

Table 1
City of Auburn
Sewer Enterprise Fund
Rate Summary - Current vs. Calculated Rates

DRAFT

		Sewer Unit	Current Rate	Calculated Rates 2014-15	2015-16	2016-17	2017-18	2018-19	Avg. Annual % Increase
Residential									
Single Family	per Unit	1.00	$61.38	$67.01	$69.81	$72.56	$75.49	$78.62	4.04%
Multiple Dwelling	per Unit	0.71	$43.58	$47.58	$49.57	$51.52	$53.60	$55.82	4.04%
Duplex / Triplex / Condo / Townhome	per Unit	0.77	$47.26	$51.60	$53.75	$55.87	$58.12	$60.53	4.04%
Duplex/Triplex/Condo/Townhome W/2 Lift Station	per Unit	1.20	$73.66	$80.42	$83.78	$87.07	$90.59	$94.35	4.04%
Duplex/Triplex/Condo/Townhome W/1 Lift Stations	per Unit	0.99	$60.77	$66.35	$69.12	$71.84	$74.74	$77.84	4.04%
Multiple Dwelling W/ Lift Station	per Unit	0.99	$60.77	$66.35	$69.12	$71.84	$74.74	$77.84	4.04%
CDBG $13.00/Mo Reduction	per Unit	0.79	$48.38	$52.82	$55.02	$57.19	$59.50	$61.97	4.04%
CDBG - Duplex /Triplex/Condo/ Townhome	per Unit	0.56	$34.26	$37.41	$38.97	$40.50	$42.14	$43.88	4.04%
CDBG 1SFD W/DISC 1SFD W/O DISC	per Unit	1.79	$109.76	$119.84	$124.84	$129.75	$134.99	$140.59	4.04%
CDBG $13.00-MO W/ 2 Lift Stations	per Unit	1.22	$74.77	$81.63	$85.04	$88.39	$91.96	$95.77	4.04%
CDBG $13.00-/MO W/Lift Station	per Unit	1.01	$61.88	$67.56	$70.38	$73.15	$76.10	$79.26	4.04%
CDBG 1 APT W/DISC	per Unit	0.50	$30.58	$33.39	$34.78	$36.15	$37.61	$39.17	4.04%
SFD W/2 Lift Stations	per Unit	1.43	$87.77	$95.83	$99.83	$103.75	$107.95	$112.42	4.04%
SFD with Sewer Lift Station	per Unit	1.22	$74.88	$81.75	$85.16	$88.52	$92.09	$95.91	4.04%
Non-Residential									
Auto Dealership	per 1,000 SF	0.20	$12.28	$13.40	$13.96	$14.51	$15.10	$15.72	4.04%
Bank/Financial Inst.	per 1,000 SF	0.30	$18.41	$20.10	$20.94	$21.77	$22.65	$23.59	4.04%
Bakery	per 1,000 SF	1.70	$104.35	$113.92	$118.68	$123.35	$128.33	$133.65	4.04%
Bar	per 1,000 SF	0.70	$42.97	$46.91	$48.87	$50.79	$52.84	$55.03	4.04%
Dry Cleaner	per 1,000 SF	1.70	$104.35	$113.92	$118.68	$123.35	$128.33	$133.65	4.04%
Hall, Lodge, Auditorium	per 1,000 SF	0.30	$18.41	$20.10	$20.94	$21.77	$22.65	$23.59	4.04%
Health Studio, Gym	per 1,000 SF	0.30	$18.41	$20.10	$20.94	$21.77	$22.65	$23.59	4.04%
Market w/Disposal Unit	per 1,000 SF	1.00	$61.38	$67.01	$69.81	$72.56	$75.49	$78.62	4.04%
Market w/o Disposal Unit	per 1,000 SF	0.20	$12.28	$13.40	$13.96	$14.51	$15.10	$15.72	4.04%
Medical/Dental Office	per 1,000 SF	0.40	$24.55	$26.81	$27.92	$29.02	$30.20	$31.45	4.04%
Business Office	per 1,000 SF	0.20	$12.28	$13.40	$13.96	$14.51	$15.10	$15.72	4.04%
Place of Workship	per 1,000 SF	0.20	$12.28	$13.40	$13.96	$14.51	$15.10	$15.72	4.04%
Public Agency	per 1,000 SF	0.60	$36.83	$40.21	$41.89	$43.53	$45.29	$47.17	4.04%
Mortuary	per Slumber Room	1.30	$79.79	$87.12	$90.75	$94.32	$98.14	$102.21	4.04%
Restaurant	per 1,000 SF	2.00	$153.45	$134.03	$139.62	$145.12	$150.98	$157.24	0.48%
Restaurant, Take-out Only	per 1,000 SF	1.70	$122.76	$113.92	$118.68	$123.35	$128.33	$133.65	1.58%
Retail	per 1,000 SF	0.20	$12.28	$13.40	$13.96	$14.51	$15.10	$15.72	4.04%
Warehouse	per 1,000 SF	0.10	$6.14	$6.70	$6.98	$7.26	$7.55	$7.86	4.04%
Used Car Lot	per 10 fixtures	0.20	$12.28	$13.40	$13.96	$14.51	$15.10	$15.72	4.04%
Car Wash	per Stall	0.70	$42.97	$46.91	$48.87	$50.79	$52.84	$55.03	4.04%
Barber/Beauty Shop	per Chair	0.20	$12.28	$13.40	$13.96	$14.51	$15.10	$15.72	4.04%
Hotel, Motel	per Sleeping Room	0.30	$18.41	$20.10	$20.94	$21.77	$22.65	$23.59	4.04%
Self Service Laundry	per Machine	0.50	$30.69	$33.51	$34.91	$36.28	$37.74	$39.31	4.04%
Garage	per Bay	0.10	$6.14	$6.70	$6.98	$7.26	$7.55	$7.86	4.04%
Rest Home/Boarding House	per Bed	0.30	$18.41	$20.10	$20.94	$21.77	$22.65	$23.59	4.04%
School	per 100 Students	1.00	$61.38	$67.01	$69.81	$72.56	$75.49	$78.62	4.04%
Service Station	per Pump	0.10	$6.14	$6.70	$6.98	$7.26	$7.55	$7.86	4.04%
Theatre	per 100 Seats	0.30	$18.41	$20.10	$20.94	$21.77	$22.65	$23.59	4.04%
Brewery	per 1,000 SF	4.80	$294.62	$321.67	$335.09	$348.28	$362.35	$377.38	4.04%
UPPR - Multi User	per EDU	1.00	$61.38	$67.01	$69.81	$72.56	$75.49	$78.62	4.04%

Table 2
City of Auburn
Sewer Enterprise Fund
Summary of Revenues and Expenses

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	Fiscal Year Ended June 30					Avg. Annual
	Actual				Budgeted	% Change
	2010	2011	2012	2013	2014	2010-2014
REVENUES						
Sewer Service Charges	$4,606,461	$4,581,146	$4,802,110	$5,019,446	$5,069,872	2.43%
Sewer Connection Fees	$29,081	$54,707	$97,476	$369,225	$36,000	5.48%
Interest Income	$84,169	$88,527	$97,476	$57,493	$75,000	(2.84%)
Other Revenues		$1,050	$1,553		$0	
Debt Proceeds					$0	
Subtotal Revenues	**$4,719,711**	**$4,725,430**	**$4,998,614**	**$5,446,163**	**$5,180,872**	**2.36%**
EXPENSES						
Operating Expenses						
Salaries and benefits	$223,404	$262,793	$347,932	$386,561	$379,596	14.17%
Services and Supplies	$3,260,787	$2,563,645	$2,498,331	$2,481,746	$1,924,000	(12.36%)
Maintenance					$41,000	
Capital Projects	$387,947	$402,670	$978,732	$1,054,472	$1,525,000	40.81%
Depreciation	$374,797	$430,764	$432,483	$451,257	$451,257	4.75%
Subtotal Expenses	**$4,246,936**	**$3,659,872**	**$4,257,477**	**$4,374,035**	**$4,320,853**	**0.43%**
Net Operating Revenues	**$472,775**	**$1,065,557**	**$741,137**	**$1,072,128**	**$860,019**	**16.14%**
Debt Service						
Current Debt Service	$155,731	$47,040	$65,583	$725,499	$853,734	53.02%
Debt Coverage Ratio	*3.04*	*22.65*	*11.30*	*1.48*	*1.01*	
Subtotal Expenses	**$4,402,667**	**$3,706,912**	**$4,323,059**	**$5,099,534**	**$5,174,587**	**4.12%**
Net Op. Rev after D/S	**$317,044**	**$1,018,517**	**$675,554**	**$346,629**	**$6,285**	

"hist_budget"

Source: City of Auburn

Table 3
City of Auburn
Sewer Enterprise Fund
Summary of Wastewater User Characteristics

DRAFT

Customer Category	Basis of Charge	Parcel Units/ Accounts	Billing Units	EDU FACTOR [1]	Wastewater Characteristics ADWF/User GPD	BOD MG/L	SS MG/L	Total Annual Capacity Flow MG	BOD Lbs/Year	SS Lbs/Year
		(A)			(B)	(C)	(D)	(K)=(E)x365	(L)=(F)x(K)x8.34	(M)=(G)x(K)x8.35
Residential										
Single Family	per Unit	2.644	2.661	1.00	187			181.63	-	-
Multiple Dwelling	per Unit	124	1,493	0.71	133			72.35	-	-
Duplex / Triplex / Condo / Townhome	per Unit	446	617	0.77	144			32.43	-	-
Duplex/Triplex/Condo/Townhome W/2 Lift Station	per Unit	31	31	1.20	224			2.54	-	-
Duplex/Triplex/Condo/Townhome W/1 Lift Stations	per Unit	23	23	0.99	185			1.55	-	-
Multiple Dwelling W/ Lift Station	per Unit	1	1	0.99	185			0.07	-	-
CDBG $13.00/Mo Reduction	per Unit	109	109	0.79	147			5.86	-	-
CDBG - Duplex /Triplex/Condo/ Townhome	per Unit	15	15	0.56	104			0.57	-	-
CDBG 1SFD W/DISC 1SFD W/O DISC	per Unit	1	1	1.79	334			0.12	-	-
CDBG $13.00-MO W/ 2 Lift Stations	per Unit	2	2	1.22	228			0.17	-	-
CDBG $13.00-/MO W/Lift Station	per Unit	6	6	1.01	189			0.41	-	-
CDBG 1 APT W/DISC	per Unit	1	1	0.50	93			0.03	-	-
SFD W/2 Lift Stations	per Unit	393	393	1.43	267			38.36	-	-
SFD with Sewer Lift Station	per Unit	616	617	1.22	228			51.38	-	-
Subtotal - Residential		**4,412**	**5,970**					**387.47**	**-**	**-**
Non-Residential										
Auto Dealership	per 1,000 SF	2	3.85	0.20	37			0.05	-	-
Bank/Financial Inst.	per 1,000 SF	11	22.60	0.30	56			0.46	-	-
Bakery	per 1,000 SF	5	10.30	1.70	318			1.20	-	-
Bar	per 1,000 SF	10	8.61	0.70	131			0.41	-	-
Dry Cleaner	per 1,000 SF	3	13.94	1.70	318			1.62	-	-
Hall, Lodge, Auditorium	per 1,000 SF	8	11.56	0.30	56			0.24	-	-
Health Studio, Gym	per 1,000 SF	9	10.81	0.30	56			0.22	-	-
Market w/Disposal Unit	per 1,000 SF	3	37.40	1.00	187			2.55	-	-
Market w/o Disposal Unit	per 1,000 SF	2	5.22	0.20	37			0.07	-	-
Medical/Dental Office	per 1,000 SF	52	46.09	0.40	75			1.26	-	-
Business Office	per 1,000 SF	350	169.34	0.20	37			2.31	-	-
Place of Workship	per 1,000 SF	21	41.31	0.20	37			0.56	-	-
Public Agency	per 1,000 SF	30	195.98	0.60	112			8.03	-	-
Mortuary	per Slumber Room	2	13.00	1.30	243			1.15	-	-
Restaurant	per 1,000 SF	52	272.48	2.00	374			37.20	-	-
Restaurant, Take-out Only	per 1,000 SF	8	19.11	1.70	318			2.22	-	-
Retail	per 1,000 SF	207	134.25	0.20	37			1.83	-	-
Warehouse	per 1,000 SF	25	12.86	0.10	19			0.09	-	-
Used Car Lot	per 10 fixtures	3	1.10	0.20	37			0.02	-	-
Car Wash	per Stall	1	2.80	0.70	131			0.13	-	-
Barber/Beauty Shop	per Chair	37	32.80	0.20	37			0.45	-	-
Hotel, Motel	per Sleeping Room	4	42.60	0.30	56			0.87	-	-
Self Service Laundry	per Machine	2	27.50	0.50	94			0.94	-	-
Garage	per Bay	27	11.80	0.10	19			0.08	-	-
Rest Home/Boarding House	per Bed	9	76.50	0.30	56			1.57	-	-
School	per 100 Students	7	29.15	1.00	187			1.99	-	-
Service Station	per Pump	8	4.40	0.10	19			0.03	-	-
Theatre	per 100 Seats	2	5.45	0.30	56			0.11	-	-
Brewery	per 1,000 SF	1	2.42	4.80	898			0.79	-	-
UPPR - Multi User			29.41	1.00	187			2.01	-	-
Subtotal Non-Residential		**901**	**1,295**					**70.46**	**-**	**-**
SUBTOTAL								**457.92**	**-**	**-**
Infiltration/Inflow								50.0		
TOTAL								**507.93**		

'user_characteristics'

[1] The equivlent dwelling unit (EDU) factors reflect the relative use of all categories in relation to a single family unit (SFU = 1 EDU) The factors are mulitiplied times the flow for a SFU which is assumed to be 187 gallons per day to determine the wastewater flow for all other customer categories

Table 4
City of Auburn
Sewer Enterprise Fund
Summary of Projected Expenses through 2018-19

DRAFT

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Expenditures						
Salaries and benefits	$379,596	$398,576	$418,505	$439,430	$461,401	$484,471
Additional Salaries and Benefits		$175,000	$183,750	$192,938	$202,584	$212,714
Services and Supplies	$1,924,000	$1,981,720	$2,041,172	$2,102,407	$2,165,479	$2,230,443
Maintenance	$41,000	$42,230	$43,497	$44,802	$46,146	$47,530
Capital Projects	$1,525,000	$970,000	$1,086,400	$1,195,040	$1,314,544	$1,445,998
Depreciation	$451,257	$464,795	$478,739	$493,101	$507,894	$523,131
Subtotal	**$4,320,853**	**$4,032,321**	**$4,252,062**	**$4,467,717**	**$4,698,049**	**$4,944,288**
Current Debt Service	$853,734	$853,734	$853,734	$853,734	$853,734	$853,734
New Debt Service	$0	$442,000	$442,000	$442,000	$442,000	$442,000
Subtotal	**$853,734**	**$1,295,734**	**$1,295,734**	**$1,295,734**	**$1,295,734**	**$1,295,734**
General Reserve	$173,000	$178,190	$183,536	$189,042	$194,713	$200,554
Total	**$5,347,587**	**$5,506,245**	**$5,708,749**	**$5,927,875**	**$6,161,645**	**$6,411,277**
Percent Increase		3.0%	3.7%	3.8%	3.9%	4.1%

Table 5
City of Auburn
Sewer Enterprise Fund
Project Loan/Bond Sizing and Debt Service

DRAFT

Item	Assumptions	Estimated Bond Sizing Local Project Oxidation Ditch/ Regional Project
Total Loan/Bonds		
Total Estimated Project Costs		$6,100,000
Proceeds		$6,100,000
Capitalized Interest	*0 Months*	$0
Issuance Costs	*4.0%*	$244,000
Bond Reserve Fund		$442,000
Loan/Bond Size		**$6,786,000**
Adjustment for Rounding		*($3,000)*
Total Loan/Bond Size		**$6,783,000**
Annual Costs		
Estimated Gross Debt Service		$441,244
Estimated Gross Debt Service - Rounded		***$442,000***
Assumptions [1]		
Interest Rate		5.00%
Term		30 Years
Bond Load Factor		1.1120

[1] Bond issuance assumptions are estimates only. Actual bond pricing will be determined based on market conditions at the time of bond issuance.

Table 6
City of Auburn
Sewer Enterprise Fund
Summary of Annual Revenue Requirement through FY 2018-19

DRAFT

			Projected			
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	1	*2*	*3*	*4*	*5*	*6*
Revenue Requirement						
Salaries and benefits	$379,596	$398,576	$418,505	$439,430	$461,401	$484,471
Additional Salaries and Benefits	$0	$175,000	$183,750	$192,938	$202,584	$212,714
Services and Supplies	$1,924,000	$1,981,720	$2,041,172	$2,102,407	$2,165,479	$2,230,443
Maintenance	$41,000	$42,230	$43,497	$44,802	$46,146	$47,530
Capital Projects	$1,525,000	$970,000	$1,086,400	$1,195,040	$1,314,544	$1,445,998
Depreciation	$451,257	$464,795	$478,739	$493,101	$507,894	$523,131
Subtotal	**$4,320,853**	**$4,032,321**	**$4,252,062**	**$4,467,717**	**$4,698,049**	**$4,944,288**
Current Debt Service	$853,734	$853,734	$853,734	$853,734	$853,734	$853,734
New Debt Service	$0	$442,000	$442,000	$442,000	$442,000	$442,000
Subtotal	**$853,734**	**$1,295,734**	**$1,295,734**	**$1,295,734**	**$1,295,734**	**$1,295,734**
Plus General Reserve	$173,000	$178,190	$183,536	$189,042	$194,713	$200,554
Subtotal Expenses	**$5,347,587**	**$5,506,245**	**$5,731,332**	**$5,952,493**	**$6,188,496**	**$6,440,576**
Less Revenues Met from Other Sources						
Interest Income	($75,000)	($75,000)	($75,000)	($75,000)	($75,000)	($75,000)
Other Revenues	($36,000)	($36,000)	($36,000)	($36,000)	($36,000)	($36,000)
Revenue Requirement	**$5,236,587**	**$5,395,245**	**$5,620,332**	**$5,841,493**	**$6,077,496**	**$6,329,576**

Table 7
City of Auburn
Sewer Enterprise Fund
Projected Cash Flow

DRAFT

		Inflation Assumption	Budget 2013-14	Projected 2014-15	2015-16	2016-17	2017-18	2018-19
Revenues								
Current Budgeted Sewer Sales			**$5,069,872**	**$5,069,872**	**$5,069,872**	**$5,069,872**	**$5,069,872**	**$5,069,872**
Additional Revenue Required								
Year	Effective Months							
2014-15	12			$325,373	$325,373	$325,373	$325,373	$325,373
2015-16	12				$225,087	$225,087	$225,087	$225,087
2016-17	12					$221,161	$221,161	$221,161
2017-18	12							$488,084
2018-19	12							
Total			**$5,069,872**	**$5,395,245**	**$5,620,332**	**$5,841,493**	**$6,077,496**	**$6,329,576**
Other Revenues								
Sewer Connection Charges [1]			$36,000	$36,000	$36,000	$36,000	$36,000	$36,000
Interest Income			$75,000	$75,000	$75,000	$75,000	$75,000	$75,000
Other Revenues			$0	$0	$0	$0	$0	$0
Subtotal			**$111,000**	**$111,000**	**$111,000**	**$111,000**	**$111,000**	**$111,000**
Subtotal Revenues			**$5,180,872**	**$5,506,245**	**$5,731,332**	**$5,952,493**	**$6,188,496**	**$6,440,576**
Expenses								
Salaries and Benefits		5.0%	$379,596	$398,576	$418,505	$439,430	$461,401	$484,471
Additional Salaries and Benefits		5.0%	$0	$175,000	$183,750	$192,938	$202,584	$212,714
Services and Supplies		3.0%	$1,924,000	$1,981,720	$2,041,172	$2,102,407	$2,165,479	$2,230,443
Maintenance		3.0%	$41,000	$42,230	$43,497	$44,802	$46,146	$47,530
Capital Projects			$1,525,000	$970,000	$1,086,400	$1,195,040	$1,314,544	$1,445,998
Subtotal Expenses			**$3,869,596**	**$3,567,526**	**$3,773,323**	**$3,974,616**	**$4,190,154**	**$4,421,157**
Net Revenue Before D/S & Depreciation			**$1,311,276**	**$1,938,719**	**$1,958,009**	**$1,977,877**	**$1,998,341**	**$2,019,419**
Depreciation		3.0%	$451,257	$464,795	$478,739	$493,101	$507,894	$523,131
Debt Service								
Current Debt Service			$853,734	$853,734	$853,734	$853,734	$853,734	$853,734
Addl' Debt Service				$442,000	$442,000	$442,000	$442,000	$442,000
Total Debt Service			**$853,734**	**$1,295,734**	**$1,295,734**	**$1,295,734**	**$1,295,734**	**$1,295,734**
Debt Service Coverage			*1.54*	*1.50*	*1.51*	*1.53*	*1.54*	*1.56*
Total Expenses			**$5,174,587**	**$5,328,055**	**$5,547,796**	**$5,763,451**	**$5,993,783**	**$6,240,022**
Net Revenue After D/S			**$6,285**	**$178,190**	**$183,536**	**$189,042**	**$194,713**	**$200,554**
Net Revenue as % of Total Expenses				*3.3%*	*3.3%*	*3.3%*	*3.2%*	*3.2%*
Beginning Operating Balance [2]			**$1,000,000**	$1,006,285	$1,184,475	$1,368,010	$1,557,052	$1,751,765
Net Revenues			$6,285	$178,190	$183,536	$189,042	$194,713	$200,554
Ending Operating Balance			**$1,006,285**	**$1,184,475**	**$1,368,010**	**$1,557,052**	**$1,751,765**	**$1,952,319**
Target Operating Balance [3]			*$1,934,798*	*$1,783,763*	*$1,886,662*	*$1,987,308*	*$2,095,077*	*$2,210,578*

"proj_cashflow"

[1] Connection fees for 2013-14 are budgeted and held constant for purposes of this anlaysis
Calculated Dev Imp Fee Treatment Only $3,222
Number of New EDUS per Year 11.17 *Total revenues =* *$36,000.00*
[2] Cash and cash equivalents balance, end of fiscal year 2012-13. page 25 Audited Financial Statement (BUT ONLY A PORTION Currently)
[3] The target operating balance represents 6 months of operating expenses, excluding debt service

Table 8
City of Auburn
Sewer Enterprise Fund
Capital Improvement Project (CIP) Pro Forma Cash Flow

DRAFT

		0 2013-14	1 2014-15	2 2015-16	3 2016-17	4 2017-18	5 2018-19	6 2019-20	7 2020-21	8 2021-22	9 2022-23	10 2023-24	Total
Revenues:													
Transfer from Operating Fund	3%	$451,257	$464,795	$478,739	$493,101	$507,894	$523,131	$523,131	$523,131	$523,131	$523,131	$523,131	$5,534,573
Depreciation		$1,525,000	$970,000	$1,086,400	$1,195,040	$1,314,544	$1,445,998	$1,445,998	$1,445,998	$1,445,998	$1,445,998	$1,445,998	$14,766,974
Capital Projects			$0	$87,574	$54,892	$2,831	$2,920	$854	$5,679	$10,361	$21,627	$32,546	$219,284
Interest Income	1.5%		$5,000,000	$1,100,000									$6,100,000
Bond/Loan Proceeds		**$1,976,257**	**$6,434,795**	**$2,752,713**	**$1,743,033**	**$1,825,269**	**$1,972,050**	**$1,969,983**	**$1,974,809**	**$1,979,490**	**$1,990,757**	**$2,001,676**	**$26,620,832**
Subtotal													
Expenses:	*see Appendix*												$6,900,000
Oxidation Ditch Imp Proj - NPDES		$300,000	$1,100,000	$2,200,000	$3,300,000								$3,900,000
Regional Sewer Project		$300,000	$3,600,000			$1,819,300	$2,109,800	$1,648,300	$1,662,700	$1,228,400	$1,262,800	$1,262,800	$18,012,191
Other Annual CIP Projects		$925,000	$1,447,791	$2,731,500	$1,913,800	**$1,819,300**	**$2,109,800**	**$1,648,300**	**$1,662,700**	**$1,228,400**	**$1,262,800**	**$1,262,800**	**$28,812,191**
Subtotal		**$1,525,000**	**$6,147,791**	**$4,931,500**	**$5,213,800**								
Net Income (Loss)		**$451,257**	**$287,004**	**($2,178,787)**	**($3,470,767)**	**$5,969**	**($137,750)**	**$321,683**	**$312,109**	**$751,090**	**$727,957**	**$738,876**	**($2,191,359)**
Beginning Balance		**$5,100,000**	**$5,551,257**	**$5,838,262**	**$3,659,475**	**$188,708**	**$194,677**	**$56,926**	**$378,610**	**$690,718**	**$1,441,808**	**$2,169,765**	**$5,100,000**
Net Income (Loss)		$451,257	$287,004	($2,178,787)	($3,470,767)	$5,969	($137,750)	$321,683	$312,109	$751,090	$727,957	$738,876	($2,191,359)
Ending Balance		**$5,551,257**	**$5,838,262**	**$3,659,475**	**$188,708**	**$194,677**	**$56,926**	**$378,610**	**$690,718**	**$1,441,808**	**$2,169,765**	**$2,908,641**	**$2,908,641**

2014-15

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Table 9
City of Auburn
Sewer Enterprise Fund
Projected Costs and Distribution between Collection and Treatment System

	Inflation Adjustment	Budget 2013-14	2014-15	Allocation Collection	Allocation Treatment	Collection System Cost	Collection System Fixed	Collection System Variable	Treatment System Cost	Treatment System Fixed	Treatment System Variable
		Years Inflated:	1								
Expenditures				--Assumed--							
Salaries and Benefits	5.00%	$379,596	$398,576	20%	80%	$79,715	$79,715		$318,861	$318,861	
Additional Salaries & Benefits	5.00%		$175,000	20%	80%	$35,000	$35,000		$140,000	$140,000	
Services and Supplies	3.00%	$1,924,000	$1,981,720	20%	80%	$396,344	$396,344		$1,585,376	$1,268,301	$317,075
Maintenance	3.00%	$41,000	$42,230	20%	80%	$8,446	$8,446		$33,784	$33,784	
Capital Projects		$1,525,000	$970,000	20%	80%	$194,000	$194,000		$776,000	$776,000	
Depreciation	3.00%	$451,257	$464,795	20%	80%	$92,959	$92,959		$371,836	$371,836	
Subtotal		**$4,320,853**	**$4,032,321**			**$806,464**	**$806,464**		**$3,225,857**	**$2,908,782**	**$317,075**
Current Debt Service	0.00%	$853,734	$853,734	20%	80%	$170,747	$170,747		$682,987	$682,987	
Additional Debt Service	0.00%	$0	$442,000	20%	80%	$88,400	$88,400		$353,600	$353,600	
General Reserve	3.00%	$173,000	$178,190	20%	80%	$35,638	$35,638		$142,552	$142,552	
Subtotal		**$5,347,587**	**$5,506,245**			**$1,101,249**	**$1,101,249**	**$0**	**$4,404,996**	**$4,087,921**	**$317,075**
Less Other Revenues		($111,000)	(111,000)								
Total		**$5,236,587**	**$5,395,245**								

"proj_costs"

Attachment B

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2014-15

Table 10
City of Auburn
Sewer Enterprise Fund
Unit Cost Determination

Cost Category	Allocated Operating Costs	Percent Allocation				Cost				Total Influent			Unit Cost Per:			
		Flow	BOD	SS	I/I	Flow	BOD	SS	I/I	Flow MG	BOD Klbs	SS Klbs	Mgal of Flow ($/Mgal)	Klb of BOD ($/Klb)	Klb of SS ($/Klb)	I/I ($/Mgal)
Collection System O&M Costs [1] [2]																
Fixed	$806,464	90%			10.00%	$725,818	$0	$0	$80,646	457.92	0.00	0.00	$1,585.01			$176.11
Variable	$0	90%			10.00%	$0	$0	$0	$0	457.92	0.00	0.00	$0.00			$0.00
Total Collection	**$806,464**					**$725,818**	**$0**	**$0**	**$80,646**				**$1,585.01**	**$0.00**	**$0.00**	**$176.11**
Treatment O&M Costs																
Fixed	$2,908,782	90%			10.00%	$2,617,903	$0	$0	$290,878	457.92	0.00	0.00	$5,716.88			$635.21
Variable	$317,075	90%			10.00%	$285,368	$0	$0	$31,708	457.92	0.00	0.00	$623.18			$69.24
Total Treatment	**$3,225,857**					**$2,903,271**	**$0**	**$0**	**$322,586**				**$6,340.06**	**$0.00**	**$0.00**	**$704.45**
Debt Service	$1,295,734	90%			10.00%	$1,166,161	$0	$0	$129,573	457.92	0.00	0.00	$2,546.62			$282.96
SUBTOTAL	**$5,328,055**												**$10,471.69**			**$1,163.52**
Other Cost Impacts																
General Reserve	$178,190	90%			10.00%	$160,371	$0	$0	$17,819	457.92	0.00	0.00	$350.21			$38.91
Rounding	$0	90%			10.00%	$0	$0	$0	$0	457.92	0.00	0.00	$0.00			$0.00
Credit/Offset for Other Revenues	($111,000)	90%			10.00%	($99,900)	$0	$0	($11,100)	457.92	0.00	0.00	($218.16)			($24.24)
Total	**$67,190**					**$60,471**	**$0**	**$0**	**$6,719**				**$132.05**	**$0.00**	**$0.00**	**$14.67**
TOTAL	**$5,395,245**					**$4,855,720**	**$0**	**$0**	**$539,524**				**$10,603.75**	**$0.00**	**$0.00**	**$1,178.19**

unit_costs

Table 11
City of Auburn
Sewer Enterprise Fund
Allocation of Costs to Flow, BOD, and SS by Customer Category

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2014-15

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Unit Cost/Customer Category	Flow MG/Yr	BOD Klb/Yr	SS Klb/Yr	Operating Costs: Collection Flow ($/Mgal)	Collection I/I ($/Mgal)	Treatment Flow ($/Mgal)	Treatment BOD ($/Klb)	Treatment SS ($/Klb)	Treatment I/I ($/Mgal)	Capital Costs: Debt Service Flow ($/Mgal)	Debt Service BOD ($/Klb)	Debt Service SS ($/Klb)	Debt Service I/I ($/Mgal)	Subtotal	Other Revenue Impacts: Flow ($/Mgal)	Other Revenue Impacts: BOD ($/Klb)	Other Revenue Impacts: SS ($/Klb)	Other Revenue Impacts: I/I ($/Mgal)	Total
Unit Cost				**$1,585.01**	**$176.11**	**$6,340.06**	**$0.00**	**$0.00**	**$704.45**	**$2,546.62**	**$0.00**	**$0.00**	**$282.96**	**$11,635**	**$132.05**	**$0.00**	**$0.00**	**$14.67**	**$11,782**
Residential																			
Single Family	181.63	-	-	$287,881	$31,987	$1,151,523	$0	$0	$127,947	$462,534	$0	$0	$51,393	**$2,113,264**	$23,985	$0	$0	$2,665	**$2,139,913**
Multiple Dwelling	72.35	-	-	$114,680	$12,742	$458,720	$0	$0	$50,969	$184,255	$0	$0	$20,473	**$841,839**	$9,554	$0	$0	$1,062	**$852,455**
Duplex / Triplex / Condo / Townhome	32.43	-	-	$51,395	$5,711	$205,579	$0	$0	$22,842	$82,575	$0	$0	$9,175	**$377,277**	$4,282	$0	$0	$476	**$382,035**
Duplex/Triplex/Condo/Townhome W/2	2.54	-	-	$4,025	$447	$16,099	$0	$0	$1,789	$6,466	$0	$0	$718	**$29,544**	$335	$0	$0	$37	**$29,917**
Duplex/Triplex/Condo/Townhome W/1	1.55	-	-	$2,464	$274	$9,854	$0	$0	$1,095	$3,958	$0	$0	$440	**$18,084**	$205	$0	$0	$23	**$18,312**
Multiple Dwelling W/ Lift Station	0.07	-	-	$107	$12	$428	$0	$0	$48	$172	$0	$0	$19	**$786**	$9	$0	$0	$1	**$796**
CDBG $13.00/Mo. Reduction	5.86	-	-	$9,295	$1,033	$37,179	$0	$0	$4,131	$14,934	$0	$0	$1,659	**$68,230**	$774	$0	$0	$86	**$69,090**
CDBG - Duplex /Triplex/Condo/ Townh	0.57	-	-	$906	$101	$3,623	$0	$0	$403	$1,455	$0	$0	$162	**$6,649**	$75	$0	$0	$8	**$6,733**
CDBG 1SFD W/DISC 1SFD W/O DISC	0.12	-	-	$193	$21	$774	$0	$0	$86	$311	$0	$0	$35	**$1,420**	$16	$0	$0	$2	**$1,438**
CDBG $13.00-MO W/ 2 Lift Stations	0.17	-	-	$264	$29	$1,054	$0	$0	$117	$423	$0	$0	$47	**$1,935**	$22	$0	$0	$2	**$1,959**
CDBG $13.00-/MO W/Lift Station	0.41	-	-	$654	$73	$2,618	$0	$0	$291	$1,051	$0	$0	$117	**$4,804**	$55	$0	$0	$6	**$4,864**
CDBG 1 APT W/DISC	0.03	-	-	$54	$6	$216	$0	$0	$24	$87	$0	$0	$10	**$396**	$4	$0	$0	$0	**$401**
SFD W/2 Lift Stations	38.36	-	-	$60,797	$6,755	$243,187	$0	$0	$27,021	$97,681	$0	$0	$10,853	**$446,294**	$5,065	$0	$0	$563	**$451,922**
SFD with Sewer Lift Station	51.38	-	-	$81,431	$9,048	$325,726	$0	$0	$36,192	$130,835	$0	$0	$14,537	**$597,768**	$6,784	$0	$0	$754	**$605,307**
Subtotal - Residential	**387.47**	-	-	**$614,145**	**$68,238**	**$2,456,579**	**$0**	**$0**	**$272,953**	**$986,737**	**$0**	**$0**	**$109,637**	**$4,508,290**	**$51,167**	**$0**	**$0**	**$5,685**	**$4,565,142**
Non-Residential																			
Auto Dealership	0.05	-	-	$83	$9	$333	$0	$0	$37	$134	$0	$0	$15	**$612**	$7	$0	$0	$1	**$620**
Bank/Financial Inst	0.46	-	-	$733	$81	$2,933	$0	$0	$326	$1,178	$0	$0	$131	**$5,383**	$61	$0	$0	$7	**$5,451**
Bakery	1.20	-	-	$1,895	$211	$7,579	$0	$0	$842	$3,044	$0	$0	$338	**$13,908**	$158	$0	$0	$18	**$14,084**
Bar	0.41	-	-	$652	$72	$2,607	$0	$0	$290	$1,047	$0	$0	$116	**$4,784**	$54	$0	$0	$6	**$4,844**
Dry Cleaner	1.62	-	-	$2,564	$285	$10,258	$0	$0	$1,140	$4,120	$0	$0	$458	**$18,825**	$214	$0	$0	$24	**$19,062**
Hall, Lodge, Auditorium	0.24	-	-	$375	$42	$1,501	$0	$0	$167	$603	$0	$0	$67	**$2,754**	$31	$0	$0	$3	**$2,789**
Health Studio, Gym	0.22	-	-	$351	$39	$1,404	$0	$0	$156	$564	$0	$0	$63	**$2,577**	$29	$0	$0	$3	**$2,609**
Market w/Disposal Unit	2.55	-	-	$4,047	$450	$16,186	$0	$0	$1,798	$6,502	$0	$0	$722	**$29,705**	$337	$0	$0	$37	**$30,079**
Market w/o Disposal Unit	0.07	-	-	$113	$13	$452	$0	$0	$50	$181	$0	$0	$20	**$829**	$9	$0	$0	$1	**$839**
Medical/Dental Office	1.26	-	-	$1,995	$222	$7,979	$0	$0	$887	$3,205	$0	$0	$356	**$14,642**	$166	$0	$0	$18	**$14,827**
Business Office	2.31	-	-	$3,664	$407	$14,656	$0	$0	$1,628	$5,887	$0	$0	$654	**$26,897**	$305	$0	$0	$34	**$27,236**
Place of Workship	0.56	-	-	$894	$99	$3,575	$0	$0	$397	$1,436	$0	$0	$160	**$6,562**	$74	$0	$0	$8	**$6,644**
Public Agency	8.03	-	-	$12,721	$1,413	$50,886	$0	$0	$5,654	$20,439	$0	$0	$2,271	**$93,385**	$1,060	$0	$0	$118	**$94,562**
Mortuary	1.15	-	-	$1,828	$203	$7,313	$0	$0	$813	$2,938	$0	$0	$326	**$13,421**	$152	$0	$0	$17	**$13,591**
Restaurant	37.20	-	-	$58,957	$6,551	$235,826	$0	$0	$26,203	$94,725	$0	$0	$10,525	**$432,786**	$4,912	$0	$0	$546	**$438,244**
Restaurant Take-out Only	2.22	-	-	$3,515	$391	$14,061	$0	$0	$1,562	$5,648	$0	$0	$628	**$25,805**	$293	$0	$0	$33	**$26,131**
Retail	1.83	-	-	$2,905	$323	$11,619	$0	$0	$1,291	$4,667	$0	$0	$519	**$21,324**	$242	$0	$0	$27	**$21,593**
Warehouse	0.09	-	-	$139	$15	$557	$0	$0	$62	$224	$0	$0	$25	**$1,022**	$12	$0	$0	$1	**$1,035**
Used Car Lot	0.02	-	-	$24	$3	$95	$0	$0	$11	$38	$0	$0	$4	**$175**	$2	$0	$0	$0	**$177**
Car Wash	0.13	-	-	$212	$24	$848	$0	$0	$94	$341	$0	$0	$38	**$1,557**	$18	$0	$0	$2	**$1,576**
Barber/Beauty Shop	0.45	-	-	$710	$79	$2,839	$0	$0	$315	$1,140	$0	$0	$127	**$5,210**	$59	$0	$0	$7	**$5,275**
Hotel, Motel	0.87	-	-	$1,383	$154	$5,530	$0	$0	$614	$2,221	$0	$0	$247	**$10,149**	$115	$0	$0	$13	**$10,277**
Self Service Laundry	0.94	-	-	$1,488	$165	$5,950	$0	$0	$661	$2,390	$0	$0	$266	**$10,920**	$124	$0	$0	$14	**$11,057**
Garage	0.08	-	-	$128	$14	$511	$0	$0	$57	$205	$0	$0	$23	**$937**	$11	$0	$0	$1	**$949**
Rest Home/Boarding House	1.57	-	-	$2,483	$276	$9,931	$0	$0	$1,103	$3,989	$0	$0	$443	**$18,226**	$207	$0	$0	$23	**$18,456**
School	1.99	-	-	$3,154	$350	$12,614	$0	$0	$1,402	$5,067	$0	$0	$563	**$23,150**	$263	$0	$0	$29	**$23,442**
Service Station	0.03	-	-	$48	$5	$190	$0	$0	$21	$76	$0	$0	$8	**$349**	$4	$0	$0	$0	**$354**
Theatre	0.11	-	-	$177	$20	$707	$0	$0	$79	$284	$0	$0	$32	**$1,298**	$15	$0	$0	$2	**$1,314**
Brewery	0.79	-	-	$1,256	$140	$5,025	$0	$0	$558	$2,018	$0	$0	$224	**$9,222**	$105	$0	$0	$12	**$9,338**
UPPR - Multi User	2.01	-	-	$3,181	$353	$12,725	$0	$0	$1,414	$5,111	$0	$0	$568	**$23,353**	$265	$0	$0	$29	**$23,647**
Subtotal	**70.46**	-	-	**$111,673**	**$12,408**	**$446,692**	**$0**	**$0**	**$49,632**	**$179,423**	**$0**	**$0**	**$19,936**	**$819,765**	**$9,304**	**$0**	**$0**	**$1,034**	**$830,103**
TOTAL	**457.92**	**0.00**	**0.00**	**$725,818**	**$80,646**	**$2,903,271**	**$0**	**$0**	**$322,586**	**$1,166,161**	**$0**	**$0**	**$129,573**	**$9,836,345**	**$60,471**	**$0**	**$0**	**$6,719**	**$5,395,245**

"cost_alloc"

Table 12
City of Auburn
Sewer Enterprise Fund
Detailed Sewer Rate Calculation

2014-15

DRAFT

Customer Category	Number of Billing Units	Allocated Cost	Annual Cost Billing Unit	Monthly Cost Billing Unit Mo. Charge	Monthly Cost Basis of Charge
Residential					
Single Family	2,661	$2,139,913	$804.18	$67.01	per Unit
Multiple Dwelling	1,493	$852,455	$570.97	$47.58	per Unit
Duplex / Triplex / Condo / Townhome	617	$382,035	$619.18	$51.60	per Unit
Duplex/Triplex/Condo/Townhome W/2 Lift Station	31	$29,917	$965.06	$80.42	per Unit
Duplex/Triplex/Condo/Townhome W/1 Lift Stations	23	$18,312	$796.18	$66.35	per Unit
Multiple Dwelling W/ Lift Station	1	$796	$796.18	$66.35	per Unit
CDBG $13.00/Mo. Reduction	109	$69,090	$633.86	$52.82	per Unit
CDBG - Duplex /Triplex/Condo/ Townhome	15	$6,733	$448.86	$37.41	per Unit
CDBG 1SFD W/DISC 1SFD W/O DISC	1	$1,438	$1,438.03	$119.84	per Unit
CDBG $13.00-MO W/ 2 Lift Stations	2	$1,959	$979.61	$81.63	per Unit
CDBG $13.00-/MO W/Lift Station	6	$4,864	$810.73	$67.56	per Unit
CDBG 1 APT W/DISC	1	$401	$400.65	$33.39	per Unit
SFD W/2 Lift Stations	393	$451,922	$1,149.93	$95.83	per Unit
SFD with Sewer Lift Station	617	$605,307	$981.05	$81.75	per Unit
Subtotal - Residential	**5,970**	**$4,565,142**			
Non-Residential					
Auto Dealership	3.9	$620	$160.84	$13.40	per 1,000 SF
Bank/Financial Inst.	22.6	$5,451	$241.25	$20.10	per 1,000 SF
Bakery	10.3	$14,084	$1,367.10	$113.92	per 1,000 SF
Bar	8.6	$4,844	$562.92	$46.91	per 1,000 SF
Dry Cleaner	13.9	$19,062	$1,367.10	$113.92	per 1,000 SF
Hall, Lodge, Auditorium	11.6	$2,789	$241.25	$20.10	per 1,000 SF
Health Studio, Gym	10.8	$2,609	$241.25	$20.10	per 1,000 SF
Market w/Disposal Unit	37.4	$30,079	$804.18	$67.01	per 1,000 SF
Market w/o Disposal Unit	5.2	$839	$160.84	$13.40	per 1,000 SF
Medical/Dental Office	46.1	$14,827	$321.67	$26.81	per 1,000 SF
Business Office	169.3	$27,236	$160.84	$13.40	per 1,000 SF
Place of Workship	41.3	$6,644	$160.84	$13.40	per 1,000 SF
Public Agency	196.0	$94,562	$482.51	$40.21	per 1,000 SF
Mortuary	13.0	$13,591	$1,045.43	$87.12	per Slumber Room
Restaurant	272.5	$438,244	$1,608.35	$134.03	per 1,000 SF
Restaurant, Take-out Only	19.1	$26,131	$1,367.10	$113.92	per 1,000 SF
Retail	134.3	$21,593	$160.84	$13.40	per 1,000 SF
Warehouse	12.9	$1,035	$80.42	$6.70	per 1,000 SF
Used Car Lot	1.1	$177	$160.84	$13.40	per 10 fixtures
Car Wash	2.8	$1,576	$562.92	$46.91	per Stall
Barber/Beauty Shop	32.8	$5,275	$160.84	$13.40	per Chair
Hotel, Motel	42.6	$10,277	$241.25	$20.10	per Sleeping Room
Self Service Laundry	27.5	$11,057	$402.09	$33.51	per Machine
Garage	11.8	$949	$80.42	$6.70	per Bay
Rest Home/Boarding House	76.5	$18,456	$241.25	$20.10	per Bed
School	29.1	$23,442	$804.18	$67.01	per 100 Students
Service Station	4.4	$354	$80.42	$6.70	per Pump
Theatre	5.4	$1,314	$241.25	$20.10	per 100 Seats
Brewery	2.4	$9,338	$3,860.05	$321.67	per 1,000 SF
UPPR - Multi User [1]	29.4	$23,647	$804.18	$67.01	per EDU [1]
TOTAL		**$5,395,245**			

"rate_calc"

[1] Billed separately by the City and accounts for actual tenants and use.

Table A-1

SEWER PROGRAM PROJECTS

Budget Code	Project Name	ACTUALS Fiscal Year 2006/07	ACTUALS Fiscal Year 2007/08	ACTUALS Fiscal Year 2008/09	ACTUALS Fiscal Year 2009/10	ACTUALS Fiscal Year 2010/11	ACTUALS Fiscal Year 2011/12	ACTUALS Fiscal Year 2012/13	AVERAGES Fiscal Year 2006/07 - 2012/13	Budget - Fiscal Year 2013/14	Fiscal Year 2014/15	Fiscal Year 2015/16	Fiscal Year 2016/17	Fiscal Year 2017/18	Fiscal Year 2018/19	Fiscal Year 2019/20	Fiscal Year 2020/21	Fiscal Year 2021/22	Fiscal Year 2022/23	Fiscal Year 2023/24	Total Cost FY 2013/14 - 2023/24
b0302	Vehicles							$11,950	$11,950		$9,791										$9,791
b0303	Machinery & Equipment	$9,242	$12,212	$3,052	$35,361	$87,827	$9,841	$130,038	$42,213	$45,000	$48,000	$50,000	$52,000	$54,000	$56,000	$58,000	$60,000	$62,000	$64,000	$66,000	$615,000
b0800	Computer Equipment	$3,024	$3,712	$6,498	$6,674	$4,000	$1,603	$601	$3,559	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$55,000
b1312	TV Van Replacement							$147,311	$147,311							$200,000					$200,000
b3603	Vactor Truck	$294,186							$294,186			$100,000									$100,000
b3604	Hydro Jet Unit	$37,735							$37,735				$40,000								$40,000
b3702	WWTP Upgrade Project		$69,971	$403,597	$3,816,861	$2,195,307	$955,575	$13,560	$1,492,145												$0
b3704	Falcons Point Lift Station		$0	$47,144	$8,997	$457,048	$805		$102,798												$0
b3853	Stream Flow Gauge	$11,775	$6,815	$6,729	$8,443	$4,944	$7,607	$5,086	$6,066	$10,000	$10,000	$10,200	$10,400	$10,600	$10,800	$11,000	$11,200	$11,400	$11,600	$11,800	$119,000
b3856	Auburn Ravine Stream Sampling					$0	$873	$9,399	$2,989			$50,000	$150,000								$200,000
b3871	Old WWTP Security/Demolition		$272		$234			$0	$230												$0
b3894	Village of Fulweiler Sewer	$128,087	$20,458	$46,326	$11,232	$8,195	$32,560	$10,327	$36,742	$20,000	$20,000	$20,800	$21,500	$22,400	$23,300	$24,200	$25,000	$26,000	$27,000	$28,000	$254,200
b3895	Lift Station Repairs/Upgrades				$21,387				$21,387												$0
b3896	WWTP Solar Project								$268,523												$0
b3897	Canyon Court Lift Station	$299,017	$25,149	$1,412					$108,526												$0
b3898	N. McDaniel/Skyridge Sewer	$3,868	$107,264	$8,705					$39,946	$550,000	$700,000	$728,000	$760,000	$790,000	$825,000	$858,000	$892,000	$927,000	$964,000	$1,000,000	$8,994,000
b3899	Emergency Sewer Repairs	$531,008	$701,060	$623,475	$446,380	$349,766	$891,077	$916,306	$635,582	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$110,000
b3901	Sewer Map Updates	$9,246	$2,861	$6,008	$820	$4,975	$773	$0	$3,497												$0
b3902	Prospector Hill Sewer Projects	$1,403	$333	$9,094					$3,010	$50,000	$50,000	$57,000	$54,000	$55,000	$59,000	$60,000	$67,000	$64,000	$66,000	$68,000	$640,000
b3903	WWTP Repairs/Upgrades	$53,085	$192,219	$129,215	$44,172	$13,674	$29,466	$107,600	$80,927												$0
b3910	WWTP SCADA System	$9,758							$9,758	$10,000	$10,000	$10,500	$10,900	$11,300	$11,700	$12,100	$12,500	$13,000	$13,500	$14,000	$129,000
b3913	Granite Ditches	$16,179	$3,570	$3,077	$0	$0	$18,025	$41,224	$11,725		$50,000						$10,000	$50,000			$110,000
b3914	NPDES Permit Compliance	$1,939	$5,886	$917	$2,934	$27,114	$741	$445	$5,011												$0
b3917	Canyon Court/Foresthill Sewer			$393					$393												$0
b4004	SSMP Updates						$0	$0	$0	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$110,000
b4006	Oxidation Ditch - NPDES - Advanced Oxidation Process - Ditch (New Nitri/ Denitr Oxidation Ditch)							$14,460	$14,460	$300,000	$1,100,000	$2,200,000	$3,400,000								$6,900,000
b4007	Aeration Improvements							$31,678	$31,678		$25,000										$25,000
b4008	RFP - Operations to WWTP							$0	$0	$60,000	$10,000										$70,000
b4009	Source Control Program						$1,246	$10,909	$6,077	$20,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$270,000
b4010	I & I Reduction Program							$0	$0	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$165,000
b4011 & b7012	Montreola Lift Station							$9,215	$9,215	$50,000		$650,000									$700,000
b4012	Vista de Vall Lift Station							$9,430	$9,430							$150,000	$450,000				$600,000
b5001	Back Flow Preventer Device		$2,912			$22			$2,467												$0
b5004	WWTP Line Pond 1A	$485,947							$485,947												$0
b5008	Upper Vantage Oaks Lift Station	$15,469	$70,161	$459,490	$680,134	$46,067	$7,933		$205,076												$0
b5009	Lower Vantage Oaks Lift Station	$6,713					$284		$3,472												$0
b6003	Vactor Truck Repower			$31,407	$22,232	$185			$17,941												$0
b7010	Belt Press Improvements						$6,109	$38,307	$22,204	$10,000	$15,000		$200,000								$225,000
b7011	Electric Sewer Collections Project							$85,465	$85,465		$100,000										$600,000
b7013	Auburn Oaks Lift Station					$25,261	$60,678	$532,936	$206,791					$250,000	$250,000						$0
b9999	IT Efficiency Solution							$4,901	$4,901												$0
NEW	Utility Billing Software										$75,000										$75,000
NEW	Collection System Computer/ Software Upgrades									$10,000	$10,000	$50,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$150,000
NEW	Diamond Ridge Lift Station											$75,000	$425,000	$400,000							$900,000
NEW	Maidu Lift Station													$150,000	$200,000						$850,000
NEW	Southridge Lift Station														$100,000	$200,000					$300,000
Include with Machinery?	Towable Air Compressor											$20,000									$20,000
Include with Vehicles?	Utility Vehicle										$50,000		$50,000				$65,000				$165,000
NEW	Groundwater Monitoring Wells											$100,000									$100,000
NEW	NPDES - Advanced Oxidation Process												$15,000								$15,000
Delete?	NPDES - New Outfall Diffuser (Study/ Design/ Const)									$50,000											$50,000
Include with NPDES Compliance?	NPDES - Report of Waste Discharge for 2015 Permit										$100,000	$100,000									$200,000
NEW	Pond 1B Lift Station											$400,000									$300,000
Include with Machinery?	Tractor/Mower										$50,000										$50,000
NEW	WWTP Pond Improvements										$50,000	$50,000	$50,000								$150,000
NEW	Regional Sewer Project									$300,000	$4,600,000										$4,900,000
	Sum Total Sewer Program	$1,917,582	$1,174,797	$1,827,328	$5,111,281	$3,213,484	$1,199,664	$2,116,105		$1,525,000	$6,147,791	$4,931,500	$5,213,800	$1,819,300	$2,109,800	$1,648,300	$1,662,700	$1,278,400	$1,221,100	$1,262,800	$28,685,700

SEWER PROGRAM PROJECTS GRAND TOTAL

Attachment C

CITY OF AUBURN

Final Sewer Rate & Fee Analysis

April 23, 2007

Prepared for:

City of Auburn
1225 Lincoln Way
Auburn, California 95603

Prepared by:

ECO:LOGIC Engineering
AUBR07 001

ECO:LOGIC

Consulting Engineers

Contents

City of Auburn Sewer Rate & Fee Analysis

1 OVERVIEW 1-1

2 CAPITAL IMPROVEMENT PROGRAM 2-1
2.1 Existing Facilities 2-1
2.2 Planned Facility Upgrades 2-1

3 SEWER RATE ANALYSIS & FINANCING PLAN 3-1
3.1 Sewer Rate Analysis 3-1
3.1.1 Historical and Budgeted Revenues 3-1
3.1.2 Sewer Customers 3-3
3.1.3 Projected Revenues and Expenses 3-5
3.2 Projected Rate Impact 3-7

4 SEWER DEVELOPMENT IMPACT FEE 4-1

APPENDICES

A Sewer Rate Model, Scenario 1 -2007-08
B Sewer Customers & EDU Factors
C Projected Costs and Allocation Detail
D Sewer Lift Station Cost Allocation

TABLES

Table 2-1 Capital Project Summary with City of Auburn Upgrades to WWTP 2-3
Table 3-1 Summary of Revenues and Expenses 3-2
Table 3-2 Summary of Sewer Customers 3-4
Table 3-3 Summary of Projected Expenses through 2011-12 – Scenario 1 3-6
Table 3-4 Summary of Financing Assumptions and Debt Service Calculation 3-6
Table 3-5 Summary of Rate Impact for 2007-08 3-7
Table 3-6 Cash Flow Summary – Full Project Cost Financed 3-9
Table 3-7 Cash Flow Summary – Assuming $1 M in Reserves Applied to Project Cost 3-10
Table 3-8 Cash Flow Summary – Assuming $2M in Reserves Applied to Project Cost 3-11
Table 3-9 Rate Summary – Current vs. Calculated Rates 3-12
Table 3-9 Continued Rate Summary – Current vs. Calculated Rates 3-13
Table 4-1 Calculated Sewer Fee for Treatment Only 4-1
Table 4-2 Revised Sewer Connection Fee per EDU 4-2
Table 4-3 EDU Factors by Type of Development 4-3

Section 1

Overview

The City of Auburn (the City) currently provides sewer collection and treatment for approximately 4,934 parcels. The City currently bills its charges for this service on the annual property tax bill, where it is collected along with the property tax against parcels in the City. Of these parcels, approximately 4,327 are residential customers, and the remaining 607 are commercial/non-residential parcels.

The City is currently planning significant improvements to its wastewater treatment facilities. The City's NPDES permit (CA0077712, adopted March 2005) requires that the WWTP must be upgraded to reduce effluent nitrogen levels and eliminate disinfection byproducts by December 2009. Other trace pollutants must also be reduced through source control measures. These sewer facility upgrades represent significant costs to this small foothill community. The existing sewer rates will need to be increased in order to support financing of these projects.

The City requested that ECO:LOGIC Engineering analyze the existing rates and recommend updated rates to support the necessary capital improvement program while at the same time maintaining efficient operation and maintenance of the City. This Report summarizes the analysis and findings.

The sewer rates were last updated in 1995. The rate per single family unit is $35.00 per dwelling unit. In 2001, the rate structure was modified somewhat, in that any residential unit that wasn't a single family unit was to be considered a multiple dwelling unit. This resulted in a rate reduction for duplexes, triplexes, and condos as they were changed over to the same rate as a multi-family unit or apartment.

This rate analysis recommends that duplexes, triplexes, and condos be separated into their own customer category. Rather than two general categories of residential users, single family and multiple dwellings, it is recommended that there be three general categories:

- Single Family
- Duplex, Triplex, and Condo
- Multi-Family (Apartment)

This rate structure is similar to that of Placer County and recognizes that duplexes, triplexes, and condos typically have more people per household than an apartment but less than a single family dwelling unit.

Other than this proposed change to the rate structure, there are no other proposed changes to the rate structure at this time.

Section 2

Capital Improvement Program

2.1 EXISTING FACILITIES

The City's wastewater treatment process has evolved with changing wastewater regulations and policies. As the treatment process exists today, it consists of six major components (and the associated ancillary facilities):

- A nitrifying activated sludge treatment process (oxidation ditch and associated secondary clarifiers) with a wastewater treatment capacity of 1.67 MGD.
- A four-cell, 3.4 MG aerated treatment pond system with 90 HP of aeration equipment designed 1) to serve as influent flow equalization before going to the oxidation ditch, and 2) to provide initial treatment to large flows of dilute wastewater (resulting from infiltration and inflows) that will be treated in the overall 33 MG aerated and non-aerated pond treatment system that can operate in parallel with the oxidation ditch.
- 5.3 MGD of effluent tertiary filter capacity.
- 136,000 gallon chlorine contact basin capable of providing approximately 2 hours of contact time at design average flows.
- 30 MG of non-aerated wastewater ponds that can be used for 1) long-term storage of large volumes of influent, and 2) additional treatment of effluent leaving the aerated treatment pond system.
- A belt filter press facility that is used to dewater waste sludge that is then trucked offsite to a landfill.

The facility is able to meet the effluent limitations contained in its current NPDES permit. However, in addition to the current requirements set by the permit, the permit contains several new effluent limits and an associated compliance schedule that will require several upgrades to the existing facilities.

2.2 PLANNED FACILITY UPGRADES

The City of Auburn's renewed NPDES permit contains several new effluent limitations that must be met by December 2009. These new limits will require upgrades to the City's wastewater treatment plant to include denitrification facilities and to replace chlorine disinfection facilities with ultraviolet (UV) light disinfection. The following project elements have been identified:

- Construction of a complete UV disinfection system in compliance with State requirements.
- Upgrading the plant electrical system to power the UV disinfection system with the provision of onsite backup power generation.
- Construction of a new building to house the motor control center and PLCs if insufficient space exists within the filter control building
- Modification of the existing hypochlorite system for process cleaning.
- Enhancements to the existing oxidation ditch aeration system to optimize denitrification
- Provisions for a methanol feed system for denitrification within the filters.
- Other miscellaneous improvements determined during design activities to improve system reliability.

In addition to the WWTP facility improvements, the California State Water Resources Control Board (SWRCB) recently approved new Sanitary Sewer Overflow (SSO) regulations In an effort to reduce and prevent as well as mitigate any potential SSOs, the City will be required to develop and implement a Sanitary Sewer Management Plan (SSMP) to comply with these new regulations. The full cost implications of these regulations are not known at this time, but the City has budgeted for additional monitoring and studies to meet the near-term SSMP requirements.

Table 2-1 provides a summary of the current and projected capital improvement program (CIP) planned by the City. The on-going CIP improvements for 2006-07 are planned to be funded out of existing sewer fund reserves. After 2006-07, the expenses in the on-going CIP category are budgeted for in the projected rate calculations that are discussed in more detail below.

The WWTP Upgrade improvements will most likely be funded by the City through a revenue bond. The project cost is currently estimated at $11,745,000 and this reflects a planning estimate only. The costs will be further refined as the project moves into the design stage and ultimately when it is bid and constructed.

Table 2-1
Capital Project Summary - With City of Auburn Upgrades to WWTP

Description	Actual 2004-05	Actual 2005-06	Budgeted 2006-07	Projected 2007-08	Projected 2008-09	Projected 2009-10	Projected 2010-11	Total 04-05 to 10-11	Included in Financing	% Allocated to Existing	% Allocated to New	Cost Allocated to Existing	Cost Allocated to New
On-Going CIP Improvement Projects													
Machinery & Equipment	$1,493	$2,771	$25,000	$100,000	$105,000	$110,250	$115,763	$460,277				$0	$0
Steam Flow Gauge	$9,388	$260	$0					$9,648				$0	$0
Auburn Ravine Sampling	$1,958	$0	$2,000					$3,958				$0	$0
Stream Sampling for WWTP	$96	$0	$0					$96				$0	$0
BIOASSAY Testing WWTP	$235	$0	$0					$235				$0	$0
Village Lane/Fulweiler Sewer	$0	$399	$0					$399				$0	$0
Lift Station Repairs	($204)	$114,431	$100,000	$250,000	$262,500	$275,625	$289,406	$1,291,758				$0	$0
Canyon Court/Foresthill Ave.	$903	$19,283	$215,000					$235,186				$0	$0
North McDaniel/Skyridge Sewer	$0	$30,089	$10,000					$40,089				$0	$0
Emergency Sewer Repair Projects	$200,038	$290,905	$300,000	$250,000	$262,500	$275,625	$289,406	$1,868,474				$0	$0
Sewer Map Updates	$23,708	$2,687	$50,000					$76,395				$0	$0
Prospector Hill Sewer Projects	$0	$7,626	$15,000					$22,626				$0	$0
WWTP Repairs/Projects	$20,325	$124,695	$200,000					$345,020				$0	$0
Collection Systems TV Equipment	$144	$0	$0					$144				$0	$0
Roble Point Sewer Repair	$0	$0	$50,000					$50,000				$0	$0
WWTP SCADA System	$0	$26,671	$20,000					$46,671				$0	$0
Gunite Ditch -WWTP	$0	$651	$10,000					$10,651				$0	$0
NPDES Permit Renewal	$4,074	$7,380	$0					$11,454				$0	$0
Back Flow Preventer Device	$0	$4,114	$5,000					$9,114				$0	$0
Televising Van	$0	$0	$0					$0				$0	$0
WWTP Line Ponds 1A & 4	$0	$47,495	$600,000					$647,495				$0	$0
WWTP Additional Storage	$0	$0	$10,000					$10,000				$0	$0
Develop Source Control Program	$0	$1,972	$40,000					$41,972				$0	$0
Upper Vintage Oaks Liftstation	$0	$98,528	$500,000					$598,528				$0	$0
Lower Vintage Oaks Liftstation	$0	$12,882	$0					$12,882				$0	$0
Thermal Impact Study	$0	$978	$0					$978				$0	$0
Ultraviolet Disinfection	$0	$0	$50,000					$50,000	$50,000	82%	18%	$40,909	$9,091
Vactor Truck	$0	$0	$350,000					$350,000				$0	$0
Hydro Jet Unit	$0	$0	$40,000					$40,000				$0	$0
Subtotal	$260,665	$789,046	$2,692,000	$600,000	$630,000	$661,500	$694,575	$5,771,774	$50,000			$40,909	$9,091
WWTP Upgrade													
Development of an SSES Program				$200,000	$50,000	$50,000	$50,000	$350,000	$350,000	82%	18%	$286,364	$63,636
Trace Pollutant Studies/ Public Education				$100,000	$100,000	$100,000	$20,000	$320,000	$320,000	82%	18%	$261,818	$58,182
PreDesign of WWTP Upgrades			$50,000	$150,000				$200,000	$200,000	82%	18%	$163,636	$36,364
Design of WWTP Upgrades				$800,000				$800,000	$800,000	82%	18%	$654,545	$145,455
Planning (CEQA/ Financing) for WWTP Upgrades				$25,000				$25,000	$25,000	82%	18%	$20,455	$4,545
Construction									$0				
Chemical Feed and Storage Facilities					$600,000			$600,000	$600,000	82%	18%	$490,909	$109,091
Denitrification Facilities					$200,000			$200,000	$200,000	82%	18%	$163,636	$36,364
UV Disinfection Facilities				$1,000,000	$6,000,000			$7,000,000	$7,000,000	82%	18%	$5,727,273	$1,272,727
Membrane Filtration								$0	$0	82%	18%	$0	$0
Allowance for Unknown Projects				$500,000	$1,000,000			$1,500,000	$1,500,000	82%	18%	$1,227,273	$272,727
Construction Services (Eng Services, CM, Inspection)				$100,000	$600,000			$700,000	$700,000	82%	18%	$572,727	$127,273
Subtotal	$0	$0	$50,000	$2,875,000	$8,560,000	$150,000	$70,000	$11,695,000	$11,695,000			$9,568,636	$2,126,364
TOTAL	$260,665	$789,046	$2,817,000	$3,375,000	$9,075,000	$701,250	$648,813	$17,927,050	$11,745,000	82%	18%	$9,609,545	$2,135,455

Attachment C

Section 3

Sewer Rate Analysis & Financing Plan

3.1 SEWER RATE ANALYSIS

The calculated sewer rates are based on a systematic analysis of the sewer contribution made by various land uses and the costs required to collect and treat sewer influent. In the case of City of Auburn, which is a small community, only assumed wastewater flow is used to determine the relative impact each customer has on the sewer system.

The sewer rate model allocates both current and projected costs to the various customer categories based on their relative contribution to the sewer system influent (based on flow only). The allocation of costs between customer categories is based on existing sewer rate or use factors used by the City of Auburn.

Sewer expenditures include the following categories:

- Administrative Expenses
- Materials and Services
- Contract Operations
- Capital Projects/Facility Replacement
- Capital Outlay
- Expenditure Reimbursement (GF-Admin.)
- Additional Costs due to Local Project
- Debt Service

Once the costs are allocated to the various customer categories, rates are determined by dividing the allocated costs by the number of users/accounts in each category or classification. A more detailed description follows.

The following discussion provides an overview and or summary of the rate analysis. The model tables for fiscal year 2007-08 are included in **Appendix A**.

3.1.1 HISTORICAL AND BUDGETED REVENUES

Table 3-1 shows the actual and or estimated revenues and expenses for 1999-00 through 2005-06, as well as the budgeted revenues and expense for 2006-07.

Table 3-1
Summary of Revenues and Expenses

	Fiscal Year Ended June 30								
	Actual						Estimated	Budgeted	% Change
	2000	2001	2002	2003	2004	2005	2006	2007	2002-2007
REVENUES									
Sewer Service Charges	$2,703,670	$2,628,824	$2,472,123	$2,481,455	$2,668,627	$2,471,822	$2,500,000	$2,500,000	0.22%
Sewer Connection Fees	$102,611	$94,007	$121,181	$269,649	$270,045	$301,682	$260,028	$265,000	16.94%
Sewer Development Fees	$175,380	$107,154	$165,801	$231,504	$2,987	$0	$7,800	$0	(100.00%)
Interest Income	$140,184	$198,301	$111,159	$164,203	$49,289	$86,398	$100,000	$115,000	0.68%
Other Revenues	$109,315	$430,272	$0	$0	$0	$0	$62,494	$0	
Debt Proceeds	$1,532,782	$1,178,736	$0	$0	$0	$0	$0	$0	
Subtotal Revenues	**$4,763,942**	**$4,637,294**	**$2,870,264**	**$3,146,811**	**$2,990,948**	**$2,859,902**	**$2,930,322**	**$2,880,000**	**0.07%**
EXPENSES									
Operating Expenses									
Administrative Expenses	$46,576	$50,037	$47,688	$80,560	$118,698	$133,689	$170,377	$164,911	28.16%
Materials and Services	$74,210	$109,891	$75,844	$182,899	$160,534	$110,012	$212,168	$469,600	44.00%
Contract Operations	$1,089,712	$1,079,367	$1,229,972	$1,298,744	$1,360,895	$1,353,387	$1,446,127	$1,612,571	5.57%
Capital Projects	$3,818,423	$1,573,704	$169,368	$640,623	$355,075	$260,665	$621,787		
Capital Outlay	$92,166	$19,225	$0	$11,714	$13,512	$1,493	$5,000	$25,000	
Expenditure Reimburse (GF-Admin.	$22,143	$21,679	$19,544	$25,136	$26,849	$133,120	$66,479	$87,208	34.87%
Subtotal Expenses	**$5,143,230**	**$2,853,903**	**$1,542,416**	**$2,239,676**	**$2,035,563**	**$1,992,366**	**$2,521,938**	**$2,359,290**	**8.87%**
Net Operating Revenues	**($379,288)**	**$1,783,391**	**$1,327,848**	**$907,135**	**$955,385**	**$867,536**	**$408,384**	**$520,710**	**(17.07%)**
Debt Service									
Current Debt Service [1]	$277,719	$277,719	$2,114,876	$284,348	$282,234	$284,663	$282,234	$284,348	
Subtotal Debt Service	**$277,719**	**$277,719**	**$2,114,876**	**$284,348**	**$282,234**	**$284,663**	**$282,234**	**$284,348**	
Debt Coverage Ratio	*(1.37)*	*6.42*	*0.63*	*3.19*	*3.39*	*3.05*	*1.45*	*1.83*	
Non-Operating Expenses									
General Reserve (8%)	$128,202	$124,633	$279,034	$150,672	$157,018	$180,482	$180,485	$205,117	(5.97%)
Subtotal	**$128,202**	**$124,633**	**$279,034**	**$150,672**	**$157,018**	**$180,482**	**$180,485**	**$205,117**	**(5.97%)**
Subtotal Expenses	**$5,549,151**	**$3,256,255**	**$3,936,326**	**$2,674,696**	**$2,474,815**	**$2,457,511**	**$2,984,657**	**$2,848,755**	**(6.26%)**
Net Op. Rev after D/S	**($785,209)**	**$1,381,039**	**($1,066,062)**	**$472,115**	**$516,133**	**$402,391**	**($54,335)**	**$31,245**	
Depreciation							$316,801	$316,801	

"hist_budget"

Source: City of Auburn

[1] Current debt service is for an existing SRF loan for past sewer treatment improvements. The loan will be fully repaid in 2019-20.

3.1.2 SEWER CUSTOMERS

Table 3-2 summarizes the sewer customers, both residential and commercial. The City bills its sewer service charge annually with the property tax assessment rolls. Table 3-2 shows both the parcel count for residential and non-residential users, but also the "billing units." The City charges residential parcels on a per unit basis. However, the basis for charge for non-residential uses varies from a per square foot (sqft) basis, to students, to chairs, etc. This information is summarized in Table 3-2.

The assumed flow per user is also shown in Table 3-2. The flow factors are based on the current sewer use factors used by the City. These factors were determined as part of a previous rate analysis and no change is proposed in these assumptions as part of this study.

A single family unit is considered one equivalent dwelling unit (EDU). The flow assumed for a single family unit is 187 gallons per day (gpd), which is based on an assumed use of 85 gallons per person and there being on average 2.2 people per household in the City of Auburn. For the other billing categories, the EDU factor is multiplied times the single family unit flow (gpd) to determine each categories assumed respective sewer use. There are an estimated 6,852 total EDUs based on flow only.

It should be clarified that in the case of residential units with sewer lift stations, the EDU factor is not necessarily representative of flow, but rather a function of the way the parcel is charged. The EDU factors have been adjusted, not based on flow, but on the ratio these units pay monthly relative to a single family unit or one EDU. Appendix D provides further explanation of the additional allocated costs to sewer lift stations.

There are a total of 4,327 residential parcels representing approximately 5,637 residential units. There are a total of 607 non-residential parcels.

This rate analysis recommends that duplexes, triplexes, and condos be separated into their customer category. Rather than two general categories of residential users, single family and multiple dwellings, it is recommended that there be three general categories:

- Single Family
- Duplex, Triplex, Condo, and Townhome
- Multi-Family (Apartment)

This rate structure is similar to that of Placer County and recognizes that duplexes, triplexes, and condos typically have more people per household than an apartment but less than a single family dwelling unit.

Table 3-2
Summary of Wastewater User Characteristics

Customer Category	Basis of Charge	Parcel Units/ Accounts	Billing Units	EDU Factor	Wastewater Characteristics [1] ADWF/User GPD	Existing Treatment Capacity Flow MGD	Total Annual Capacity Flow MG
		(A)			(B)	(E)=(A)x(B)	(K)=(E)x365
Residential							
Single Family	per Unit	2,985	3,073	1.00	187	0.5747	209.77
Single Family w/1 Sewer Lift Stat. [2]	per Unit	447	448	1.22	227	0.1018	37.17
Single Family w/2 Sewer Lift Stat. [2]	per Unit	511	511	1.43	268	0.1368	49.92
Single Family w/3 Sewer Lift Stat. [2]	per Unit	61	61	1.65	308	0.0188	6.86
Subtotal - Single Family		4,004	4,093			0.8321	303.71
Duplex/Triplex/Condo	per Unit	-	315	0.77	144	0.0454	16.58
Multi-Family (Flat fee per Unit)	per Unit	322	1,226	0.71	134	0.1630	59.73
Multi-Family (Sewer Lift Station) [2]	per Unit	1	3	0.89	184	0.0006	0.20
Subtotal - Multi-Family		323	1,544			0.2096	76.51
Non-Residential							
Auto Dealership	per 1,000 SF	3	32	0.20	37	0.0012	0.43
Bank/Financial Inst.	per 1,000 SF	11	80	0.30	56	0.0045	1.63
Bakery	per 1,000 SF	5	6	1.70	318	0.0020	0.72
Bar	per 1,000 SF	7	16	0.70	131	0.0020	0.74
Dry Cleaner	per 1,000 SF	3	5	1.70	318	0.0015	0.53
Hall, Lodge, Auditorium	per 1,000 SF	6	51	0.30	56	0.0029	1.04
Health Studio, Gym	per 1,000 SF	3	13	0.30	56	0.0007	0.27
Market w/Disposal Unit	per 1,000 SF	2	34	1.00	187	0.0064	2.34
Market w/o Disposal Unit	per 1,000 SF	2	28	0.20	37	0.0010	0.36
Medical/Dental Office	per 1,000 SF	41	117	0.40	75	0.0087	3.19
Business Office	per 1,000 SF	184	1,388	0.20	37	0.0519	18.94
Place of Workship	per 1,000 SF	15	134	0.20	37	0.0050	1.83
Public Agency	per 1,000 SF	9	149	0.60	112	0.0167	6.10
Mortuary	per Slumber Room	2	10	1.30	243	0.0024	0.89
Restaurant	per 1,000 SF	38	81	2.50	468	0.0381	13.90
Restaurant, Take-out Only	per 1,000 SF	11	14	2.00	374	0.0053	1.94
Retail	per 1,000 SF	158	1,103	0.20	37	0.0413	15.08
Warehouse	per 1,000 SF	14	147	0.10	19	0.0027	1.00
Used Car Lot	per 10 fixtures	2	10	0.20	37	0.0004	0.14
Car Wash	per Stall	1	4	0.70	131	0.0005	0.18
Barber/Beauty Shop	per Chair	32	184	0.20	37	0.0069	2.51
Bowling Alley	per Lane	-	-	0.40	75	0.0000	0.00
Hotel, Motel	per Sleeping Room	5	139	0.30	56	0.0078	2.85
Self Service Laundry	per Machine	3	84	0.50	94	0.0079	2.87
Garage	per Bay	27	288	0.10	19	0.0053	1.95
Rest Home/Boarding House	per Bed	3	124	0.30	56	0.0070	2.54
School	per 100 Students	7	34	1.00	187	0.0064	2.34
Service Station	per Pump	11	110	0.10	19	0.0021	0.75
Theatre	per 100 Seats	2	20	0.30	56	0.0011	0.41
Brewery	per 1,000 SF	-	-	4.80	898	0.0000	0.00
Subtotal Non-Residential		607	4,401			0.2396	87.46
SUBTOTAL		4,934	10,038			1.2813	467.68
Infiltration/Inflow						0.1370	50.0
TOTAL						1.4183	517.69
Estimated EDUs (based on Flow & Sewer Lift Charge)			6,852				

"user_characteristics"

(1) Only flow is considered in this rate analysis. This is typical for smaller cities.
(2) The EDU and flow factor for units requiring use of sewer lift stations is increased to account for additional costs related to operating and maintaining the sewer lift station. See Tables D-1 and D-2 for details.

Other than this proposed change to the rate structure, there are no other proposed changes to the rate structure at this time (i.e., no proposed changes to the flow/EDU factors for non-residential users).

3.1.3 Projected Revenues and Expenses

In the rate analysis, or revenue model, the expenses are projected based off of budgeted expenses for 2006-07. Expenses are projected through 2011-12 as shown in Table 3-3. More detailed tables that also show how these costs are allocated to treatment and collection are provided in Appendix C. The costs are projected based on the following percentages:

- Administrative Expenses 7.0%
- Materials and Services 5.0%
- Contract Operations 5.0%
- Capital Projects/Facility Replacement 5.0%
- Capital Outlay 5.0%
- Expenditure Reimburse (GF-Admin.) 5.0%
- Additional Costs due to Local Project 5.0%

Included in the expenses is an assumption for debt service. There are three scenarios assumed in the debt service calculation as shown in Table 3-4. The main difference between the scenarios is the assumed use of existing fund reserves applied to the project cost thereby reducing the amount of the project costs to be borrowed. Scenario 1 assumes no use of reserve funds, Scenario 2 assumes $1,000,000 in reserve funds, and Scenario 3 assumes $2,000,000 in reserve funds. The financing terms that are assumed are the same for each scenario.

It should be noted that the financing assumptions, such as the interest rate and term, are only assumptions. Actual financing terms will be determined by the lender at the time of financing and will be based on market conditions at that point in time.

The projected expenses also include a revenue offset line item. The rate analysis assumes that the City will have a minimum of 25 new EDUs of development each year and that they will pay a sewer connection fee. The revenue offset assumes that the City transfers the sewer treatment portion of the fee to the sewer operating fund to go towards new development's share of debt service on the project. Chapter 4 discusses the fee assumptions in greater detail.

Table 3-3
Summary of Projected Expenses through 2011-12 – Scenario 1

	Budgeted	Projected				
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Administrative Expenses	$164,911	$176,455	$188,807	$202,023	$216,165	$231,296
Materials and Services	$469,600	$493,080	$517,734	$543,621	$570,802	$599,342
Contract Operations	$1,612,571	$1,693,200	$1,777,860	$1,866,753	$1,960,090	$2,058,095
Capital Projects/Facility Replacement	$0	$600,000	$630,000	$661,500	$694,575	$729,304
Capital Outlay	$25,000	$26,250	$27,563	$28,941	$30,388	$31,907
Expenditure Reimburse (GF-Admin.)	$87,208	$91,568	$96,147	$100,954	$106,002	$111,302
Additional Costs due to Local Project	$0	$50,000	$52,500	$55,125	$57,881	$60,775
Subtotal	$2,359,290	$3,130,553	$3,290,609	$3,458,916	$3,635,902	$3,822,021
Current Debt Service	$284,348	$284,348	$284,348	$284,348	$284,348	$284,348
Additional Debt Service	$0	$826,000	$826,000	$826,000	$826,000	$826,000
General Reserve	$180,485	$310,252	$335,190	$331,323	$318,777	$317,653
Capital Reserve for Regional Project	$0	$0	$0	$0	$0	$0
Total	$2,824,123	$4,551,153	$4,736,148	$4,900,587	$5,065,027	$5,250,022
Credit/Offset for Other Revenues (Fee Revenue)	$0	($70,171)	($70,171)	($70,171)	($70,171)	($70,171)
Adjusted Total	$2,824,123	$4,480,982	$4,665,976	$4,830,416	$4,994,856	$5,179,850
Percent Increase		58.7%	4.1%	3.5%	3.4%	3.7%

Table 3-4
Summary of Financing Assumptions and Debt Service Calculation

		Estimated Bond Sizing		
Item	Assumptions	Scenario 1 No Use of Capital Reserves	Scenario 2 $1 Million In Cap. Res. Used	Scenario 3 $2 Million In Cap. Res. Used
Total Loan/Bonds				
Total Estimated Project Costs		$11,745,000	$11,745,000	$11,745,000
Less Reserves on Hand		$0	($1,000,000)	($2,000,000)
Proceeds		$11,745,000	$10,745,000	$9,745,000
Capitalized Interest	*0 Months*	$0	$0	$0
Issuance Costs	*4.0%*	$469,800	$429,800	$389,800
Bond Reserve Fund/WCRF		$826,000	$756,000	$685,000
Loan/Bond Size		$13,040,800	$11,930,800	$10,819,800
Adjustment for Rounding		*$19,200*	*$17,200*	*$16,200*
Total Loan/Bond Size		$13,060,000	$11,948,000	$10,836,000
Annual Costs				
Estimated Gross Debt Service		$825,515	$755,227	$684,938
Estimated Gross Debt Service - Rounded		***$826,000***	***$756,000***	***$685,000***
Assumptions [1]				
Interest Rate		4.75%	4.75%	4.75%
Term		30 Years	30 Years	30 Years
Bond Load Factor		1.1120	1.1120	1.1120

[1] Bond issuance assumptions are estimates only. Actual bond pricing will be determined based on market conditions at the time of bond issuance.

3.2 PROJECTED RATE IMPACT

Table 3-5 below summarizes the projected rate impact for 2007-08. The additional debt service from the capital improvement projects significantly impacts the rate needed to support the City. As shown on Table 3-5 the additional debt service adds another $8.33 to $10.05 per EDU in revenue needs (depending on whether the City uses existing reserves to fund part of the project or not).

In addition to the new debt service, there are increased operations and maintenance costs (O&M), which represents about an average of 4 percent cost increase per year. It was also assumed that the City would have on-going facility replacement needs for existing infrastructure (e.g., collection system, sewer lift stations, etc.). The model assumes approximately $600,000 in these types of expenses in 2007-08, which adds approximately $4.50 per month per EDU. It should be noted that this expense line item is intended to encompass annual depreciation as well.

Table 3-5
Summary of Rate Impact for 2007-08

	Estimated Cost		
Item	Full Cost Financing	With $1 M Reserves Applied to Prj. Cost	With $2 M Reserves Applied to Prj. Cost
WWTP Facility Upgrade Project	$11,745,000	$10,745,000	$9,745,000
Additional Financing Costs	$1,315,000	$1,203,000	$1,091,000
Subtotal Costs	**$13,060,000**	**$11,948,000**	**$10,836,000**
Estimated New Debt Service	$826,000	$756,000	$685,000
Total Estimated EDUs	6,852	6,852	6,852
Annual Cost per EDU	**$120.55**	**$110.34**	**$99.97**
Monthly Cost per EDU	**$10.05**	**$9.19**	**$8.33**
Current Cost per EDU	$35.00	$35.00	$35.00
Estimated Cost per EDU	**$45.05**	**$44.19**	**$43.33**
Additional Est. Projected Rate Impact (2007-08)			
O&M Cost Increase	$1.49	$1.49	$1.49
Capital Projects/Facility Replacement	$4.50	$4.50	$4.50
General Reserve for Debt Service Coverage	$3.46	$3.22	$3.18
Subtotal	**$9.45**	**$9.21**	**$9.17**
Total Estimated Cost per EDU FY2007-08	**$54.50**	**$53.40**	**$52.50**
Difference (cost per month per EDU)		*$1.10*	*$2.00*

The final rate component impact is one of providing adequate debt service coverage for purposes of meeting projected financing requirements. Lenders almost always include a debt service coverage covenant in loan or bond documents that require the borrower to set rates at a high enough level that net revenues will cover debt service by some factor ranging from as low as 1.10

times to as high as 1.60 times, depending on the credit quality of the borrower. The rate model has assumed a coverage ratio of at least 1.2 times (and 1.1 times excluding development impact fee revenue. These are only assumptions at this time, the actual coverage requirements will be determined at the time of financing.

Overall, it is projected that the minimum monthly rate per EDU would need to be increased from $35.00 to $54.50 as shown in the cash flow projection in Table 3-6 (Scenario 1), to $53.40 in Table 3-7 (Scenario 2), or to $52.50 in Table 3-8 (Scenario 3).

Table 3-9 shows the project rate increases for all customer categories through 2011-12.

It should be noted that there are residential units within the City that are designated as low income and are subsidized with Community Development Block Grant (CDBG) funding. These units receive a $13.00 per month discount off of the current rate. It is assumed that this discount will continue to apply. These units (approximately 139 units) will receive a $13.00 per month discount off of the adopted rate per the appropriate customer category (e.g., single family, multi-family, etc.). The rate reduction for low income households is back filled by the City from CDBG funds, so other rate payers will not bear costs that would otherwise be allocated to the low income households if there were no rate reduction.

Table 3-6
Cash Flow Summary – Full Project Cost Financed

	Inflation Assumption	Budget 2006-07	Projected 2007-08	2008-09	2009-10	2010-11	2011-12
Revenues							
Monthly Charge		$35.00	$54.50	$56.75	$58.75	$60.75	$63.00
Sewer Sales		$2,500,000	$4,480,982	$4,665,976	$4,830,416	$4,994,856	$5,179,850
Other Revenues							
Sewer Connection Charges [1]		$265,000	$70,171	$70,171	$70,171	$70,171	$70,171
Interest Income		$115,000	$0	$0	$0	$0	$0
Other Revenues		$0	$0	$0	$0	$0	$0
Subtotal		$115,000	$0	$0	$0	$0	$0
Subtotal Revenues		$2,880,000	$4,551,153	$4,736,148	$4,900,587	$5,065,027	$5,250,022
Expenses							
Administrative Expenses	7.0%	$164,911	$175,455	$188,807	$202,023	$216,165	$231,296
Materials and Services	5.0%	$469,600	$493,080	$517,734	$543,621	$570,802	$599,342
Contract Operations	5.0%	$1,612,571	$1,693,200	$1,777,860	$1,866,753	$1,960,090	$2,058,095
Capital Projects/Facility Replacement [2]	5.0%		$600,000	$630,000	$661,500	$694,575	$729,304
Capital Outlay	5.0%	$25,000	$26,250	$27,563	$28,941	$30,388	$31,907
Expenditure Reimburse (GF-Admin.)	5.0%	$87,208	$91,588	$96,147	$100,954	$106,002	$111,302
Additional Costs due to Local Project	5.0%		$50,000	$52,500	$55,125	$57,881	$60,775
Subtotal Expenses		$2,359,290	$3,130,553	$3,290,609	$3,458,916	$3,635,902	$3,822,021
Net Revenue Before D/S & Depreciation		$520,710	$1,420,600	$1,445,538	$1,441,671	$1,429,125	$1,428,001
Debt Service							
Current Debt Service		$284,348	$284,348	$284,348	$284,348	$284,348	$284,348
Addl' Debt Service			$826,000	$826,000	$826,000	$826,000	$826,000
Total Debt Service		$284,348	$1,110,348	$1,110,348	$1,110,348	$1,110,348	$1,110,348
Debt Service Coverage		*1.83*	*1.28*	*1.30*	*1.30*	*1.29*	*1.29*
Debt Service Coverage w/o Fee Transfer		*0.90*	*1.22*	*1.24*	*1.24*	*1.22*	*1.22*
Cap. Reserve for Regional Project [3]	5.0%	$0	$0	$0	$0	$0	$0
Subtotal		$0	$0	$0	$0	$0	$0
Total Expenses		$2,643,638	$4,240,901	$4,400,957	$4,569,264	$4,746,250	$4,932,369
Net Revenue After D/S		$235,362	$310,252	$335,190	$331,323	$318,777	$317,653
Net Revenue as % of Total Expenses			7.3%	7.6%	7.3%	6.7%	6.4%
Beginning Operating Balance [4]		$4,786,813	$2,431,175	$2,741,427	$3,076,617	$3,407,941	$3,726,717
Net Revenues		$238,362	$310,252	$335,190	$331,323	$318,777	$317,653
Capital Projects Funded by Reserves		($2,592,000)					
Reserves Used for CIP Financing		$0					
Ending Operating Balance		$2,431,175	$2,741,427	$3,076,617	$3,407,941	$3,726,717	$4,044,370
Target Operating Balance [5]		*$1,179,645*	*$1,565,276*	*$1,645,305*	*$1,729,458*	*$1,817,951*	*$1,911,010*

"proj_cashflow"

[1] Connection fees for 2006-07 are budgeted; For 2007-08 through 2011-12 the fee revenue is calculated assuming:
Calculated Dev Imp Fee Treatment Only $2,807
Number of New EDUS per Year 25.00 *Total revenues = $70,171.18*
[2] Based on projected facility replacement/depreciation requirements. FY 2006-07 funded out of reserves.
[3] None Assumed.
[4] Cash and cash equivalents balance, end of fiscal year 2005-06, page 27 Audited Financial Statement.
[5] The target operating balance represents 6 months of operating expenses, excluding debt service.

Table 3-7
Cash Flow Summary – Assuming $1 M in Reserves Applied to Project Cost

	Inflation Assumption	Budget 2006-07	Projected 2007-08	2008-09	2009-10	2010-11	2011-12
Revenues							
Monthly Charge		$35.00	$53.40	$55.40	$57.40	$59.40	$61.60
Sewer Sales		$2,500,000	$4,390,796	$4,555,246	$4,719,695	$4,884,144	$5,065,038
Other Revenues							
Sewer Connection Charges [1]		$265,000	$70,171	$70,171	$70,171	$70,171	$70,171
Interest Income		$115,000	$0	$0	$0	$0	$0
Other Revenues		$0	$0	$0	$0	$0	$0
Subtotal		$115,000	$0	$0	$0	$0	$0
Subtotal Revenues		$2,880,000	$4,460,967	$4,625,417	$4,789,866	$4,954,315	$5,135,210
Expenses							
Administrative Expenses	7.0%	$164,911	$176,455	$188,807	$202,023	$216,185	$231,298
Materials and Services	5.0%	$459,600	$493,080	$517,734	$543,621	$570,802	$599,342
Contract Operations	5.0%	$1,612,571	$1,693,200	$1,777,860	$1,866,753	$1,960,090	$2,058,095
Capital Projects/Facility Replacement [2]	5.0%		$600,000	$630,000	$661,500	$694,575	$729,304
Capital Outlay	5.0%	$25,000	$26,250	$27,563	$28,941	$30,388	$31,907
Expenditure Reimburse (GF-Admin.)	5.0%	$87,208	$91,568	$96,147	$100,954	$106,002	$111,302
Additional Costs due to Local Project	5.0%		$50,000	$52,500	$55,125	$57,881	$60,775
Subtotal Expenses		$2,359,290	$3,130,553	$3,290,609	$3,458,916	$3,635,902	$3,822,021
Net Revenue Before D/S & Depreciation		$520,710	$1,330,415	$1,334,807	$1,330,950	$1,318,413	$1,313,189
Debt Service							
Current Debt Service		$284,348	$284,348	$284,348	$284,348	$284,348	$284,348
Add'l Debt Service			$756,000	$756,000	$756,000	$756,000	$756,000
Total Debt Service		$284,348	$1,040,348	$1,040,348	$1,040,348	$1,040,348	$1,040,348
Debt Service Coverage		*1.83*	*1.28*	*1.28*	*1.28*	*1.27*	*1.26*
Debt Service Coverage w/o Fee Transfer		*0.90*	*1.21*	*1.22*	*1.21*	*1.20*	*1.19*
Cap. Reserve for Regional Project [3]	5.0%	$0	$0	$0	$0	$0	$0
Subtotal		$0	$0	$0	$0	$0	$0
Total Expenses		$2,643,638	$4,170,901	$4,330,957	$4,499,264	$4,676,250	$4,862,369
Net Revenue After D/S		$236,362	$290,067	$294,459	$290,602	$278,065	$272,841
Net Revenue as % of Total Expenses			*7.0%*	*6.8%*	*6.5%*	*5.9%*	*5.6%*
Beginning Operating Balance [4]		$4,786,813	$1,431,175	$1,721,242	$2,015,701	$2,306,303	$2,584,368
Net Revenues		$236,362	$290,067	$294,459	$290,602	$278,065	$272,841
Capital Projects Funded by Reserves		($2,592,000)					
Reserves Used for CIP Financing		($1,000,000)					
Ending Operating Balance		$1,431,175	$1,721,242	$2,015,701	$2,306,303	$2,584,368	$2,857,209
Target Operating Balance [5]		*$1,179,645*	*$1,555,276*	*$1,645,305*	*$1,729,458*	*$1,817,951*	*$1,911,010*

"proj_cashflow"

[1] Connection fees for 2006-07 are budgeted; For 2007-08 through 2011-12 the fee revenue is calculated assuming:
Calculated Dev Imp Fee Treatment Only $2,807
Number of New EDUS per Year 25.00 *Total revenues =* *$70,171.18*
[2] Based on projected facility replacement/depreciation requirements. FY 2006-07 funded out of reserves.
[3] None Assumed.
[4] Cash and cash equivalents balance, end of fiscal year 2005-06, page 27 Audited Financial Statement.
[5] The target operating balance represents 6 months of operating expenses, excluding debt service.

Table 3-8
Cash Flow Summary – Assuming $2M in Reserves Applied to Project Cost

	Inflation Assumption	Budget 2006-07	Projected 2007-08	2008-09	2009-10	2010-11	2011-12
Revenues							
Monthly Charge		$35.00	$52.50	$54.25	$56.25	$58.25	$60.50
Sewer Sales		$2,500,000	$4,316,794	$4,460,587	$4,625,137	$4,789,586	$4,974,591
Other Revenues							
Sewer Connection Charges [1]		$265,000	$70,171	$70,171	$70,171	$70,171	$70,171
Interest Income		$115,000	$0	$0	$0	$0	$0
Other Revenues		$0	$0	$0	$0	$0	$0
Subtotal		$115,000	$0	$0	$0	$0	$0
Subtotal Revenues		$2,880,000	$4,386,965	$4,530,858	$4,695,308	$4,859,757	$5,044,762
Expenses							
Administrative Expenses	7.0%	$164,911	$176,455	$188,807	$202,023	$216,165	$231,298
Materials and Services	5.0%	$468,600	$493,080	$517,734	$543,621	$570,802	$599,342
Contract Operations	5.0%	$1,612,571	$1,693,200	$1,777,860	$1,866,753	$1,960,090	$2,058,095
Capital Projects/Facility Replacement [2]	5.0%		$600,000	$630,000	$661,500	$694,575	$729,304
Capital Outlay	5.0%	$25,000	$26,250	$27,563	$28,941	$30,388	$31,907
Expenditure Reimburse (GF-Admin.)	5.0%	$87,208	$91,588	$96,147	$100,954	$106,002	$111,302
Additional Costs due to Local Project	5.0%		$50,000	$52,500	$55,125	$57,881	$60,775
Subtotal Expenses		$2,359,290	$3,130,573	$3,290,609	$3,458,916	$3,635,902	$3,822,021
Net Revenue Before D/S & Depreciation		$520,710	$1,256,413	$1,240,249	$1,236,392	$1,223,855	$1,222,742
Debt Service							
Current Debt Service		$284,348	$284,348	$284,348	$284,348	$284,348	$284,348
Add'l Debt Service			$685,000	$685,000	$685,000	$685,000	$685,000
Total Debt Service		$284,348	$969,348	$969,348	$969,348	$969,348	$969,348
Debt Service Coverage		*1.83*	*1.30*	*1.28*	*1.29*	*1.26*	*1.26*
Debt Service Coverage w/o Fee Transfer		*0.90*	*1.22*	*1.21*	*1.20*	*1.19*	*1.19*
Cap. Reserve for Regional Project [3]	5.0%	$0	$0	$0	$0	$0	$0
Subtotal		$0	$0	$0	$0	$0	$0
Total Expenses		$2,643,638	$4,099,901	$4,259,957	$4,428,264	$4,605,250	$4,791,369
Net Revenue After D/S		$236,362	$287,065	$270,901	$267,044	$254,507	$253,394
Net Revenue as % of Total Expenses			*7.0%*	*6.4%*	*6.0%*	*5.5%*	*5.3%*
Beginning Operating Balance [4]		$4,786,813	$431,175	$718,240	$989,140	$1,256,184	$1,510,691
Net Revenues		$236,362	$287,065	$270,901	$267,044	$254,507	$253,394
Capital Projects Funded by Reserves		($2,592,000)					
Reserves Used for CIP Financing		($2,000,000)					
Ending Operating Balance		$431,175	$718,240	$989,140	$1,256,184	$1,510,691	$1,764,084
Target Operating Balance [5]		*$1,179,645*	*$1,565,275*	*$1,645,305*	*$1,729,458*	*$1,817,951*	*$1,911,010*

"proj_cashflow"

[1] Connection fees for 2006-07 are budgeted; For 2007-08 through 2011-12 the fee revenue is calculated assuming:
Calculated Dev Imp Fee Treatment Only $2,807
Number of New EDUS per Year 25.00 *Total revenues =* *$70,171.18*
[2] Based on projected facility replacement/depreciation requirements. FY 2006-07 funded out of reserves.
[3] None Assumed.
[4] Cash and cash equivalents balance, end of fiscal year 2005-06, page 27 Audited Financial Statement.
[5] The target operating balance represents 6 months of operating expenses, excluding debt service.

Table 3-9
Rate Summary - Current vs. Calculated Rates

		Current Rate	Local WWTP Project					Local WWTP Project w/Use of $1.0 M in Cap Reserves				
			2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12
Residential [1]												
Single Family	per Unit	$35.00	$54.50	$56.75	$58.75	$60.75	$63.00	$53.40	$55.40	$57.40	$59.40	$61.60
Single Family w/1 Sewer Lift Stat.	per Unit	$42.56	$66.25	$68.98	$71.41	$73.84	$76.58	$64.91	$67.34	$69.77	$72.20	$74.88
Single Family w/2 Sewer Lift Stat.	per Unit	$50.10	$78.00	$81.22	$84.07	$86.93	$90.16	$76.42	$79.28	$82.15	$85.01	$88.16
Single Family w/3 Sewer Lift Stat.	per Unit	$57.65	$89.74	$93.45	$96.74	$100.03	$103.75	$87.94	$91.23	$94.52	$97.82	$101.44
Duplex/Triplex/Condo	per Unit	$24.00	$42.02	$43.75	$45.30	$46.84	$48.58	$41.17	$42.72	$44.26	$45.80	$47.50
Multi-Family (Flat fee per Unit)	per Unit	$24.00	$38.91	$40.52	$41.95	$43.38	$44.99	$38.13	$39.56	$40.99	$42.41	$43.98
Multi-Family (Sewer Lift Station)	per Unit	$31.55	$53.77	$55.99	$57.96	$59.93	$62.15	$52.68	$54.66	$56.63	$58.60	$60.78
Non-Residential												
Auto Dealership	per 1,000 SF	$7.00	$10.90	$11.35	$11.75	$12.15	$12.60	$10.68	$11.08	$11.48	$11.88	$12.32
Bank/Financial Inst.	per 1,000 SF	$10.50	$16.35	$17.03	$17.63	$18.23	$18.90	$16.02	$16.62	$17.22	$17.82	$18.48
Bakery	per 1,000 SF	$59.50	$92.65	$96.48	$99.88	$103.28	$107.11	$90.79	$94.19	$97.59	$100.99	$104.72
Bar	per 1,000 SF	$24.50	$38.15	$39.73	$41.13	$42.53	$44.10	$37.38	$38.78	$40.18	$41.58	$43.12
Dry Cleaner	per 1,000 SF	$59.50	$92.65	$96.48	$99.88	$103.28	$107.11	$90.79	$94.19	$97.59	$100.99	$104.72
Hall, Lodge, Auditorium	per 1,000 SF	$10.50	$16.35	$17.03	$17.63	$18.23	$18.90	$16.02	$16.62	$17.22	$17.82	$18.48
Health Studio, Gym	per 1,000 SF	$10.50	$16.35	$17.03	$17.63	$18.23	$18.90	$16.02	$16.62	$17.22	$17.82	$18.48
Market w/Disposal Unit	per 1,000 SF	$35.00	$54.50	$56.75	$58.75	$60.75	$63.00	$53.40	$55.40	$57.40	$59.40	$61.60
Market w/o Disposal Unit	per 1,000 SF	$7.00	$10.90	$11.35	$11.75	$12.15	$12.60	$10.68	$11.08	$11.48	$11.88	$12.32
Medical/Dental Office	per 1,000 SF	$14.00	$21.80	$22.70	$23.50	$24.30	$25.20	$21.36	$22.16	$22.96	$23.76	$24.64
Business Office	per 1,000 SF	$7.00	$10.90	$11.35	$11.75	$12.15	$12.60	$10.68	$11.08	$11.48	$11.88	$12.32
Place of Workship	per 1,000 SF	$7.00	$10.90	$11.35	$11.75	$12.15	$12.60	$10.68	$11.08	$11.48	$11.88	$12.32
Public Agency	per 1,000 SF	$21.00	$32.70	$34.05	$35.25	$36.45	$37.80	$32.04	$33.24	$34.44	$35.64	$36.96
Mortuary	per Slumber Room	$45.50	$70.85	$73.78	$76.38	$78.98	$81.91	$69.42	$72.02	$74.62	$77.22	$80.08
Restaurant	per 1,000 SF	$87.50	$136.25	$141.88	$146.88	$151.88	$157.51	$133.51	$138.51	$143.51	$148.51	$154.01
Restaurant, Take-out Only	per 1,000 SF	$70.00	$109.00	$113.50	$117.50	$121.50	$126.01	$106.81	$110.81	$114.81	$118.81	$123.21
Retail	per 1,000 SF	$7.00	$10.90	$11.35	$11.75	$12.15	$12.60	$10.68	$11.08	$11.48	$11.88	$12.32
Warehouse	per 1,000 SF	$3.50	$5.45	$5.68	$5.88	$6.08	$6.30	$5.34	$5.54	$5.74	$5.94	$6.16
Used Car Lot	per 10 fixtures	$7.00	$10.90	$11.35	$11.75	$12.15	$12.60	$10.68	$11.08	$11.48	$11.88	$12.32
Car Wash	per Stall	$24.50	$38.15	$39.73	$41.13	$42.53	$44.10	$37.38	$38.78	$40.18	$41.58	$43.12
Barber/Beauty Shop	per Chair	$7.00	$10.90	$11.35	$11.75	$12.15	$12.60	$10.68	$11.08	$11.48	$11.88	$12.32
Bowling Alley	per Lane	$14.00	$21.80	$22.70	$23.50	$24.30	$25.20	$21.36	$22.16	$22.96	$23.76	$24.64
Hotel, Motel	per Sleeping Room	$10.50	$16.35	$17.03	$17.63	$18.23	$18.90	$16.02	$16.62	$17.22	$17.82	$18.48
Self Service Laundry	per Machine	$17.50	$27.25	$28.38	$29.38	$30.38	$31.50	$26.70	$27.70	$28.70	$29.70	$30.80
Garage	per Bay	$3.50	$5.45	$5.68	$5.88	$6.08	$6.30	$5.34	$5.54	$5.74	$5.94	$6.16
Rest Home/Boarding House	per Bed	$10.50	$16.35	$17.03	$17.63	$18.23	$18.90	$16.02	$16.62	$17.22	$17.82	$18.48
School	per 100 Students	$35.00	$54.50	$56.75	$58.75	$60.75	$63.00	$53.40	$55.40	$57.40	$59.40	$61.60
Service Station	per Pump	$3.50	$5.45	$5.68	$5.88	$6.08	$6.30	$5.34	$5.54	$5.74	$5.94	$6.16
Theatre	per 100 Seats	$10.50	$16.35	$17.03	$17.63	$18.23	$18.90	$16.02	$16.62	$17.22	$17.82	$18.48
Brewery	per 1,000 SF	$168.00	$261.42	$272.21	$281.80	$291.39	$302.19	$255.42	$265.01	$274.61	$284.20	$294.99

Attachment C

Table 3-9
Rate Summary - Current vs. Calculated Rates

		Current Rate	Local WWTP Project w/Use of $2 M in Cap Reserves				
			2007-08	2008-09	2009-10	2010-11	2011-12
Residential [1]							
Single Family	per Unit	$35.00	$52.50	$54.25	$56.25	$58.25	$60.50
Single Family w/1 Sewer Lift Stat.	per Unit	$42.56	$63.82	$65.94	$68.38	$70.81	$73.54
Single Family w/2 Sewer Lift Stat.	per Unit	$50.10	$75.14	$77.64	$80.50	$83.36	$86.58
Single Family w/3 Sewer Lift Stat.	per Unit	$57.65	$86.45	$89.34	$92.63	$95.92	$99.63
Duplex/Triplex/Condo	per Unit	$24.00	$40.48	$41.83	$43.37	$44.91	$46.65
Multi-Family (Flat fee per Unit)	per Unit	$24.00	$37.49	$38.74	$40.16	$41.59	$43.20
Multi-Family (Sewer Lift Station)	per Unit	$31.55	$51.80	$53.52	$55.50	$57.47	$56.69
Non-Residential							
Auto Dealership	per 1,000 SF	$7.00	$10.50	$10.85	$11.25	$11.65	$12.10
Bank/Financial Inst.	per 1,000 SF	$10.50	$15.75	$16.28	$16.88	$17.48	$18.15
Bakery	per 1,000 SF	$59.50	$89.25	$92.23	$95.63	$99.03	$102.86
Bar	per 1,000 SF	$24.50	$36.75	$37.98	$39.38	$40.78	$42.35
Dry Cleaner	per 1,000 SF	$59.50	$89.25	$92.23	$95.63	$99.03	$102.86
Hall, Lodge, Auditorium	per 1,000 SF	$10.50	$15.75	$16.28	$16.88	$17.48	$18.15
Health Studio, Gym	per 1,000 SF	$10.50	$15.75	$16.28	$16.88	$17.48	$18.15
Market w/Disposal Unit	per 1,000 SF	$35.00	$52.50	$54.25	$56.25	$58.25	$60.50
Market w/o Disposal Unit	per 1,000 SF	$7.00	$10.50	$10.85	$11.25	$11.65	$12.10
Medical/Dental Office	per 1,000 SF	$14.00	$21.00	$21.70	$22.50	$23.30	$24.20
Business Office	per 1,000 SF	$7.00	$10.50	$10.85	$11.25	$11.65	$12.10
Place of Workship	per 1,000 SF	$7.00	$10.50	$10.85	$11.25	$11.65	$12.10
Public Agency	per 1,000 SF	$21.00	$31.50	$32.55	$33.75	$34.95	$36.30
Mortuary	per Slumber Room	$45.50	$68.25	$70.53	$73.13	$75.73	$78.65
Restaurant	per 1,000 SF	$87.50	$131.26	$135.63	$140.63	$145.63	$151.26
Restaurant, Take-out Only	per 1,000 SF	$70.00	$105.00	$108.51	$112.51	$116.51	$121.01
Retail	per 1,000 SF	$7.00	$10.50	$10.85	$11.25	$11.65	$12.10
Warehouse	per 1,000 SF	$3.50	$5.25	$5.43	$5.63	$5.83	$6.05
Used Car Lot	per 10 fixtures	$7.00	$10.50	$10.85	$11.25	$11.65	$12.10
Car Wash	per Stall	$24.50	$36.75	$37.98	$39.38	$40.78	$42.35
Barber/Beauty Shop	per Chair	$7.00	$10.50	$10.85	$11.25	$11.65	$12.10
Bowling Alley	per Lane	$14.00	$21.00	$21.70	$22.50	$23.30	$0.00
Hotel, Motel	per Sleeping Room	$10.50	$15.75	$16.28	$16.88	$17.48	$18.15
Self Service Laundry	per Machine	$17.50	$26.25	$27.13	$28.13	$29.13	$30.25
Garage	per Bay	$3.50	$5.25	$5.43	$5.63	$5.83	$6.05
Rest Home/Boarding House	per Bed	$10.50	$15.75	$16.28	$16.88	$17.48	$18.15
School	per 100 Students	$35.00	$52.50	$54.25	$56.25	$58.25	$60.50
Service Station	per Pump	$3.50	$5.25	$5.43	$5.63	$5.83	$6.05
Theatre	per 100 Seats	$10.50	$15.75	$16.28	$16.88	$17.48	$18.15
Brewery	per 1,000 SF	$168.00	$251.82	$260.22	$269.81	$279.40	$290.20

Attachment C

Section 4

Sewer Connection Fee

The City of Auburn currently charges a sewer connection fee of $3,500 per dwelling unit (for both single and multi-family dwelling units), which was determined by the rate study conducted in 1995. Commercial and Industrial users are charged a minimum fee of $3,609 plus $5.25 per gallon of daily water use above 265 gallons per day, or on the basis of strength.

As discussed in Section 2, a portion of the WWTP Upgrade and Expansion project will provide capacity for future users. Approximately 18 percent, or $2,135,455 in cost, is attributable to new development. Table 4-1 shows the fee associated with the project for new development.

Table 4-1
Calculated Sewer Fee for Treatment Only

ITEM	*Assumption*	Local WWTP Project
New Development's Share of Total Project Cost		$2,135,455
Financing Factor [1]	1.11	$2,367,509
TOTAL COST		**$4,502,963**
Additional Capacity Added (GPD)		300,000
Cost per Gallon		**$15.01**
Gallons/Day per EDU		187
Cost per EDU		**$2,807**

[1] Assumes that 100 percent of the costs are financed:

Financing Costs:	
Amount Financed	$2,135,454.55
Rate	4.75%
Term	30
Bond Load Factor	1.11
Annual Debt Service	$150,098.78
Total Estimated Interest Charges Paid	$2,367,508.80

This calculated fee is only for the WWTP project and does not include any buy-in to the existing facilities, particularly for the collection system. Therefore, it is recommended that the fee amount shown in Table 4-1 be added on or in addition to the existing fee charged by the City. As

such the existing fee could be considered a "buy-in" amount to the existing facilities. The revised fee per EDU is shown in Table 4-2. The fee amount also includes an administration charge to allow the City to recuperate costs associated with administering the fee program.

Table 4-2
Revised Sewer Connection Fee per EDU

Item	Amount
Existing Fee Buy-In Amount	$3,500
New Treatment Capacity	$2,807
Subtotal	**$6,306.85**
Administrative Fee at 2.5%	$157.67
Total Fee per EDU	$6,464.52
Total Fee per EDU - Rounded	**$6,465.00**

It is proposed that the City consider altering how it charges actual land uses when developers pull building permits. The methodology proposed is similar to how Placer County charges its sewer development impact fee.

The fee per EDU, estimated above at $6,465 would be multiplied times the equivalent dwelling unit factors that the City basis its monthly sewer charge on, as shown in Table 4-3.

Table 4-3
EDU Factors by Type of Development

Type of Establishment	Equivalent Dwelling Units	
Residential		
Single Family	1.000	per Unit
Duplex/Triplex/Condo	0.771	per Unit
Multi-Family	0.714	per Unit
Mobile Home Park	0.714	per Space/Unit
Non-Residential		
Auto Dealership	0.200	per 1,000 SF
Bank/Financial Inst.	0.300	per 1,000 SF
Bakery	1.700	per 1,000 SF
Bar	0.700	per 1,000 SF
Dry Cleaner	1.700	per 1,000 SF
Hall, Lodge, Auditorium	0.300	per 1,000 SF
Health Studio, Gym	0.300	per 1,000 SF
Market w/Disposal Unit	1.000	per 1,000 SF
Market w/o Disposal Unit	0.200	per 1,000 SF
Medical/Dental Office	0.400	per 1,000 SF
Office Building	0.200	per 1,000 SF
Place of Workship	0.200	per 1,000 SF
Public Agency	0.600	per 1,000 SF
Mortuary	1.300	per Slumber Room
Restaurant	2.500	per 1,000 SF
Restaurant, Take-out Only	2.000	per 1,000 SF
Retail	0.200	per 1,000 SF
Warehouse	0.100	per 1,000 SF
Used Car Lot	0.200	per 10 fixtures
Car Wash	0.700	per Stall
Barber/Beauty Shop	0.200	per Chair
Bowling Alley	0.400	per Lane
Hotel, Motel	0.300	per Sleeping Room
Self Service Laundry	0.500	per Machine
Garage	0.100	per Bay
Rest Home/Boarding House	0.300	per Bed
School	1.000	per 100 Students
Service Station	0.100	per Pump
Theatre	0.300	per 100 Seats
Brewery	4.800	per 1,000 SF

Appendix A

Sewer Rate Model, Scenario 1 – 2007-08

Table A-1
Summary of Wastewater User Characteristics

Customer Category	Basis of Charge	Parcel Units/ Accounts	Billing Units	EDU Factor	Wastewater Characteristics (1) ADWF/User GPD	Existing Treatment Capacity Flow MGD	Total Annual Capacity Flow MG
		(A)			(B)	(E)=(A)x(B)	(K)=(E)x365
Residential							
Single Family	per Unit	2,985	3,073	1.00	187	0.5747	209.77
Single Family w/1 Sewer Lift Stat. [2]	per Unit	447	448	1.22	227	0.1018	37.17
Single Family w/2 Sewer Lift Stat. [2]	per Unit	511	511	1.43	268	0.1368	49.92
Single Family w/3 Sewer Lift Stat. [2]	per Unit	61	61	1.65	308	0.0188	6.86
Subtotal - Single Family		4,004	4,093			0.8321	303.71
Duplex/Triplex/Condo	per Unit	-	315	0.77	144	0.0454	16.58
Multi-Family (Flat fee per Unit)	per Unit	322	1,226	0.71	134	0.1636	59.73
Multi-Family (Sewer Lift Station) [2]	per Unit	1	3	0.99	184	0.0006	0.20
Subtotal - Multi-Family		323	1,544			0.2096	76.51
Non-Residential							
Auto Dealership	per 1,000 SF	3	32	0.20	37	0.0012	0.43
Bank/Financial Inst.	per 1,000 SF	11	80	0.30	56	0.0045	1.63
Bakery	per 1,000 SF	5	6	1.70	318	0.0020	0.72
Bar	per 1,000 SF	7	16	0.70	131	0.0020	0.74
Dry Cleaner	per 1,000 SF	3	5	1.70	318	0.0015	0.53
Hall, Lodge, Auditorium	per 1,000 SF	6	51	0.30	56	0.0029	1.04
Health Studio, Gym	per 1,000 SF	3	13	0.30	56	0.0007	0.27
Market w/Disposal Unit	per 1,000 SF	2	34	1.00	187	0.0064	2.34
Market w/o Disposal Unit	per 1,000 SF	2	26	0.20	37	0.0010	0.38
Medical/Dental Office	per 1,000 SF	41	117	0.40	75	0.0087	3.19
Business Office	per 1,000 SF	184	1,388	0.20	37	0.0519	18.94
Place of Workship	per 1,000 SF	15	134	0.20	37	0.0050	1.83
Public Agency	per 1,000 SF	9	149	0.60	112	0.0167	6.10
Mortuary	per Slumber Room	2	10	1.30	243	0.0024	0.89
Restaurant	per 1,000 SF	36	81	2.50	468	0.0381	13.90
Restaurant, Take-out Only	per 1,000 SF	11	14	2.00	374	0.0053	1.94
Retail	per 1,000 SF	158	1,103	0.20	37	0.0413	15.08
Warehouse	per 1,000 SF	14	147	0.10	19	0.0027	1.00
Used Car Lot	per 10 fixtures	2	10	0.20	37	0.0004	0.14
Car Wash	per Stall	1	4	0.70	131	0.0005	0.19
Barber/Beauty Shop	per Chair	32	184	0.20	37	0.0069	2.51
Bowling Alley	per Lane	-	-	0.40	75	0.0000	0.00
Hotel, Motel	per Sleeping Room	5	139	0.30	56	0.0078	2.85
Self Service Laundry	per Machine	3	84	0.50	94	0.0079	2.87
Garage	per Bay	27	286	0.10	19	0.0053	1.95
Rest Home/Boarding House	per Bed	3	124	0.30	56	0.0070	2.54
School	per 100 Students	7	34	1.00	187	0.0064	2.34
Service Station	per Pump	11	110	0.10	19	0.0021	0.75
Theatre	per 100 Seats	2	20	0.30	56	0.0011	0.41
Brewery	per 1,000 SF	-	-	4.60	898	0.0000	0.00
Subtotal Non-Residential		607	4,401			0.2396	87.46
SUBTOTAL		4,934	10,038			1.2813	467.68
Infiltration/Inflow						0.1370	50.0
TOTAL						1.4183	517.68
Estimated EDUs (based on Flow & Sewer Lift Charge)			6,852				

"user_characteristics"

(1) Only flow is considered in this rate analysis. This is typical for smaller cities.
(2) The EDU and flow factor for units requiring use of sewer lift stations is increased to account for additional costs related to operating and maintaining the sewer lift station. See Tables D-1 and D-2 for details.

Table A-2
Projected Costs and Distribution between Collection and Treatment System

Scenario 1	2007-08
	Local WWTP Project

	Inflation Adjustment	Budget 2006-07	2007-08	Allocation Collection	Allocation Treatment	Collection System Cost	Collection System Fixed	Collection System Variable	Treatment System Cost	Treatment System Fixed	Treatment System Variable
		Years Inflated:	1								
Expenditures											
Administrative Expenses	7.00%	$164,911	$176,455	20%	80%	$35,291	$35,291		$141,164	$141,164	
Materials and Services	5.00%	$469,600	$493,080	20%	80%	$98,616	$98,616		$394,464	$315,571	$78,893
Contract Operations	5.00%	$1,612,571	$1,693,200	20%	80%	$338,640	$338,640		$1,354,560	$1,354,560	
Capital Projects/Facility Replacement	5.00%	$0	$600,000	20%	80%	$120,000	$120,000		$480,000	$480,000	
Capital Outlay	5.00%	$25,000	$26,250	20%	80%	$5,250	$5,250		$21,000	$21,000	
Expenditure Reimburse (GF-Admin.)	5.00%	$87,208	$91,568	20%	80%	$18,314	$18,314		$73,255	$73,255	
Additional Costs due to Local Project	5.00%	$0	$50,000	0%	100%	$0	$0		$50,000	$50,000	
Subtotal		$2,359,290	$3,130,553			$616,111	$616,111		$2,514,442	$2,435,549	$78,893
Current Debt Service	0.00%	$284,348	$284,348	20%	80%	$56,870	$56,870		$227,478	$227,478	
Additional Debt Service	0.00%	$0	$826,000	20%	80%	$165,200	$165,200		$660,800	$660,800	
General Reserve		$180,485	$310,252	20%	80%	$62,050	$62,050		$248,202	$248,202	
Capital Reserve for Regional Project		$0	$0	0%	100%	$0	$0		$0	$0	
Credit/Offset for Other Revenues		$0	($70,171)	20%	80%	($14,034)	($14,034)		($56,137)	($56,137)	
Total		$2,824,123	$4,480,982			$886,196	$886,196	$0	$3,594,785	$3,515,893	$78,893

"proj_costs"

Attachment C

Table A-3
Unit Cost Determination

2007-08
Local WWTP Project

Cost Category	Allocated Operating Costs	Percent Allocation				Cost				Total Influent			Unit Cost Per:			
		Flow	BOD	SS	I/I	Flow	BOD	SS	I/I	Flow MG	BOD Klbs	SS Klbs	Mgal of Flow ($/Mgal)	Klb of BOD ($/Klb)	Klb of SS ($/Klb)	I/I ($/Mgal)
Collection System O&M Costs [1] [2]																
Fixed	$616,111	90%			10.00%	$554,499	$0	$0	$61,611	467.67	0.00	0.00	$1,186.67			$131.74
Variable	$0	90%			10.00%	$0	$0	$0	$0	467.67	0.00	0.00	$0.00			$0.00
Total Collection	$616,111					$554,499	$0	$0	$61,611				$1,186.67	$0.00	$0.00	$131.74
Treatment O&M Costs																
Fixed	$2,435,549	90%			10.00%	$2,191,994	$0	$0	$243,555	467.67	0.00	0.00	$4,687.09			$520.79
Variable	$78,893	90%			10.00%	$71,004	$0	$0	$7,889	467.67	0.00	0.00	$151.83			$16.87
Total Treatment	$2,514,442					$2,262,998	$0	$0	$251,444				$4,838.92	$0.00	$0.00	$537.66
Debt Service	$1,110,348	90%			10.00%	$999,313	$0	$0	$111,035	467.67	0.00	0.00	$2,136.81			$237.42
Capital Reserve for Regional Project	$0	90%			10.00%	$0	$0	$0	$0	467.67	0.00	0.00	$0.00			$0.00
SUBTOTAL	$4,240,901												$8,161.40			$906.82
Other Cost Impacts																
General Reserve	$310,252	90%			10.00%	$279,227	$0	$0	$31,025	467.67	0.00	0.00	$597.06			$66.34
Rounding	$0	90%			10.00%	$0	$0	$0	$0	467.67	0.00	0.00	$0.00			$0.00
Credit/Offset for Other Revenues	($70,171)	90%			10.00%	($63,154)	$0	$0	($7,017)	467.67	0.00	0.00	($135.04)			($15.00)
Annual Payment to Lincoln for Treatment	$0	90%			10.00%	$0	$0	$0	$0	467.67	0.00	0.00	$0.00			$0.00
Total	$240,081					$216,073	$0	$0	$24,008				$462.02	$0.00	$0.00	$51.34
TOTAL	$4,480,982					$4,032,884	$0	$0	$448,098				$8,623.42	$0.00	$0.00	$958.16

'unit_costs'

Prepared by ECO:LOGIC

AUBR_Sewer_2007 mdl_2 v2/UnitCost 4/1[illegible]

Attachment C

Scenario 1	2007-08
	Local WWTP Project

Table A-4
Allocation of Costs to Flow, BOD, and SS by Customer Category

Unit Cost/Customer Category	Flow MG/Yr	BOD Klb/Yr	SS Klb/Yr	Operating Costs: Collection: Flow ($/Mgal)	Collection: I/I ($/Mgal)	Treatment: Flow ($/Mgal)	Treatment: BOD ($/Klb)	Treatment: SS ($/Klb)	Treatment: I/I ($/Mgal)	Capital Costs: Debt Service: Flow ($/Mgal)	Debt Service: BOD ($/Klb)	Debt Service: SS ($/Klb)	Debt Service: I/I ($/Mgal)	Subtotal	Other Revenue Impacts: Flow ($/Mgal)	Other Revenue Impacts: BOD ($/Klb)	Other Revenue Impacts: SS ($/Klb)	Other Revenue Impacts: I/I ($/Mgal)	Total
Unit Cost				$1,185.63	$131.74	$4,838.74	[redacted]		$537.64	$2,136.73	[redacted]		$237.41	$9,068	$462.01	[redacted]		$51.33	$9,581
Residential																			
Single Family	209.77	-	-	$248,709	$27,634	$1,015,019	[redacted]		$112,780	$448,220	[redacted]		$49,802	$1,902,164	$96,915	[redacted]		$10,768	$2,009,847
Single Family w/1 Sewer Lift Stat	37.17	-	-	$44,071	$4,897	$179,860	[redacted]		$19,984	$79,424	[redacted]		$8,825	$337,062	$17,173	[redacted]		$1,908	$356,143
Single Family w/2 Sewer Lift Stat.	49.92	-	-	$59,181	$6,576	$241,527	[redacted]		$26,836	$106,656	[redacted]		$11,851	$452,627	$23,081	[redacted]		$2,562	$478,250
Single Family w/3 Sewer Lift Stat.	8.86	-	-	$8,129	$903	$33,174	[redacted]		$3,686	$14,649	[redacted]		$1,628	$62,168	$3,167	[redacted]		$352	$65,688
Subtotal - Single Family	303.71	-	-	$360,089	$40,010	$1,469,580	[redacted]		$163,287	$648,949	[redacted]		$72,105	$2,754,021	$140,317	[redacted]		$15,591	$2,909,928
Duplex/Triplex/Condo	16.58	-	-	$19,654	$2,184	$80,211	[redacted]		$8,912	$35,420	[redacted]		$3,935	$150,316	$7,659	[redacted]		$851	$158,826
Multi-Family (Flat fee per Unit)	59.73	-	-	$70,817	$7,869	$289,015	[redacted]		$32,113	$127,626	[redacted]		$14,181	$541,622	$27,596	[redacted]		$3,068	$572,284
Multi-Family (Sewer Lift Station)	0.20	-	-	$239	$27	$977	[redacted]		$109	$431	[redacted]		$48	$1,831	$93	[redacted]		$10	$1,934
Subtotal - Multi-Family	76.51	-	-	$90,711	$10,079	$370,204	[redacted]		$41,134	$163,478	[redacted]		$18,164	$693,769	$35,347	[redacted]		$3,927	$733,044
Non-Residential																			
Auto Dealership	0.43	-	-	$511	$57	$2,087	[redacted]		$232	$922	[redacted]		$102	$3,911	$199	[redacted]		$22	$4,132
Bank/Financial Inst.	1.63	-	-	$1,936	$215	$7,900	[redacted]		$878	$3,489	[redacted]		$388	$14,805	$754	[redacted]		$84	$15,643
Bakery	0.72	-	-	$850	$94	$3,470	[redacted]		$386	$1,532	[redacted]		$170	$6,502	$331	[redacted]		$37	$6,871
Bar	0.74	-	-	$880	$98	$3,593	[redacted]		$399	$1,587	[redacted]		$176	$6,734	$343	[redacted]		$38	$7,115
Dry Cleaner	0.53	-	-	$628	$70	$2,565	[redacted]		$285	$1,133	[redacted]		$126	$4,807	$245	[redacted]		$27	$5,079
Hall, Lodge, Auditorium	1.04	-	-	$1,236	$138	$5,051	[redacted]		$561	$2,230	[redacted]		$248	$9,485	$482	[redacted]		$54	$10,001
Health Studio, Gym	0.27	-	-	$322	$36	$1,316	[redacted]		$146	$581	[redacted]		$65	$2,465	$126	[redacted]		$14	$2,605
Market w/Disposal Unit	2.34	-	-	$2,780	$309	$11,344	[redacted]		$1,260	$5,009	[redacted]		$557	$21,259	$1,083	[redacted]		$120	$22,482
Market w/o Disposal Unit	0.36	-	-	$426	$47	$1,741	[redacted]		$193	$769	[redacted]		$85	$3,262	$166	[redacted]		$18	$3,446
Medical/Dental Office	3.19	-	-	$3,778	$420	$15,418	[redacted]		$1,713	$6,808	[redacted]		$756	$28,893	$1,472	[redacted]		$164	$30,529
Business Office	18.94	-	-	$22,480	$2,496	$91,662	[redacted]		$10,185	$40,477	[redacted]		$4,497	$171,777	$8,752	[redacted]		$972	$181,502
Place of Workship	1.83	-	-	$2,175	$242	$8,876	[redacted]		$986	$3,920	[redacted]		$436	$16,634	$848	[redacted]		$94	$17,576
Public Agency	6.10	-	-	$7,237	$804	$29,537	[redacted]		$3,282	$13,043	[redacted]		$1,449	$55,353	$2,820	[redacted]		$313	$58,486
Mortuary	0.89	-	-	$1,052	$117	$4,293	[redacted]		$477	$1,896	[redacted]		$211	$8,046	$410	[redacted]		$46	$8,502
Restaurant	13.90	-	-	$16,476	$1,831	$67,240	[redacted]		$7,471	$29,692	[redacted]		$3,299	$126,009	$6,420	[redacted]		$713	$133,143
Restaurant, Take-out Only	1.94	-	-	$2,298	$255	$9,372	[redacted]		$1,041	$4,139	[redacted]		$460	$17,564	$895	[redacted]		$99	$18,558
Retail	15.06	-	-	$17,855	$1,984	$72,871	[redacted]		$8,097	$32,179	[redacted]		$3,576	$136,562	$6,958	[redacted]		$773	$144,292
Warehouse	1.00	-	-	$1,188	$132	$4,847	[redacted]		$539	$2,140	[redacted]		$238	$9,083	$463	[redacted]		$51	$9,597
Used Car Lot	0.14	-	-	$162	$18	$661	[redacted]		$73	$292	[redacted]		$32	$1,238	$63	[redacted]		$7	$1,308
Car Wash	0.19	-	-	$227	$25	$925	[redacted]		$103	$408	[redacted]		$45	$1,733	$88	[redacted]		$10	$1,831
Barber/Beauty Shop	2.51	-	-	$2,978	$331	$12,164	[redacted]		$1,350	$5,367	[redacted]		$596	$22,777	$1,160	[redacted]		$129	$24,066
Bowling Alley	0.00	-	-	$0	$0	$0	[redacted]		$0	$0	[redacted]		$0	$0	$0	[redacted]		$0	$0
Hotel, Motel	2.85	-	-	$3,375	$375	$13,772	[redacted]		$1,530	$6,082	[redacted]		$676	$25,809	$1,315	[redacted]		$146	$27,270
Self Service Laundry	2.87	-	-	$3,399	$378	$13,871	[redacted]		$1,541	$6,125	[redacted]		$681	$25,995	$1,324	[redacted]		$147	$27,467
Garage	1.95	-	-	$2,314	$257	$9,446	[redacted]		$1,050	$4,171	[redacted]		$463	$17,701	$902	[redacted]		$100	$18,703
Rest Home/Boarding House	2.54	-	-	$3,010	$334	$12,286	[redacted]		$1,365	$5,425	[redacted]		$603	$23,024	$1,173	[redacted]		$130	$24,328
School	2.34	-	-	$2,772	$308	$11,315	[redacted]		$1,257	$4,997	[redacted]		$555	$21,204	$1,080	[redacted]		$120	$22,405
Service Station	0.76	-	-	$890	$99	$3,633	[redacted]		$404	$1,604	[redacted]		$178	$6,808	$347	[redacted]		$39	$7,194
Theatre	0.41	-	-	$482	$54	$1,969	[redacted]		$219	$870	[redacted]		$97	$3,690	$188	[redacted]		$21	$3,899
Brewery	0.00	-	-	$0	$0	$0	[redacted]		$0	$0	[redacted]		$0	$0	$0	[redacted]		$0	$0
Subtotal	87.46	-	-	$103,700	$11,622	$423,214	[redacted]		$47,024	$186,886	[redacted]		$20,765	$793,111	$40,409	[redacted]		$4,490	$838,010
TOTAL	467.68	0.00	0.00	$554,499	$61,611	$2,262,998	[redacted]		$251,444	$999,313	[redacted]		$111,035	$4,240,901	$180,466	[redacted]		$24,008	$4,480,982

"cost_alloc"

Prepared by ECD:LOGIC

AUDR_Sewer_2007 mdl_2 v2/CostAlloc 4/16/2007

Attachment C

Table A-5
Detailed Sewer Rate Calculation

Scenario 1	2007-08
	Local WWTP Project

Customer Category	Number of Billing Units	Allocated Cost	Annual Cost Billing Unit	Monthly Cost Billing Unit Mo. Charge	Monthly Cost Basis of Charge
Residential					
Single Family	3,073	$2,009,847	$653.97	$54.50	per Unit
Single Family w/1 Sewer Lift Stat.	448	$356,143	$794.96	$66.25	per Unit
Single Family w/2 Sewer Lift Stat.	511	$478,250	$935.91	$77.99	per Unit
Single Family w/3 Sewer Lift Stat.	61	$65,688	$1,076.85	$89.74	per Unit
Subtotal - Single Family	4,093	$2,909,928			
Duplex/Triplex/Condo	315	$158,826	$504.21	$42.02	per Unit
Multi-Family (Flat fee per Unit)	1,226	$572,284	$466.93	$38.91	per Unit
Multi-Family (Sewer Lift Station)	3	$1,934	$645.20	$53.77	per Unit
Subtotal - Multi-Family	1,544	$733,044			
Non-Residential					
Auto Dealership	32	$4,132	$130.79	$10.90	per 1,000 SF
Bank/Financial Inst.	80	$15,643	$196.19	$16.35	per 1,000 SF
Bakery	6	$6,871	$1,111.74	$92.65	per 1,000 SF
Bar	16	$7,115	$457.78	$38.15	per 1,000 SF
Dry Cleaner	5	$5,079	$1,111.74	$92.65	per 1,000 SF
Hall, Lodge, Auditorium	51	$10,001	$196.19	$16.35	per 1,000 SF
Health Studio, Gym	13	$2,605	$196.19	$16.35	per 1,000 SF
Market w/Disposal Unit	34	$22,462	$653.97	$54.50	per 1,000 SF
Market w/o Disposal Unit	26	$3,446	$130.79	$10.90	per 1,000 SF
Medical/Dental Office	117	$30,529	$261.59	$21.80	per 1,000 SF
Business Office	1,388	$181,502	$130.79	$10.90	per 1,000 SF
Place of Workship	134	$17,576	$130.79	$10.90	per 1,000 SF
Public Agency	149	$58,486	$392.38	$32.70	per 1,000 SF
Mortuary	10	$8,502	$850.16	$70.85	per Slumber Room
Restaurant	81	$133,143	$1,634.92	$136.24	per 1,000 SF
Restaurant, Take-out Only	14	$18,558	$1,307.93	$108.99	per 1,000 SF
Retail	1,103	$144,292	$130.79	$10.90	per 1,000 SF
Warehouse	147	$9,597	$65.40	$5.45	per 1,000 SF
Used Car Lot	10	$1,308	$130.79	$10.90	per 10 fixtures
Car Wash	4	$1,831	$457.78	$38.15	per Stall
Barber/Beauty Shop	184	$24,066	$130.79	$10.90	per Chair
Bowling Alley	-	$0	$0.00	$0.00	per Lane
Hotel, Motel	139	$27,270	$196.19	$16.35	per Sleeping Room
Self Service Laundry	84	$27,467	$326.98	$27.25	per Machine
Garage	286	$18,703	$65.40	$5.45	per Bay
Rest Home/Boarding House	124	$24,328	$196.19	$16.35	per Bed
School	34	$22,405	$653.97	$54.50	per 100 Students
Service Station	110	$7,194	$65.40	$5.45	per Pump
Theatre	20	$3,899	$196.19	$16.35	per 100 Seats
Brewery	-	$0	$0.00	$0.00	per 1,000 SF
TOTAL		$4,480,982			

"rate_calc"

Appendix B

Sewer Customers & EDU Factors

Table B-1
Summary of Existing Rates

Customer	Factor	Rate	Basis	2006-07 Assessment	Billing Units
Residential					
Single Family	1.00	$35.00	per Unit	$1,236,060.00	2,943
Multi-Family (Flat fee per Unit)	0.69	$24.00	per Unit	$443,412.00	1,540
Multi-Family (Sewer Lift Station)	0.90	$31.55	per Unit	$1,135.00	3
CDBG $13.00/mo Reduction	0.63	$22.00	per Unit	$34,140.00	129
CDBG 1SFD w/Disc 1 SFD w/oDisc	1.63	$57.00	per Unit	$684.00	1
CDBG $13.00/mo w/lift station	0.84	$29.56	per Unit	$2,128.32	6
CDBG w/Two Lift Stations	1.06	$37.10	per Unit	$890.40	2
CDBG w/3 Lift Station	1.26	$44.65	per Unit	$0.00	0
CDBG 1 Apt w/Disc	0.31	$11.00	per Unit	$132.00	1
SFD w/1 Lift Station	1.22	$42.56	per Unit	$225,738.24	442
SFD w/2 Lift Station	1.43	$50.10	per Unit	$306,010.80	509
SFD w/3 Lift Station	1.65	$57.65	per Unit	$42,199.80	61
Non-Residential					
Auto Dealership	0.20	$7.00	per 1,000 SF	$2,653.98	32
Bank/Financial Inst.	0.30	$10.50	per 1,000 SF	$10,046.40	80
Bakery	1.70	$59.50	per 1,000 SF	$4,412.52	6
Bar	0.70	$24.50	per 1,000 SF	$4,569.39	16
Dry Cleaner	1.70	$59.50	per 1,000 SF	$3,261.72	5
Hall, Lodge, Auditorium	0.30	$10.50	per 1,000 SF	$6,423.06	51
Health Studio, Gym	0.30	$10.50	per 1,000 SF	$1,672.94	13
Market w/Disposal Unit	1.00	$35.00	per 1,000 SF	$14,426.16	34
Market w/o Disposal Unit	0.20	$7.00	per 1,000 SF	$2,213.40	26
Medical/Dental Office	0.40	$14.00	per 1,000 SF	$19,606.78	117
Office Building	0.20	$7.00	per 1,000 SF	$116,566.63	1,388
Place of Workship	0.20	$7.00	per 1,000 SF	$11,287.92	134
Public Agency	0.60	$21.00	per 1,000 SF	$37,561.94	149
Mortuary	1.30	$45.50	per Slumber Room	$5,460.00	10
Restaurant	2.50	$87.50	per 1,000 SF	$85,508.85	81
Restaurant, Take-out Only	2.00	$70.00	per 1,000 SF	$11,918.76	14
Retail	0.20	$7.00	per 1,000 SF	$92,669.64	1,103
Warehouse	0.10	$3.50	per 1,000 SF	$6,163.84	147
Used Car Lot	0.20	$7.00	per 10 fixtures	$840.00	10
Car Wash	0.70	$24.50	per Stall	$1,176.00	4
Barber/Beauty Shop	0.20	$7.00	per Chair	$15,456.00	184
Bowling Alley	0.40	$14.00	per Lane	$0.00	0
Hotel, Motel	0.30	$10.50	per Sleeping Room	$17,514.00	139
Self Service Laundry	0.50	$17.50	per Machine	$17,640.00	84
Garage	0.10	$3.50	per Bay	$12,012.00	286
Rest Home/Boarding House	0.30	$10.50	per Bed	$15,624.00	124
School	1.00	$35.00	per 100 Students	$14,389.20	34
Service Station	0.10	$3.50	per Pump	$4,620.00	110
Theatre	0.30	$10.50	per 100 Seats	$2,504.04	20
Brewery	4.80	$168.00	per 1,000 SF	$0.00	0
Total				$2,830,729.73	

"existing_rates"

Appendix C

Projected Costs and Allocation Detail

Table C-1
Summary of Projected Expenses

	Budgeted	Projected				
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Administrative Expenses	$164,911	$176,455	$188,807	$202,023	$216,165	$231,296
Materials and Services	$469,600	$493,080	$517,734	$543,621	$570,802	$599,342
Contract Operations	$1,612,571	$1,693,200	$1,777,860	$1,866,753	$1,960,090	$2,058,095
Capital Projects/Facility Replacement	$0	$600,000	$630,000	$661,500	$694,575	$729,304
Capital Outlay	$25,000	$26,250	$27,563	$28,941	$30,388	$31,907
Expenditure Reimburse (GF-Admin.)	$87,208	$91,568	$96,147	$100,954	$106,002	$111,302
Additional Costs due to Local Project	$0	$50,000	$52,500	$55,125	$57,881	$60,775
Subtotal	**$2,359,290**	**$3,130,553**	**$3,290,609**	**$3,458,916**	**$3,635,902**	**$3,822,021**
Current Debt Service	$284,348	$284,348	$284,348	$284,348	$284,348	$284,348
Additional Debt Service	$0	$826,000	$826,000	$826,000	$826,000	$826,000
General Reserve	$180,485	$310,252	$335,190	$331,323	$318,777	$317,653
Capital Reserve for Regional Project	$0	$0	$0	$0	$0	$0
Total	**$2,824,123**	**$4,551,153**	**$4,736,148**	**$4,900,587**	**$5,065,027**	**$5,250,022**
Credit/Offset for Other Revenues (Fee Revenue)	$0	($70,171)	($70,171)	($70,171)	($70,171)	($70,171)
Adjusted Total	**$2,824,123**	**$4,480,982**	**$4,665,976**	**$4,830,416**	**$4,994,856**	**$5,179,850**
Percent Increase		58.7%	4.1%	3.5%	3.4%	3.7%

Attachment C

Table C-2
Projected Costs and Distribution between Collection and Treatment System

Scenario 1	2007-08
	Local WWTP Project

	Inflation Adjustment	Budget 2006-07	2007-08	Allocation Collection	Allocation Treatment	Collection System Cost	Collection System Fixed	Collection System Variable	Treatment System Cost	Treatment System Fixed	Treatment System Variable
		Years Inflated:	1								
Expenditures											
Administrative Expenses	7.00%	$164,911	$176,455	20%	80%	$35,291	$35,291		$141,164	$141,164	
Materials and Services	5.00%	$469,600	$493,080	20%	80%	$98,616	$98,616		$394,464	$315,571	$78,893
Contract Operations	5.00%	$1,612,571	$1,693,200	20%	80%	$338,640	$338,640		$1,354,560	$1,354,560	
Capital Projects/Facility Replacement	5.00%	$0	$600,000	20%	80%	$120,000	$120,000		$480,000	$480,000	
Capital Outlay	5.00%	$25,000	$26,250	20%	80%	$5,250	$5,250		$21,000	$21,000	
Expenditure Reimburse (GF-Admin.)	5.00%	$87,208	$91,568	20%	80%	$18,314	$18,314		$73,255	$73,255	
Additional Costs due to Local Project	5.00%	$0	$50,000	0%	100%	$0	$0		$50,000	$50,000	
Subtotal		$2,359,290	$3,130,553			$616,111	$616,111		$2,514,442	$2,435,549	$78,893
Current Debt Service	0.00%	$284,348	$284,348	20%	80%	$56,870	$56,870		$227,478	$227,478	
Additional Debt Service	0.00%	$0	$826,000	20%	80%	$165,200	$165,200		$660,800	$660,800	
General Reserve		$180,485	$310,252	20%	80%	$62,050	$62,050		$248,202	$248,202	
Capital Reserve for Regional Project		$0	$0	0%	100%	$0	$0		$0	$0	
Credit/Offset for Other Revenues		$0	($70,171)	20%	80%	($14,034)	($14,034)		($56,137)	($56,137)	
Total		$2,824,123	$4,480,982			$886,196	$886,196	$0	$3,594,785	$3,515,893	$78,893

"proj_costs"

Attachment C

Table C-3
Projected Costs and Distribution between Collection and Treatment System

Scenario 1	2008-09
	Local WWTP Project

	Inflation Adjustment	Budget 2006-07	2008-09	Allocation Collection	Allocation Treatment	Collection System Cost	Collection System Fixed	Collection System Variable	Treatment System Cost	Treatment System Fixed	Treatment System Variable
		Years Inflated.	2								
Expenditures											
Administrative Expenses	7.00%	$164,911	$188,807	20%	80%	$37,761	$37,761		$151,045	$151,045	
Materials and Services	5.00%	$469,600	$517,734	20%	80%	$103,547	$103,547		$414,187	$331,350	$82,837
Contract Operations	5.00%	$1,612,571	$1,777,860	20%	80%	$355,572	$355,572		$1,422,288	$1,422,288	
Capital Projects/Facility Replacement	5.00%	$0	$630,000	20%	80%	$126,000	$126,000		$504,000	$504,000	
Capital Outlay	5.00%	$25,000	$27,563	20%	80%	$5,513	$5,513		$22,050	$22,050	
Expenditure Reimburse (GF-Admin.)	5.00%	$87,208	$96,147	20%	80%	$19,229	$19,229		$76,917	$76,917	
Additional Costs due to Local Project	5.00%	$0	$52,500	0%	100%	$0	$0		$52,500	$52,500	
Subtotal		$2,359,290	$3,290,609			$647,622	$647,622		$2,642,988	$2,560,160	$82,837
Current Debt Service	0.00%	$284,348	$284,348	20%	80%	$56,870	$56,870		$227,478	$227,478	
Additional Debt Service	0.00%	$0	$826,000	20%	80%	$165,200	$165,200		$660,800	$660,800	
General Reserve		$180,485	$335,190	20%	80%	$67,038	$67,038		$268,152	$268,152	
Capital Reserve for Regional Project		$0	$0	0%	100%	$0	$0		$0	$0	
Credit/Offset for Other Revenues		$0	($70,171)	20%	80%	($14,034)	($14,034)		($56,137)	($56,137)	
Total		$2,824,123	$4,665,976			$922,695	$922,695	$0	$3,743,281	$3,660,444	$82,837

"proj_costs"

Attachment C

Table C-4
Projected Costs and Distribution between Collection and Treatment System

Scenario 1	2009-10
	Local WWTP Project

	Inflation Adjustment	Budget 2006-07	2009-10	Allocation Collection	Allocation Treatment	Collection System Cost	Collection System Fixed	Collection System Variable	Treatment System Cost	Treatment System Fixed	Treatment System Variable
		Years Inflated:	3								
Expenditures											
Administrative Expenses	7.00%	$164,911	$202,023	20%	80%	$40,405	$40,405		$161,618	$161,618	
Materials and Services	5.00%	$469,600	$543,621	20%	80%	$108,724	$108,724		$434,897	$347,917	$86,979
Contract Operations	5.00%	$1,612,571	$1,866,753	20%	80%	$373,351	$373,351		$1,493,402	$1,493,402	
Capital Projects/Facility Replacement	5.00%	$0	$661,500	20%	80%	$132,300	$132,300		$529,200	$529,200	
Capital Outlay	5.00%	$25,000	$28,941	20%	80%	$5,788	$5,788		$23,153	$23,153	
Expenditure Reimburse (GF-Admin.)	5.00%	$87,208	$100,954	20%	80%	$20,191	$20,191		$80,763	$80,763	
Additional Costs due to Local Project	5.00%	$0	$55,125	0%	100%	$0	$0		$55,125	$55,125	
Subtotal		$2,359,290	$3,458,916			$680,758	$680,758		$2,778,158	$2,691,179	$86,979
Current Debt Service	0.00%	$284,348	$284,348	20%	80%	$56,870	$56,870		$227,478	$227,478	
Additional Debt Service	0.00%	$0	$826,000	20%	80%	$165,200	$165,200		$660,800	$660,800	
General Reserve		$180,485	$331,323	20%	80%	$66,265	$66,265		$265,059	$265,059	
Capital Reserve for Regional Project		$0	$0	0%	100%	$0	$0		$0	$0	
Credit/Offset for Other Revenues		$0	($70,171)	20%	80%	($14,034)	($14,034)		($56,137)	($56,137)	
Total		$2,824,123	$4,830,416			$955,058	$955,058	$0	$3,875,358	$3,788,379	$86,979

"proj_costs"

Prepared by ECO:LOGIC

AUBR_Sewer_2007 mdl_2 v2/CostDist 4/16/2007

Scenario 1	2010-11
	Local WWTP Project

Table C-5
Projected Costs and Distribution between Collection and Treatment System

	Inflation Adjustment	Budget 2006-07	2010-11	Allocation		Collection System			Treatment System		
				Collection	Treatment	Cost	Fixed	Variable	Cost	Fixed	Variable
		Years Inflated:	4								
Expenditures											
Administrative Expenses	7.00%	$164,911	$216,165	20%	80%	$43,233	$43,233		$172,932	$172,932	
Materials and Services	5.00%	$469,600	$570,802	20%	80%	$114,160	$114,160		$456,641	$365,313	$91,328
Contract Operations	5.00%	$1,612,571	$1,960,090	20%	80%	$392,018	$392,018		$1,568,072	$1,568,072	
Capital Projects/Facility Replacement	5.00%	$0	$694,575	20%	80%	$138,915	$138,915		$555,660	$555,660	
Capital Outlay	5.00%	$25,000	$30,388	20%	80%	$6,078	$6,078		$24,310	$24,310	
Expenditure Reimburse (GF-Admin.)	5.00%	$87,208	$106,002	20%	80%	$21,200	$21,200		$84,801	$84,801	
Additional Costs due to Local Project	5.00%	$0	$57,881	0%	100%	$0	$0		$57,881	$57,881	
Subtotal		$2,359,290	$3,635,902			$715,604	$715,604		$2,920,298	$2,828,970	$91,328
Current Debt Service	0.00%	$284,348	$284,348	20%	80%	$56,870	$56,870		$227,478	$227,478	
Additional Debt Service	0.00%	$0	$826,000	20%	80%	$165,200	$165,200		$660,800	$660,800	
General Reserve		$180,485	$318,777	20%	80%	$63,755	$63,755		$255,021	$255,021	
Capital Reserve for Regional Project		$0	$0	0%	100%	$0	$0		$0	$0	
Credit/Offset for Other Revenues		$0	($70,171)	20%	80%	($14,034)	($14,034)		($56,137)	($56,137)	
Total		$2,824,123	$4,994,856			$987,395	$987,395	$0	$4,007,461	$3,916,133	$91,328

"proj_costs"

Prepared by ECO:LOGIC

AUBR_Sewer_2007 mdl_2 v2/CostDist 4/16/2007

Attachment C

Table C-6
Projected Costs and Distribution between Collection and Treatment System

Scenario 1	2011-12
	Local WWTP Project

	Inflation Adjustment	Budget 2006-07	2011-12	Allocation Collection	Allocation Treatment	Collection System Cost	Collection System Fixed	Collection System Variable	Treatment System Cost	Treatment System Fixed	Treatment System Variable
		Years Inflated:	5								
Expenditures											
Administrative Expenses	7.00%	$164,911	$231,296	20%	80%	$46,259	$46,259		$185,037	$185,037	
Materials and Services	5.00%	$469,600	$599,342	20%	80%	$119,868	$119,868		$479,473	$383,579	$95,895
Contract Operations	5.00%	$1,612,571	$2,058,095	20%	80%	$411,619	$411,619		$1,646,476	$1,646,476	
Capital Projects/Facility Replacement	5.00%	$0	$729,304	20%	80%	$145,861	$145,861		$583,443	$583,443	
Capital Outlay	5.00%	$25,000	$31,907	20%	80%	$6,381	$6,381		$25,526	$25,526	
Expenditure Reimburse (GF-Admin.)	5.00%	$87,208	$111,302	20%	80%	$22,260	$22,260		$89,042	$89,042	
Additional Costs due to Local Project	5.00%	$0	$60,775	0%	100%	$0	$0		$60,775	$60,775	
Subtotal		$2,359,290	$3,822,021			$752,249	$752,249		$3,069,772	$2,973,877	$95,895
Current Debt Service	0.00%	$284,348	$284,348	20%	80%	$56,870	$56,870		$227,478	$227,478	
Additional Debt Service	0.00%	$0	$826,000	20%	80%	$165,200	$165,200		$660,800	$660,800	
General Reserve		$180,485	$317,653	20%	80%	$63,531	$63,531		$254,122	$254,122	
Capital Reserve for Regional Project		$0	$0	0%	100%	$0	$0		$0	$0	
Credit/Offset for Other Revenues		$0	($70,171)	20%	80%	($14,034)	($14,034)		($56,137)	($56,137)	
Total		$2,824,123	$5,179,850			$1,023,815	$1,023,815	$0	$4,156,035	$4,060,141	$95,895

"proj_costs"

Appendix D

Sewer Lift Station Cost Allocation

Table D-1
Estimated Cost of O&M for Sewer Lift Stations

Item	Cost
Misc. Repairs	$20,000
Major Equipment Replacement	$60,000
Odor Control Chemicals	$5,000
Phone systems: (35/ mo x 12 PS*12 months)	$4,000
Labor (25 hrs per week x $65/ hr x 52 weeks)	$84,500
Power (5,000 / per month x 12 mos)	$60,000
Total	**$233,500**

Table D-2
Allocated Cost to Sewer Lift Stations

Units served by Lift Stations	Units	Wtd. Units
SFD Units w/Lift Station	448	448
SFD Units w/2 Lift Stations	511	1,022
SFD Units w/3 Lift Stations	61	183
MFD Units w/Lift Station	3	3
Total		**1,656**
Annual Lift Station Cost		$233,500
Monthly Lift Station Cost		$19,458.33
Cost per Lift Station Use		**$11.75**

Table D-3
Calculated Lift Station Surcharge

Item	In Dollars	In EDU's
Charge Per EDU (from table 3-5)	$54.50	
Charge per Lift Station		
1 Lift Surcharge	$11.75	0.22
2 Lift Surcharge	$23.50	0.43
3 Lift Surcharge	$35.25	0.65

EXHIBIT "A"
SCHEDULE OF SEWER RATE AND CHARGES
APRIL 2007

I. USER FEES

Each user connected to the sewer system shall pay up to $54.50 per sewer unit. The sewer units are listed on Attachment A. For purposes of collecting sewer charges, the following residential categories shall be defined as follows:

- Single Family Unit: A single family unit is defined generally as a single dwelling unit per parcel. However, if the parcel has a detached second unit ("granny unit"), the second unit would be charged at the duplex rate.

- Duplex, Triplex, Condo, or Townhome: These residential units would include 2 attached units or 3 attached or detached units per parcel.

- Multi-Family Unit or Apartment: This residential category would include 4 or more attached units per parcel.

- Mobile Home: This category would refer to a mobile home unit in a mobile home park.

II. CONNECTION AND PLANT EXPANSION FEES

For each connection to the city-owned public sewer a sewer connection and plant fee shall be paid at the time of building permit issuance. The connection fee is shall be determined based on the then current fee per sewer unit. The sewer units are listed on Attachment B. The sewer connection and plant expansion fee shall be as follows:

- July 1, 2007: **$3,500**
- July 1, 2008: **$4,500**
- July 1, 2009: **$5,500**
- July 1, 2010: **$6,465**

III. RATE AND FEE ADJUSTMENTS

The schedule of charges may be altered or adjusted by action of the Auburn City Council. Automatic yearly adjustments shall occur on July 1 as provided by the City Ordinance to reflect variation in the construction cost index (Engineering News Record – 20- City Cost Index)

Attachment A
Sewer Rates – Sewer Units and Basis of Charge

Customer Category	Sewer Unit	Basis of Charge
Residential		
Single Family	1.00	per Unit
Single Family w/1 Sewer Lift Stat.	1.22	per Unit
Single Family w/2 Sewer Lift Stat.	1.43	per Unit
Single Family w/3 Sewer Lift Stat.	1.65	per Unit
Duplex/Triplex/Condo/Townhome	0.77	per Unit
Multi-Family	0.71	per Unit
Multi-Family w/1 Sewer Lift Station	0.99	per Unit
Mobile Home	0.71	per Space/Unit
Non-Residential		
Auto Dealership	0.20	per 1,000 SF
Bank/Financial Inst.	0.30	per 1,000 SF
Bakery	1.70	per 1,000 SF
Bar	0.70	per 1,000 SF
Dry Cleaner	1.70	per 1,000 SF
Hall, Lodge, Auditorium	0.30	per 1,000 SF
Health Studio, Gym	0.30	per 1,000 SF
Market w/Disposal Unit	1.00	per 1,000 SF
Market w/o Disposal Unit	0.20	per 1,000 SF
Medical/Dental Office	0.40	per 1,000 SF
Business Office	0.20	per 1,000 SF
Place of Workship	0.20	per 1,000 SF
Public Agency	0.60	per 1,000 SF
Mortuary	1.30	per Slumber Room
Restaurant	2.50	per 1,000 SF
Restaurant, Take-out Only	2.00	per 1,000 SF
Retail	0.20	per 1,000 SF
Warehouse	0.10	per 1,000 SF
Used Car Lot	0.20	per 10 fixtures
Car Wash	0.70	per Stall
Barber/Beauty Shop	0.20	per Chair
Bowling Alley	0.40	per Lane
Hotel, Motel	0.30	per Sleeping Room
Self Service Laundry	0.50	per Machine
Garage	0.10	per Bay
Rest Home/Boarding House	0.30	per Bed
School	1.00	per 100 Students
Service Station	0.10	per Pump
Theatre	0.30	per 100 Seats
Brewery	4.80	per 1,000 SF

Attachment B
Sewer Connection Fee – Sewer Units and Basis of Charge

Customer Category	Sewer Unit	Basis of Charge
Residential		
Single Family	1.000	per Unit
Duplex/Triplex/Condo	0.771	per Unit
Multi-Family	0.714	per Unit
Mobile Home Park	0.714	per Space/Unit
Non-Residential		
Auto Dealership	0.200	per 1,000 SF
Bank/Financial Inst.	0.300	per 1,000 SF
Bakery	1.700	per 1,000 SF
Bar	0.700	per 1,000 SF
Dry Cleaner	1.700	per 1,000 SF
Hall, Lodge, Auditorium	0.300	per 1,000 SF
Health Studio, Gym	0.300	per 1,000 SF
Market w/Disposal Unit	1.000	per 1,000 SF
Market w/o Disposal Unit	0.200	per 1,000 SF
Medical/Dental Office	0.400	per 1,000 SF
Office Building	0.200	per 1,000 SF
Place of Workship	0.200	per 1,000 SF
Public Agency	0.600	per 1,000 SF
Mortuary	1.300	per Slumber Room
Restaurant	2.500	per 1,000 SF
Restaurant, Take-out Only	2.000	per 1,000 SF
Retail	0.200	per 1,000 SF
Warehouse	0.100	per 1,000 SF
Used Car Lot	0.200	per 10 fixtures
Car Wash	0.700	per Stall
Barber/Beauty Shop	0.200	per Chair
Bowling Alley	0.400	per Lane
Hotel, Motel	0.300	per Sleeping Room
Self Service Laundry	0.500	per Machine
Garage	0.100	per Bay
Rest Home/Boarding House	0.300	per Bed
School	1.000	per 100 Students
Service Station	0.100	per Pump
Theatre	0.300	per 100 Seats
Brewery	4.800	per 1,000 SF

RESOLUTION NO. 14-

RESOLUTION PRELIMINARILY ACCEPTING SEWR RATE ANALYSIS

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby preliminarily accept a sewer rate analysis and direct staff to give notice of proceedings pursuant to Proposition 218.

DATED: April 28, 2014

_____
Bridget Powers, Mayor

ATTEST:

_____
Stephanie L. Snyder, City Clerk

I, Stephanie L. Snyder, City Clerk of the City of Auburn, hereby certify that the foregoing resolution was duly passed at a regular meeting of the City Council of the City of Auburn held on the 28th day of April 2014 by the following vote on roll call:

Ayes:
Noes:
Absent:

_____
Stephanie L. Snyder, City Clerk