



**BENICIA CITY COUNCIL
REGULAR MEETING AGENDA**

**City Council Chambers
December 18, 2012
7:00 PM**

*Times set forth for the agenda items are estimates.
Items may be heard before or after the times designated.*

Please Note:

**Regardless of whether there is a Closed Session scheduled for 6:00 pm,
the open session will begin at 7:00 pm.**

I. CALL TO ORDER (6:00 PM):

II. CLOSED SESSION (6:00 PM):

**A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Section
54956.9**

Storm Claims: 8

Other: 1

**B. CONFERENCE WITH LABOR NEGOTIATOR
(Government Code Section 54957.6 (a))
Agency negotiators: City Manager, Administrative Services Director
Employee organizations: Benicia Firefighters Association (BFA)**

III. CONVENE OPEN SESSION (7:00 PM):

A. ROLL CALL.

B. PLEDGE OF ALLEGIANCE.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF PUBLIC.

A plaque stating the fundamental rights of each member of the public is posted at the entrance to this meeting room per section 4.04.030 of the City of Benicia's Open Government Ordinance.

IV. ANNOUNCEMENTS/PROCLAMATIONS/APPOINTMENTS/PRESENTATIONS:

A. ANNOUNCEMENTS.

- 1. Announcement of action taken at Closed Session, if any.**
- 2. Openings on Boards and Commissions:**

Building Board of Appeals
1 full term
Open Until Filled

Art and Culture Commission
2 unexpired terms
2 full terms
Open Until Filled

Community Sustainability Commission
1 full term
Application Due Date: December 21, 2012

Civil Service Commission
1 full term
Application Due Date: December 21, 2012

Finance Committee
2 full terms
Application Due Date: December 21, 2012

Human Services Board
1 full term
Application Due Date: December 21, 2012

Open Government Commission
1 full term
Application Due Date: December 21, 2012

Planning Commission
2 full terms
Application Due Date: December 21, 2012

Sky Valley Open Space
1 full term
Application Due Date: December 21, 2012

3. **Mayor's Office Hours:**
Mayor Patterson will maintain an open office every Monday (except holidays) in the Mayor's Office of City Hall from 6:00 p.m. to 7:00 p.m. No appointment is necessary. Other meeting times may be scheduled through the City Hall office at 746-4200.

4. **Benicia Arsenal Update:**

B. PROCLAMATIONS.

C. APPOINTMENTS.

1. **Consider confirming the Mayor's proposed appointment of Council Member Strawbridge as the Alternate to the Tri City & County Cooperative Planning Group (formerly Tri-City and County Regional Parks and Open Space Committee); and discuss, and appoint if appropriate, the appointment of an alternate to the Solano Water Authority/Solano County Water Agency.**

D. PRESENTATIONS.

V. ADOPTION OF AGENDA:

VI. OPPORTUNITY FOR PUBLIC COMMENT:

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda that is within the subject matter jurisdiction of the City Council. State law prohibits the City Council from responding to or acting upon matters not listed on the agenda. Each speaker has a maximum of five minutes for public comment. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Speakers may not make personal attacks on council members, staff or members of the public, or make comments which are slanderous or which may invade an individual's personal privacy.

A. WRITTEN COMMENT.

B. PUBLIC COMMENT.

VII. CONSENT CALENDAR (7:30 PM):

Items listed on the Consent Calendar are considered routine and will be enacted, approved or adopted by one motion unless a request for removal or explanation is received from a Council Member, staff or member of the public. Items removed from the Consent Calendar shall be considered immediately following the adoption of the Consent Calendar.

A. APPROVAL OF THE MINUTES OF DECEMBER 4, 2012. (City Clerk).

B. APPROVAL OF MEMORANDUM OF UNDERSTANDING ON PROVISION OF ANIMAL CARE SERVICES. (Police Chief)

This successor MOU covers the performance of animal care and shelter services within the county. The city will contribute a proportional share of the costs for maintaining and operating the County's animal shelter facilities and caring for the animals. The term of this MOU is December 30, 2012 to December 30, 2027 with options to renew for one additional ten year term.

RECOMMENDATION: Adopt a resolution approving the memorandum of understanding (MOU) and authorizing the City Manager to sign the MOU on behalf of the city.

C. REVIEW AND ACCEPTANCE OF THE INVESTMENT REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2012. (Finance Director)

The investment portfolio is in compliance with the City's Investment Policy and California Law. Additionally, the City has adequate investments to meet its expenditure needs for the next six months. The Finance Committee has reviewed and accepted this report.

Recommendation: Accept, by motion, the Investment Report for the quarter ended September 30, 2012.

D. AMENDMENTS TO THE SOLTRANS JOINT POWERS AUTHORITY AGREEMENT. (City Attorney)

It has been requested that the SolTrans JPA be amended to provide for a voting alternate to the Metropolitan Transportation Commission ("MTC") Representative to act in the absence of the Representative and to provide the authority necessary for MTC to allocate funding pursuant to the Transportation Development Act ("TDA").

Recommendation: Authorize the execution of amendments to the SolTrans Joint Powers Authority Agreement (“JPA”).

E. AWARD OF CONSTRUCTION CONTRACT FOR RAW WATER TRANSMISSION LINE CATHODIC PROTECTION SYSTEM REHABILITATION PROJECT. (Interim Public Works Director)

This cathodic protection rehabilitation project, located along the Raw Water Transmission Line from Lopes Road in Cordelia to the Benicia Water Treatment Plant, will replace two of the six rectifiers that protect the buried water pipeline from corrosion. Sufficient funds are available in the Water Funds to cover the proposed costs as per the adopted City Budget.

Recommendation: Adopt the resolution accepting the bids for the Raw Water Transmission Line Cathodic Protection System Rehabilitation Project, awarding the construction contract to Corrpro Companies of San Leandro, in the amount of \$112,395, and authorizing the City Manager to sign the contract on behalf of the City.

F. ADOPTION OF THE 2013 CITY COUNCIL REGULAR MEETING CALENDAR. (City Manager)

The Open Government Ordinance (Section 4.08.040 of Ordinance No. 05-6) states that each body established by ordinance shall establish and publish an annual schedule of regular meetings. The proposed calendar lists the City Council’s regular meeting dates for 2013.

Recommendation: Adopt, by motion, the 2013 City Council Regular Meeting Calendar.

G. Approval to waive the reading of all ordinances introduced and adopted pursuant to this agenda.

VIII. BUSINESS ITEMS (7:45 PM):

A public hearing should not exceed one hour in length. To maximize public participation, the council requests that speakers be concise and avoid repetition of the remarks of prior speakers. Instead, please simply state whether you agree with prior speakers.

A. SECOND READING AND ADOPTION OF ORDINANCES TO AMEND THE WATER AND SEWER RATES/FEEES RELATED TO WATER AND SEWER SERVICE. (Interim Public Works Director)

On December 4, 2012, City Council introduced and conducted the first reading and public hearing of ordinances to amend the water and sewer rates/fees. The proposed action is the second reading and adoption of the ordinances.

The quality and safety of our local water supply and the proper maintenance of our sewer system is essential to our community's health, safety and financial integrity. Specifically, our water and sewer systems must be properly maintained in order to:

- Ensure clean, safe drinking water for our residents and businesses
- Have secure adequate water capacity in the event of a major earthquake, fire or catastrophic emergency
- Prevent sewage spills that present a health risk to the community, placing the City at risk for regulatory fines and lawsuits, and polluting the Carquinez Strait.

Recommendation: To protect the health and safety of the community and the City's financial integrity, adopt ordinances to amend the water and sewer rates/fees related to water and sewer service as follows:

Ordinance amending Chapter 13.12 (Water Rates and Charges) of Title 13 (Public Services) of the Benicia Municipal Code; and Ordinance amending Chapter 13.52 (Sewer Rates and Charges) of Title 13 (Public Services) of the Benicia Municipal Code; and Ordinances amending various sections of Title 13 (Public Service) including:

Sections 13.56.030 (Payment – Returned Checks), 13.56.050 (Delinquent Accounts), 13.56.070 (Delinquency of Service-Discontinuation of Service) and 13.56.080 (Discontinuation of Service – Unauthorized Use) of Chapter 13.56 (Sewer Billing Requirements); and

Sections 13.08.040 (Water Use Without Application) and 13.08.050 (Deposit) of Chapter 13.08 (Water Service); and

Sections 13.16.040 (Payment – Returned Checks), 13.16.060 (Delinquent Accounts), 13.16.080 (Delinquency – Discontinuation of Service), 13.16.090 (Tampering – Unauthorized Use), and 13.16.110 (Inspections) of Chapter 13.16 (Water Billing Requirements).

B. REVIEW AND UPDATE OF FINANCIAL POLICIES. (Finance Director)

Over the past several months, City staff and the Finance Committee have reviewed and developed several financial policies to document and ensure consistent application of the City's financial processes. The Committee met on November 16, 2012 and recommended these updates be forwarded for City approval. The Committee supported staff's recommendation that the Debt,

Interfund Transfers, Revenue and Financial Reporting policies be approved administratively. Changes to the Purchasing and Travel policies require City Council approval. If the City Council supports the proposed updates to the Purchasing and Travel policies, these changes will be brought back for City Council adoption at a subsequent meeting.

Recommendation: Review proposed changes to financial policies, approve staff recommendations for administratively approved policies and provide direction on proposed changes to the Purchasing and Travel policies.

C. APPROVE THE 2012-2014 MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF BENICIA AND THE BENICIA FIREFIGHTERS ASSOCIATION (BFA). (Administrative Services Director)

Not unlike most jurisdictions in California, the City of Benicia has identified a structural deficit due to the unprecedented downturn of the economy over the last several years. In response, in 2010 and 2011, City employees took a combined reduction in compensation of approximately 10%. The salary and benefit reductions for BFA recommended in this City Council agenda item are consistent with the types of salary and benefit concessions that have been agreed to via negotiations with the majority of other employee associations representing City employees.

RECOMMENDATION: Adopt the resolution approving the 2012-2014 MOU with the BFA and authorize the City Manager to take the necessary actions appropriate to effectuate the purpose and intent of this action.

**D. Council Member Committee Reports:
(Council Members serve on various internal and external committees on behalf of the City. Current agendas, minutes and meeting schedules, as available, from these various committees are included in the agenda packet. Oral reports by the Council Members are made only by exception.)**

- 1. Mayor's Committee Meeting.
(Mayor Patterson)
Next Meeting Date: December 19, 2012**

- 2. Association of Bay Area Governments (ABAG)
<http://www.abag.ca.gov/>.
(Mayor Patterson and Council Member Strawbridge)
Next Meeting Date: TBD**

- 3. Finance Committee.**
(Vice Mayor Campbell and Council Member Strawbridge)
Next Meeting Date: January 25, 2013
- 4. League of California Cities.**
(Mayor Patterson and Vice Mayor Campbell)
Next Meeting Date: TBD
- 5. School Liaison Committee.**
(Council Members Strawbridge and Council Member Hughes)
Next Meeting Date: TBD
- 6. Sky Valley Open Space Committee.**
(Vice Mayor Campbell and Council Member Schwartzman)
Next Meeting Date: TBD
- 7. Solano EDC Board of Directors.**
(Mayor Patterson and Council Member Strawbridge)
Next Meeting Date: January 24, 2013
- 8. Solano Transportation Authority (STA).**
<http://www.sta.ca.gov/>
(Mayor Patterson and Council Member Schwartzman)
Next Meeting Date: January 9, 2013
- 9. Solano Water Authority-Solano County Water Agency and Delta Committee.**
<http://www.scwa2.com/>
(Mayor Patterson)
Next Meeting Date: January 10, 2013
- 10. Traffic, Pedestrian and Bicycle Safety Committee.**
(Vice Mayor Campbell and Council Member Schwartzman)
Next Meeting Date: January 17, 2013
- 11. Tri-City and County Regional Parks and Open Space.**
(Mayor Patterson)
Next Meeting Date: TBD
- 12. Valero Community Advisory Panel (CAP).**
(Mayor Patterson and Council Member Hughes)
Next Meeting Date: TBD

- 13. **Youth Action Coalition.**
(Council Member Hughes and Council Member Strawbridge)
Next Meeting Date: TBD

- 14. **ABAG-CAL FED Task Force-Bay Area Water Forum.**
<http://www.baywaterforum.org/>
(Mayor Patterson)
Next Meeting Date: TBD

- 15. **SOLTRANS Joint Powers Authority**
(Mayor Patterson, Council Member Hughes
and Council Member Schwartzman)
Next Meeting Date: December 20, 2012

IX. ADJOURNMENT (9:30 PM):

Public Participation

The Benicia City Council welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council allows speakers to speak on non-agendized matters under public comment, and on agendized items at the time the agenda item is addressed at the meeting. Comments are limited to no more than five minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council.

Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access or special Needs

In compliance with the Americans with Disabilities Act (ADA) and to accommodate any special needs, if you need special assistance to participate in this meeting, please contact Anne Cardwell, the ADA Coordinator, at (707) 746-4211. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting.

Meeting Procedures

All items listed on this agenda are for Council discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council.

Pursuant to Government Code Section 65009, if you challenge a decision of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing. You may also be limited by the ninety (90) day statute of limitations in which to challenge in court certain administrative decisions and orders (Code of Civil Procedure 1094.6) to file and serve a petition for administrative writ of mandate challenging any final City decisions regarding planning or zoning.

The decision of the City Council is final as of the date of its decision unless judicial review is initiated pursuant to California Code of Civil Procedures Section 1094.5. Any such petition for judicial review is subject to the provisions of California Code of Civil Procedure Section 1094.6.

Public Records

The agenda packet for this meeting is available at the City Manager's Office and the Benicia Public Library during regular working hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." Public records related to an open session agenda item that are distributed after the agenda packet is prepared are available before the meeting at the City Manager's Office located at 250 East L Street, Benicia, or at the meeting held in the Council Chambers. If you wish to submit written information on an agenda item, please submit to the City Clerk as soon as possible so that it may be distributed to the City Council. A complete proceeding of each meeting is also recorded and available through the City Clerks Office.

CITY COUNCIL MEETING
BENICIA ARSENAL UPDATE

NO CHANGE

December 18, 2012

1. The first working group for the Arsenal project had its first meeting. The group proposed a series of questions that staff is in the process of trying to answer.
2. Research on the City's insurance policies continues.
3. Please sign up for the email list if you want to be notified of updates.
4. Work continues on developing the strategy and gathering information. If you have any information that you believe is relevant, please get it to the City Attorney. We are continuing to upload pertinent documents to the Benicia web site.

AGENDA ITEM
CITY COUNCIL MEETING DATE – DECEMBER 18, 2012
APPOINTMENTS

DATE : December 10, 2012

TO : Mayor & City Council

FROM : City Manager

SUBJECT : **APPOINTMENTS OF ALTERNATES TO COUNCIL COMMITTEES**

RECOMMENDATION:

Consider confirming the Mayor's proposed appointment of Council Member Strawbridge as the Alternate to the Tri City & County Cooperative Planning Group (formerly Tri-City and County Regional Parks and Open Space Committee); and discuss, and appoint if appropriate, the appointment of an alternate to the Solano Water Authority/Solano County Water Agency.

EXECUTIVE SUMMARY:

Both the Tri-City & County Cooperative Planning Group (Tri-City) and the Solano Water Authority/Solano County Water Agency (SWA/SCWA) do not currently have an alternate Council Member assigned. The Mayor has indicated that she would like to appoint Council Member Strawbridge as the alternate to Tri-City, and then she also requested the opportunity to discuss the appointment to SWA/SCWA relative to current assignments to the various committees and also availability to participate.

STRATEGIC PLAN:

N/A

BUDGET:

N/A

BACKGROUND:

The attached proposed resolution confirming the Mayor's appointments of members of the City Council to standing, ad hoc and outside agency committee lists the various committees that council members serve on either as the primary or alternate appointee. With Council Member Campbell's resignation as alternate to the SWA/SCWA, there is currently a vacancy for the alternate position. Mayor Patterson requested that the Council discuss the distribution of current assignments and availability of one of the other council members to be appointed as alternate to this committee.

Following is a chart summarizing the various committees and when they typically meet.

Name of Committee	Appointees	Meeting Dates
ABAG	Elizabeth Patterson Christina Strawbridge (Alt.)	3 rd Thursday of every other month
League of CA Cities	Elizabeth Patterson Tom Campbell (Alt)	Quarterly – third Thursday at 7:00 p.m.
Solano EDC Board	Elizabeth Patterson Christina Strawbridge (Alt.)	Monthly - 2 nd Weds. at 9:00 a.m.
Solano Transportation Authority (STA)	Elizabeth Patterson Alan Schwartzman	Monthly - 2 nd Thursday at 6:00 p.m.
Solano Water Agency/ Solano County Water Agency	Elizabeth Patterson	Monthly – 2 nd Thursday at 6:30 p.m.
Tri-City & County Cooperative Planning Group	Elizabeth Patterson Christina Strawbridge (Alt. per proposed resolution)	Quarterly
Soltrans Joint Powers Authority	Elizabeth Patterson Alan Schwartzman Mark Hughes (Alt.)	Monthly – 3 rd Thursday at 4:00 p.m.
Finance Committee	Tom Campbell Christina Strawbridge	Monthly – 4 th Friday at 8:00 a.m.
School District Liaison	Mark Hughes Christina Strawbridge	Quarterly – first Thurs. at 8:30 a.m.
Traffic, Pedestrian and Bicycle Safety Committee	Alan Schwartzman Tom Campbell	Quarterly – second Thursday at 7:00 p.m.
Youth Action Coalition	Christina Strawbridge Mark Hughes	Monthly – fourth Weds. at 3:30 p.m.
Arsenal Investigation & Remediation Committee	Elizabeth Patterson Alan Schwartzman	Twice a month
Sky Valley Open Space Committee	Tom Campbell Alan Schwartzman	Quarterly – first Weds.
Valero Citizens Advisory Committee	Mark Hughes Elizabeth Patterson	As needed

Attachment:
 Resolution

IV.C.1.2

RESOLUTION 12-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA CONFIRMING
MAYOR'S APPOINTMENTS OF MEMBERS OF THE CITY COUNCIL TO STANDING,
AD HOC AND OUTSIDE AGENCY COMMITTEES**

COMMITTEES

<u>OUTSIDE AGENCY COMMITTEES</u>	<u>COUNCIL APPOINTEES</u>	
ABAG	Elizabeth Patterson	Christina Strawbridge (Alternate)
LEAGUE OF CALIFORNIA CITIES	Elizabeth Patterson	Tom Campbell (Alternate)
SOLANO EDC BOARD OF DIRECTORS	Elizabeth Patterson	Christina Strawbridge (Alternate)
SOLANO TRANSPORTATION AUTHORITY	Elizabeth Patterson	Alan Schwartzman (Alternate)
SOLANO WATER AUTHORITY/SOLANO COUNTY WATER AGENCY	Elizabeth Patterson	TBD (Alternate)
TRI-CITY & COUNTY REGIONAL PARKS & OPEN SPACE	Elizabeth Patterson	Christina Strawbridge (Alternate)
SOLTRANS JOINT POWERS AUTHORITY	Elizabeth Patterson Mark Hughes	Alan Schwartzman (Alternate)
<u>STANDING COMMITTEES</u>	<u>COUNCIL APPOINTEES</u>	
FINANCE COMMITTEE	Tom Campbell	Christina Strawbridge
SCHOOL DISTRICT LIAISON	Mark Hughes	Christina Strawbridge
TRAFFIC, PEDESTRIAN AND BICYCLE SAFETY COMMITTEE	Alan Schwartzman	Tom Campbell
YOUTH ACTION COALITION	Christina Strawbridge	Mark Hughes
<u>AD HOC COMMITTEES</u>	<u>COUNCIL APPOINTEES</u>	
ARSENAL INVESTIGATION & REMEDATION COMMITTEE	Elizabeth Patterson	Alan Schwartzman
SKY VALLEY AREA OPEN SPACE	Tom Campbell	Alan Schwartzman
VALERO CITIZENS ADVISORY COMMITTEE (CAP)	Mark Hughes	Elizabeth Patterson (Alternate)

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia hereby confirms the above Committee appointments and any resolutions inconsistent with this resolution are superseded.

The above Resolution was approved by roll call by the City Council of the City of Benicia at a regular meeting of said Council held on the 18th day of December 2012 and adopted by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

ATTEST:

Lisa Wolfe, City Clerk

MINUTES OF THE
REGULAR MEETING – CITY COUNCIL
December 04, 2012

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

I. CALL TO ORDER:

II. CLOSED SESSION:

III. CONVENE OPEN SESSION:

Mayor Patterson called the meeting to order at 7:00 p.m.

A. ROLL CALL

All Council Members were present.

B. PLEDGE OF ALLEGIANCE

Ms. Juneman led the Pledge of Allegiance.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC.

IV. ANNOUNCEMENTS/PROCLAMATIONS/APPOINTMENTS/PRESENTATIONS:

A. ANNOUNCEMENTS

1. Announcement of action taken at Closed Session, if any.

None

2. Openings on Boards and Commissions:

Building Board of Appeals
1 full term
Open Until Filled

Art and Culture Commission
2 unexpired terms
Open Until Filled

Community Sustainability Commission
1 full term

Application Due Date:
December 21, 2012

Civil Service Commission
1 full term
Application Due Date:
December 21, 2012

Finance Committee
2 full terms
Application Due Date:
December 21, 2012

Human Services Board
1 full term
Application Due Date:
December 21, 2012

Open Government Commission
1 full term
Application Due Date:
December 21, 2012

Planning Commission
2 full terms
Application Due Date:
December 21, 2012

Sky Valley Open Space
1 full term
Application Due Date:
December 21, 2012

3. Mayor's Office Hours:

4. Benicia Arsenal Update: Verbal Update

Mayor Patterson announced there was nothing new to report.

B. PROCLAMATIONS

C. APPOINTMENTS

D. PRESENTATIONS

1. Tula Sister City Report

V. ADOPTION OF AGENDA:

On motion of Council Member Schwartzman, seconded by Council Member Hughes, Council adopted the agenda, as presented, on roll call by the following vote:

Ayes: Council Members Patterson, Campbell, Hughes, Schwartzman,
Strawbridge

Noes: None

VI. OPPORTUNITY FOR PUBLIC COMMENT:

A. WRITTEN COMMENT

Three items submitted (copies on file).

B. PUBLIC COMMENT

1. Nikki Davis - Ms. Davis discussed the issue of the boat yard, and submitted photos (copies on file).
2. Jon Van Landschoot - Mr. Van Landschoot discussed concerns regarding the boat yard. He urged Council to contact BCDC to have a meeting before changes were made.
3. Citizen - The citizen discussed the issue of bay conservation and the boat yard.
4. Susan Street - Ms. Street asked Council to be the boat yard owners' advocate.
5. Karen Burns - Ms. Burns discussed support for keeping the Red Barron and crane in the boat yard.
6. Citizen - the citizen expressed support for keeping the crane and Red Barron in the boat yard.
7. Kathleen Juneman - Ms. Juneman discussed how lucky people who lived in Benicia were, as it was a lovely city.
8. Mary Frances Kelly Poh - Ms. Kelly Poh thanked City staff for their efforts in street sweeping and storm drain control.
9. Gerald Turner - Mr. Turner discussed the importance of not destroying the Red Barron and crane boats in the boat yard.
10. Carl Lucca - Mr. Lucca spoke in support of saving the boats in the boat yard.
11. Larnie Fox - Mr. Fox spoke in support of preserving the natural art in the

city (boats in boat yard).

12. Brad Maclain - Mr. Maclain spoke in support of approaching BCDC to try and save the boats in the boat yard.

VII. CONSENT CALENDAR:

Council pulled items VII.C and VII.D for discussion.

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council adopted the Consent Calendar, as amended, on roll call by the following vote:

Ayes: Council Members Patterson, Campbell, Hughes, Schwartzman, Strawbridge

Noes: None

A. APPROVAL OF THE MINUTES OF THE NOVEMBER 20, 2012 MEETING

B. ADOPT THE CITY OF BENICIA'S LOCAL HAZARD MITIGATION PLAN (LHMP)

RESOLUTION 12-151 - A RESOLUTION AUTHORIZING THE ADOPTION OF THE ASSOCIATION OF BAY AREA GOVERNMENT (ABAG) REPORT ENTITLED "TAMING NATURAL DISASTERS" AS THE CITY OF BENICIA'S LOCAL HAZARD MITIGATION PLAN

C. DENIAL OF THE CLAIM AGAINST THE CITY BY CONSTANCE JOHNSON AND REFERRAL TO INSURANCE CARRIER

Vice Mayor Campbell expressed support for paying the claims, as they were for valid potholes, and were small dollar amounts. He expressed concern regarding spending staff time and dollars on the claims.

Ms. McLaughlin expressed support for Council denying the claims.

Council Member Hughes discussed support for Staff's recommendation, and for looking at similar cases on a case-by-case basis.

Council Member Strawbridge discussed support for reviewing such cases on a case-by-case basis. She inquired about Staff's procedures for filling potholes.

Vice Mayor Campbell expressed concern regarding spending the City's money on investigating the claim, etc. when it is such a small amount.

Public Comment:

None

On motion of Council Member Hughes, seconded by Council Member Schwartzman, Council approved the denial of the claim against the City by Constance Johnson and referral to insurance carrier, on roll call by the following vote:

Ayes: Council Members Patterson, Hughes, Schwartzman, Strawbridge

Noes: Campbell

D. DENIAL OF THE CLAIM AGAINST THE CITY BY JENNIFER KRAUS AND REFERRAL TO INSURANCE CARRIER

Vice Mayor Campbell discussed his concerns regarding this claim when item VII.C was discussed.

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council approved the denial of claim against the City by Jennifer Kraus and referral to insurance carrier, on roll call by the following vote:

Ayes: Council Members Patterson, Hughes, Schwartzman, Strawbridge

Noes: Campbell

E. Approval to waive the reading of all ordinances introduced and adopted pursuant to this agenda.

VIII. BUSINESS ITEMS:

A. INTRODUCTION AND FIRST READING OF ORDINANCES TO AMEND THE WATER AND SEWER RATES/FEEES RELATED TO WATER AND SEWER SERVICE

ORDINANCE 12- - AN ORDINANCE AMENDING CHAPTER 13.12 (WATER RATES AND CHARGES) OF TITLE 13 (PUBLIC SERVICES) OF THE BENICIA MUNICIPAL CODE BY REPLACING IT IN ITS ENTIRETY

ORDINANCE 12- - AN ORDINANCE AMENDING CHAPTER 13.52 (SEWER RATES AND CHARGES) OF TITLE 13 (PUBLIC SERVICES) OF THE BENICIA MUNICIPAL CODE

ORDINANCE 12- - AN ORDINANCE AMENDING SECTIONS 13.56.030 (PAYMENT-RETURNED CHECKS), 13.56.050 (DELINQUENT ACCOUNTS), 13.56.070 (DELINQUENCY OF SERVICE-DISCONTINUATION OF SERVICE) AND CHAPTER 13.56.080 (DISCONTINUATION OF SERVICE-UNAUTHORIZED USE) OF CHAPTER 13.56 (SEWER BILLING REQUIREMENTS) OF TITLE 13 (PUBLIC SERVICES) OF THE BENICIA MUNICIPAL CODE

ORDINANCE 12- - AN ORDINANCE AMENDING SECTIONS 13.08.040 (WATER USE WITHOUT APPLICATION) AND 13.08.050 (DEPOSIT) OF CHAPTER 13.08 (WATER SERVICE) OF TITLE 13 (PUBLIC SERVICES) OF

THE BENICIA MUNICIPAL CODE

Melissa Morton, Public Works Director, reviewed a staff report and PowerPoint presentation.

Council Member Hughes and Staff discussed the need to have rate comparisons to other cities both in the near and distant future.

Public Comment:

1. Drake Valentine - Mr. Valentine spoke in support of the proposed increases, due to necessity.
2. Scott Rovanpera - Mr. Rovanpera spoke in support of the proposed increases, due to necessity.
3. Karen Burns - Ms. Burns discussed a previous bond measure (sewer taxes). She spoke in opposition to the proposed rate increase.
4. John - John spoke in opposition to the proposed rate increase. He supports an increase, but not the one that is being proposed.
5. Ron Askham - Mr. Askham discussed concerns regarding the process for polling the public on this issue, the negative cash flow with regards to the solar panel project, and the issue of outsourcing the water/sewer tasks.

Council Member Schwartzman and Staff discussed Prop 218.

Vice Mayor Campbell discussed his lack of support for the first two ordinances because of the senior discount issue. Seniors who are not low income should not receive discount.

Council Member Hughes discussed support for the ordinances, as it is necessary to protect the health, safety, and welfare of the citizens. He discussed the senior citizen/low income discounts.

Council Member Strawbridge discussed the issue of the senior citizen and low income family discount.

Council Member Schwartzman discussed concerns regarding the water increase, senior discounts, and support for the water rate increase.

Mayor Patterson discussed that every community has infrastructure problems. She suggested people who are able should follow Vice Mayor Campbell's example and not take the senior discount unless they need it.

Vice Mayor Campbell discussed the options discussed at the last Council meeting (the community voting on whether they wanted to subsidize the senior discount). Staff clarified that Council gave direction to Staff to bring ideas back after the first of the year regarding revenue sources to pay for the amount that would be used from the General Fund for the senior discounts.

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council approved the Introduction and First Reading of an Ordinance (amending Chapter 13.12), on roll call by the following vote:

Ayes: Council Members Patterson, Hughes, Strawbridge

Noes: Campbell, Schwartzman

On motion of Council Member Strawbridge, seconded by Council Member Hughes, Council approved the Introduction and First Reading of an Ordinance (amending Chapter 13.52), on roll call by the following vote:

Ayes: Council Members Patterson, Campbell, Hughes, Schwartzman,
Strawbridge

Noes: None

On motion of Council Member Schwartzman, seconded by Council Member Strawbridge, Council approved the Introduction and First Reading of an Ordinance (amending Sections 13.56.030, 13.56.070, and 13.56.080), on roll call by the following vote:

Ayes: Council Members Patterson, Campbell, Hughes, Schwartzman,
Strawbridge

Noes: None

On motion of Council Member Schwartzman, seconded by Council Member Strawbridge, Council approved the Introduction and First Reading of an Ordinance (amending Sections 13.08.040 and 13.08.050), on roll call by the following vote:

Ayes: Council Members Patterson, Campbell, Hughes, Schwartzman,
Strawbridge

Noes: None

On motion of Council Member Schwartzman, seconded by Council Member Strawbridge, Council approved the Introduction and First Reading of an Ordinance (amending Sections 13.16.040, 13.16.060, 13.16.080, 13.16.090, and 13.16.110), on roll call by the following vote:

Ayes: Council Members Patterson, Campbell, Hughes, Schwartzman,
Strawbridge

Noes: None

B. MASTER FEE SCHEDULE ADDITIONS AND AMENDMENTS TO VARIOUS WATER AND SEWER FEES

RESOLUTION 12-152 - A RESOLUTION APPROVING AND ADOPTING ADDITIONS AND AMENDMENTS TO VARIOUS WATER AND SEWER FEES TO THE MASTER FEE SCHEDULE FOR THE 2012-13 FISCAL YEAR

Mayor Patterson introduced the item.

Public Comment:

None

On motion of Council Member Hughes, seconded by Council Member Strawbridge, Council adopted Resolution 12-152, on roll call by the following vote:

Ayes: Council Members Patterson, Campbell, Hughes, Schwartzman,
Strawbridge

Noes: None

C. HOOKAH LOUNGE MORATORIUM ORDINANCE

ORDINANCE 12-7 - AN URGENCY INTERIM ORDINANCE APPROVING AN INTERIM ZONING MORATORIUM ON THE ESTABLISHMENT OF HOOKAH LOUNGES IN THE CITY OF BENICIA AND ADOPTING FINDINGS INCLUDING ENVIRONMENTAL FINDINGS AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN

Heather McLaughlin, City Attorney, reviewed the staff report.

Vice Mayor Campbell and Staff discussed how the proposed ordinance would interact with the current tobacco and smoking ordinances.

Mayor Patterson stated she was interested in getting the proper language for regulating hookah lounges, therefore she was interested in the moratorium, however, not with the categorical exemption. She believed that by using CEQA as a tool, the City could get at some of the questions raised by Vice Mayor Campbell. She would like to start with an initial study.

Staff clarified that Council could go with the categorical exemption at this time and adopt the moratorium ordinance, but when Staff comes back with the ordinance to regulate the hookah lounges, they could do the initial study and go through the environmental review process.

Council Member Schwartzman discussed support for doing a study on this item.

Public Comment:

None

On motion of Council Member Hughes, seconded by Council Member Schwartzman, Council adopted Ordinance 12-7 (Urgency Interim Ordinance), on roll call by the following vote:

Ayes: Council Members Patterson, Campbell, Hughes, Schwartzman,
Strawbridge

Noes: None

IX. **ADJOURNMENT:**

Mayor Patterson adjourned the meeting at 9:33 p.m.

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 18, 2012
CONSENT CALENDAR

DATE : November 1, 2012

TO : City Manager

FROM : Police Chief

SUBJECT : **APPROVAL OF MEMORANDUM OF UNDERSTANDING ON PROVISION OF ANIMAL CARE SERVICES**

RECOMMENDATION:

Adopt a resolution approving the memorandum of understanding (MOU) and authorizing the City Manager to sign the MOU on behalf of the city.

EXECUTIVE SUMMARY:

This successor MOU covers the performance of animal care and shelter services within the county. The city will contribute a proportional share of the costs for maintaining and operating the County's animal shelter facilities and caring for the animals. The term of this MOU is December 30, 2012 to December 30, 2027 with options to renew for one additional ten year term.

BUDGET INFORMATION:

The cost to the City for participating in the MOU varies on an annual basis and is based on proportional share of use. The County will issue an annual invoice during October of each year.

The City will be responsible for paying both its capital and operational costs annually during the term of the MOU based on the formulas described in the MOU which is based on the net cost of maintaining and operating the Claybank Facility and caring for the animals.

The City's Fiscal Year 2012-13 costs were \$14,895 and were previously budgeted in account 010-5205-8477. Since 2006, funds have routinely been budgeted to pay the annual proportional share. Approving the MOU will necessitate funds be budgeted annually from Fiscal Year 2013-2014 through Fiscal Year 2027-2028, including approximately \$5,000 per year in capital expenditures.

GENERAL PLAN:

Relevant General Plan Goals include:

- Goal 2.28: Improve and maintain public facilities and services.

STRATEGIC PLAN:

Relevant Strategic Plan Goal:

- Strategic Issue #1: Protect Community and Environmental Health and Safety

BACKGROUND:

In March 2006, the cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo agreed to an MOU with Solano County to provide animal care services. This is a successor MOU to that agreement.

It is the intent of the County and the Cities to operate the animal shelter at the most efficient manner possible. Since July 2011 the Sheriff's Office has managed the animal shelter operations and has developed a cost effective approach to build a new animal shelter at the existing site. Staff from the Sheriff's and County Administrator's Offices have been discussing the new plans with the Solano City Managers over the last year and have reached an agreement that a new animal shelter could be built and be financed over a longer period of time (15 years) in order to allow the Cities as well as the County to pay the annual debt service payments in smaller installments given the tough economic times.

Key elements of the Agreement are as follows:

1. Term: 15 years beginning upon the expiration of the current MOU (December 30, 2012-December 30, 2027), with options to renew for one additional 10 year term.
2. Annual Meeting: Every October, the County Administrator and Sheriff and/or designees will meet with the City Managers and/or designees to discuss the forecast for the next budget year for the animal shelter and to discuss issues related to future needs for maintenance and capital expenditures for the shelter.
3. Care of the Shelter and Animals. The County will maintain the shelter in a humane manner and provide the animals with appropriate care, nutrition and shelter in accordance with the State of California and this MOU. This includes the County operating a spaying/neutering clinic and micro-chipping program.
4. Capital Projects: The County and the Cities will participate in cost of building the new shelter and renovation of the existing building and the re-roof of the existing shelter. The County will issue debt in the approximate amount of \$5.4 million and annually bill the Cities for the debt service payments. There is a prepayment option for Cities to consider prior to the

issuance of the bonds. All of the Cities and the County will be responsible for their share of debt service for the capital improvements for the entire initial term of 15 years. The County and Cities will pay their prorata share of capital costs based on a 5-year history of animals by jurisdiction received by the shelter. The estimated annual debt service share for the City of Benicia is \$5,352. The County in coordination with the Cities will prepare and agree to a Capital Improvement and Major Maintenance Plan by the tenth year of the MOU. This Plan will serve as the basis for future capital planning for existing or replacement facilities.

5. Operations: The County and the Cities will participate in the cost of operations for the shelter based on a formula that is currently being used in the existing MOU. The City of Benicia's proportional share has historically been less than 2%. Cities will receive 100% of their animal license fees as a credit toward their individual city costs.
6. Withdrawal Provisions: There is a provision in the MOU that allows a city to withdraw from the MOU after the first five years prior to the ending of the initial term of 15 years. This withdrawal option comes with a penalty buyout payment equivalent to two years worth of fixed costs of operations for that city in order to smooth out the cost increases for shelter operations that will apply to the remaining agencies. Fixed costs will be determined by the County Administrator and the Sheriff at the time of the city's withdrawal but are anticipated to include such costs as utilities, minimum staffing levels to operate the facility, on-going maintenance for programs/services then being provided at the time of the city's withdrawal.
7. Indemnification: County Counsel has provided the language for this section of the MOU and the City Attorneys for each city have had the opportunity to comment on this section.

Attachments:

- Resolution
- Memorandum of Understanding on Provision of Animal Care Services

RESOLUTION NO. 12-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BENICIA, DIXON, FAIRFIELD, RIO VISTA, SUISUN CITY, VACAVILLE AND VALLEJO WITH SOLANO COUNTY TO PROVIDE ANIMAL CARE SERVICES, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

WHEREAS, the City entered into a Memorandum of Understanding (MOU) with the cities and county in March 2006; and

WHEREAS, this is a successor MOU with a term of December 30, 2012 to December 30, 2027 with options to renew for one additional ten year term; and

WHEREAS, the City will annually contribute a proportional share of operational and capital expenses of the costs for maintaining and operating the County's animal shelter facilities and caring for the animals.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council hereby approves a Memorandum Of Understanding on Provision of Animal Care Services between the City of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo with Solano County for the term of December 20, 2012 to December 30, 2027 and authorizes the City Manager to execute the Memorandum of Understanding with minor changes as may be approved by the City Attorney.

* * * *

On motion of Council Member _____, seconded by Council Member _____, the above resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council on the 18th day of December, 2012 and adopted by the following vote:

Ayes:
Noes:
Absent:

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

Memorandum of Understanding
On Provision of Animal Care Services

12/30/2012

This Memorandum of Understanding (“MOU”) is entered into as of December 30, 2012 by and among Solano County, a political subdivision of the State of California (“County”), and the cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, and Vallejo, all municipal corporations (“Cities” or individually “City”), sometimes individually referred to as “Party” and collectively referred to as “Parties,” with reference to the following:

RECITALS

WHEREAS, the County and the Cities are desirous of continuing to work together for the performance of animal shelter services within the County, and the County is able to provide and has historically provided those services; and

WHEREAS, agreements between a county and the cities within that county for the performance of municipal services are authorized by California Government Code § 54980, et seq.; and

WHEREAS, each of the Parties bears the responsibility to shelter animals within its jurisdiction; and

WHEREAS, the Parties wish to obtain certain animal shelter services in the interests of public safety for all County and City residents and the humane treatment of the animals kept within those stated jurisdictions; and

WHEREAS, the County currently operates an animal shelter facility, located at 2510 Claybank Road, Fairfield, California (“Claybank Facility” or “Facility”); and

WHEREAS, the Cities desire to have the County provide animal shelter services on their behalf and are willing to contribute proportional shares of the cost of maintaining and operating the County's animal shelter facilities and caring for the animals; and

WHEREAS, the County is willing to contract with the Cities to provide certain animal shelter services; and

WHEREAS, the County and the Cities will continue to partner in building a new animal shelter and to prepare the shelter to better serve the public; and

WHEREAS, the County and the Cities have met and discussed options to provide animal care services in the County and want to enter into a new MOU to continue to serve the Solano Community with high quality and efficient services to the residents of Solano County.

NOW, THEREFORE, the Parties agree as follows:

1. Term.

A. Initial Term. The initial term ("Initial Term") of this MOU shall be fifteen (15) years commencing on December 30, 2012 ("Effective Date") and shall expire on December 31, 2027. Upon execution of this MOU, the County and Cities agree that the current MOU between the Parties entitled "Memorandum of Understanding on Provision of Animal Care Services 12/14/05" dated as of March 1, 2006, shall terminate and be replaced by this MOU.

B. Additional Terms. Upon conclusion of the Initial Term, , unless notice is given of a Party's intent to withdraw no later than two (2) years prior to the expiration of the Initial Term, this MOU shall automatically renew for one (1) additional ten (10) year term ("Additional Term"), provided the Parties have agreed to, and their respective governing bodies have approved, a Capital

Improvement and Major Maintenance Plan, as defined in Section 2 and 4.C. below, for the Additional Term. During the Additional Term, any Party may withdraw in accordance with Section 8 (“Withdrawal from MOU”) below.

2. Annual Meeting. Every October during the term of this MOU, the County Administrator’s and the County Sheriff and/or their designees will meet with the City Managers and/or their designees (“City/County Manager’s Group”) to discuss the forecast for the next budget year for the animal shelter and to discuss issues related to major maintenance, operations, capital expenditures and services for the shelter. Such discussion regarding capital expenditures and major maintenance will include, as the need emerges over the entire term of this MOU or prior to any negotiation regarding an extension or subsequent MOU, a discussion of the need for an additional building or replacement of the Claybank Facility as part of the Capital Improvement and Major Maintenance Plan defined in Section 4.C. below.

3. Care of Shelter and Animals. The County shall maintain the Claybank Facility in a humane manner and provide the animals maintained in it with necessary and prompt veterinary care, nutrition, and shelter in accordance with the laws of the State of California throughout the term of this MOU, which currently includes a spaying/neutering clinic and micro-chipping program. The County shall give the prescribed notices and use humane methods of care and euthanasia for any animal at the Claybank Facility.

The animal care costs to be borne by all Parties pursuant to this MOU may include new programs, which will be discussed and approved by a consensus (i.e. more than a majority) of the City Managers and the County Administrator or their designees at the annual meeting of the County and the Cities as set forth in Section 2, above. New animal care programs that are mandated by the state or federal government, however, are not subject to this requirement. To the extent that a consensus cannot be reached, the Parties agree that a final decision may be approved by a majority of the City Managers and the County Administrator. The County will provide notice to the Cities of any new

mandated programs prior to implementation of such programs. Programs and services currently provided are included as Exhibit 1 (“Core Services”), which includes currently mandated programs.

Unusual and/or extraordinary charges incurred for large animals will be accounted for separately and charged to the jurisdiction of origin of the large animal.

4. Capital Projects - Animal Shelter. The County currently maintains the Claybank Facility for the care and shelter of animals. The Claybank Facility is in significant need of repair and expansion. The following projects have been identified by all Parties as critical to the ongoing operation of the animal shelter services provided hereunder.

A. Animal Shelter Remediation & Re-roof. In Fiscal Year 2011/12, the County completed construction necessary to re-roof the existing animal shelter of approximately 12,500 square feet. The cost from inception to completion of the re-roof project totaled approximately \$250,000.

B. Animal Shelter Renovation/Expansion. The County in coordination with the Cities has developed a cost effective approach to build a new animal shelter at the existing Claybank Facility site that includes a spay and neuter clinic and to remodel the existing animal shelter building to better serve the public and to care for the shelter animals. The new shelter building will be a single-story structure of approximately 12,500 square feet. The Draft Overall Summary Proposal for the Animal Care Services New Kennel Building, including the renovation, is set forth in the attached Exhibit 2. The estimated cost of the Animal Shelter Renovation/Expansion is approximately \$5,150,000. To the extent that the actual project bid comes in ten percent (10%) higher than the project engineer’s estimate, the County will convene the City/County Manager’s Group to address the additional costs.

C. Capital Improvement and Major Maintenance Plan. The County, in coordination with the Cities, will prepare a Capital Improvement and Major Maintenance Plan (“CIMMP”) by year 10 of the term of this MOU. The CIMMP will be presented to each Party’s governing body for approval and will serve as the basis for future capital planning for existing or replacement facilities. Such CIMMP will include, but is not limited to, a maintenance assessment, capital facilities maintenance fund to address capital renewal needs, and long-term facility assessment to address potential replacement facilities.

5. Payment.

A. Proportional Shares - Operations. Each Party shall pay its proportional share of the net cost of maintaining and operating the animal shelter and caring for the animals (“Net Cost”). The Net Cost shall be determined by subtracting the amount of all non-license revenue received by the County’s Animal Care Division and the cost of animal patrol services for the unincorporated area of the County from the total cost of maintaining and operating the animal shelter and caring for the animals. The Parties acknowledge that the costs of maintaining and operating the animal shelter include, among other costs, the cost of one full-time equivalent animal control officer. Each Party’s proportional share shall be determined by dividing the total number of animals received by the County at the Facility from all Parties for the prior fiscal year by the total number of animals received by the County at the Facility from that Party for that same fiscal year. An illustration of the calculation of payment is attached as Exhibit 3.

For purposes of this MOU, the total number of animals received from the City of Fairfield shall include those animals received from Travis Air Force Base. The County shall use its best efforts to work with the City of Fairfield and Travis Air Force Base to facilitate an agreement between Travis Air Force Base and the City of Fairfield to cover Travis Air Base’s proportionate share of the City of Fairfield’s proportional share of the Net Cost.

B. Proportional Shares - Capital Expenditures. The total estimated costs for the Animal Shelter Renovation/Remodel and the Animal Shelter Remediation & Re-roof are approximately \$5,400,000 (“Capital Expenditures”). The final cost will be amortized over a fifteen (15)-year term, consistent with the term of this MOU, at an interest rate estimated at 3.5%. Final cost of the Capital Expenditures, including actual interest rate for debt issuance, will be determined upon completion of the Animal Shelter Renovation/Expansion.

Each Party shall pay its proportional share of the one-time costs associated with the Animal Shelter Renovation/Expansion, and the Animal Shelter Remediation & Re-roof. Each Party’s proportional share shall be determined by averaging the number of animals actually received by the shelter from that Party during the five (5)-year period of July 1, 2007 through June 30, 2012 to determine the percentage of all animals actually received from that Party by the shelter during that period. Each Party’s cost will be determined by multiplying the total debt service cost, including any issuance costs by the Party’s proportional share. The Party’s total cost will be paid in annual installments over the fifteen (15)-year term. An estimated proportional share of costs related to Capital Expenditures is set forth in the attached Exhibit 4, which will be revised to reflect the actual share of costs upon debt issuance and completion of the Capital Expenditures. Once revised, the new Exhibit 4 will be incorporated into this MOU as if fully set forth in it.

C. Payments for Subsequent Fiscal Years. For any capital and operating expenses related to Fiscal Years 2012/13 and subsequent years, the County will present an annual invoice to the Cities during October of each year, which is due and payable in forty-five (45) days.

The payments for subsequent fiscal years related to the one-time Capital Expenditures, as outlined in Section 4 above, may be prepaid by the Cities. Prepayment will only be accepted prior to the issuance of the debt for the shelter

and re-roof costs in such amount determined by the County Treasurer in conjunction with the County Administrator's Office based on a Party's estimated share of the Capital Expenditures. Any pre-paid amount in excess of that Party's actual share of the final Capital Expenditures once construction is complete and a Notice of Completion has been recorded for the Animal Shelter Renovation/Expansion will be refunded to that Party. Conversely, to the extent that a Party pre-paid in an amount less than its final share, that Party agrees to remit the difference within thirty (30) days of invoice from the County.

6. Countywide Cost Allocation Plan Costs. The budget for the County Animal Care Division includes costs allocated to the County Animal Care Division under the Countywide Cost Allocation Plan to cover central administrative and overhead expenditures ("A87 Costs"). The Parties understand and acknowledge that A87 Costs fluctuate from year to year, and the Parties agree that the Cities' obligation to pay A87 Cost increases shall be limited in the manner set forward herein. The County Animal Care Division's A87 Costs for the 2004/05 Fiscal Year ("Base Year") were \$414,058. The Parties agree that, if the increase in the County Animal Care Division's A87 Costs for any one fiscal year over the previous fiscal year exceeds five percent (5%) of the prior year's A87 Costs, the County shall present the figure to the City/County Manager's Group in the first quarter of each calendar year of this MOU for review and discussion; provided, however, that the County is not required to present an increase in the A87 Costs to the City/County Manager's Group if the total A87 Costs for that year, including the increase, do not exceed the A87 Costs for the Base Year, i.e. \$414,058. If not approved by a consensus (i.e. more than a majority) of the City Managers and the County Administrator or their designees, or to the extent that a consensus cannot be reached, the Parties agree that such costs may be approved by majority of the City Managers and the County Administrator. To the extent that a majority of the City Managers and the County Administrator do not agree that the increase in A87 costs are justified, the charges shall be absorbed by the County.

7. Audit. Each Party, at its own cost, shall have the right to conduct an annual audit of the County's records with respect to the number of animals the County has received from each Party. The County agrees to cooperate with the Parties in conducting any audit.

8 Withdrawal from MOU. Any Party may withdraw from this MOU after the first five (5) years by giving notice to all other Parties as specified in Section 17 (Notices) below of this MOU. Such withdrawal shall be submitted in writing and shall be accompanied by a resolution of the governing body of the Party choosing to withdraw. Such notice shall not be effective until two (2) years from the date of the notice. If such notice of withdrawal is given prior to year 13 of the Initial Term, the withdrawing Party agrees to pay as penalty for such early withdrawal the equivalent to two (2) years of the Party's previous year's share of fixed costs included in the Party's share of Net Cost as provided in Section 5.A. above to alleviate the burden of the Party's withdrawal on the remaining Parties. Fixed costs will be determined by the County Administrator and the County Sheriff at the time of a Party's withdrawal but are anticipated to include such costs as utilities, minimum staffing levels to operate the Facility, and other fixed costs for all programs/services then being provided at the time of a Party's withdrawal. The fixed costs will be presented to the City/County Manager's Group for review and consent. Such penalty is due and payable on the day of withdrawal and shall be applied to the remaining Parties' share of the Net Cost to reduce each Party's proportional share for that year. Upon the effective date of such withdrawal, the withdrawing Party shall cease to be bound by this MOU, but shall remain obligated to pay its share of the Capital Expenditures as set forth in Section 5.B. ("Payment-Proportional Shares-Capital Expenditures") above.

9. License Fee Revenue.

A. Each Party shall receive one hundred percent (100%) of the licensing revenue attributable to animals within its jurisdiction. All Parties agree to work together on programs that will increase the license fee revenues for each Party.

B. The Cities may either individually impose a separate license fee within their jurisdictions or mutually adopt a standardized license fee which may be revised annually by unanimous consent of the Cities. The County shall collect the city license fee and shall remit the fee to the appropriate City.

C. Nothing in this MOU shall affect the ability of the Cities to impose their own license fees within their jurisdictions. Where the Cities have duly adopted a separate City license fee, the County agrees to accept payment for such City license fee and pass through the revenue to the City.

D. The County may recover its actual cost of administering the fee collection from the fees collected on behalf of the Parties. The County shall, upon request by a Party, provide a written accounting of the fees collected on behalf of that Party and the County's cost in administering the fees collected on behalf of that Party.

E. Cities agree to notify County no later than April of each year of this MOU of any new/increased license fee.

10. Indemnification.

A. County to indemnify Cities. County agrees to defend and indemnify Cities, their agents, officers and employees (collectively referred to in this paragraph as "Indemnified Party"), from any claim, action or proceeding against an Indemnified Party, arising solely out of the acts or omissions of County in the performance of this MOU. At its sole discretion, the Indemnified Party may participate at its own expense in the defense of any claim, action or proceeding, but such participation shall not relieve County of any obligation imposed by this Section. The Indemnified Party shall notify County promptly of any known claim, action or proceeding and cooperate fully in the defense.

B. City to Indemnify County. Each City agrees to defend and indemnify the County, its agents, officers and employees (collectively referred to in this paragraph as ‘County Indemnitees’) from any claim, action or proceeding against the County Indemnitees, arising solely out of the acts or omissions of such City in the performance of this MOU. At their sole discretion, the County Indemnitees may participate at their own expense in the defense of any such claim, action or proceeding, but such participation shall not relieve the City of any obligation imposed by this Section. The County shall notify the City promptly of any known claim, action or proceeding and cooperate fully in the defense.

C. Each party to defend itself for concurrent claims. County agrees to defend itself, and each City agrees to defend itself, from any claim, action or proceeding arising out of the concurrent acts or omissions of County and City. In such cases, County and the City agree to retain their own legal counsel, bear their own defense costs, and waive their right to seek reimbursement of such costs, except as provided in paragraph E below.

D. Joint Defense. Notwithstanding paragraph C above, in cases where County and City agree in writing to a joint defense, County and City may appoint joint defense counsel to defend the claim, action or proceeding arising out of the concurrent acts or omissions of City and County. Joint defense counsel shall be selected by mutual agreement of County and City. County and City agree to share the costs of such joint defense and any agreed settlement in equal amounts, except as provided in paragraph E below. County and City further agree that neither party may bind the other to a settlement agreement without the written consent of both County and City.

E. Reimbursement and/or Reallocation. Where a trial verdict or arbitration award allocates or determines the comparative fault of the parties, County and City may seek reimbursement and/or reallocation of defense costs, settlement payments, judgments and awards, consistent with such comparative fault.

11. Insurance.

A. Each Party agrees to maintain its status as a legally self-insured public entity for general, auto and professional liability insurance coverage with limits of no less than \$1,000,000 per occurrence. Each Party's insurance will be considered primary for all claims arising out of acts of that Party. The County agrees to endorse each City, their officials, employees and agents, using standard ISO endorsement No. CG2010 or its equivalent for general liability coverage and will require all consultants, contractors, and subcontractors engaged to perform services in furtherance of this MOU to name each City as an additional insured as well. Each City agrees to endorse the County, their officials, employees and agents, using standard ISO endorsement No. CG2010 or its equivalent for general liability coverage and will require all consultants, contractors, and subcontractors engaged to perform services in furtherance of this MOU to name the County as an additional insured as well. Each City is not obligated to name any other Party except the County as an additional insured.

B. Each Party will maintain Workers' Compensation as required by law for all its employees with limits of not less than \$1,000,000 per occurrence. Neither Party's insurance shall be called upon to satisfy any claim for workers' compensation filed by an employee of another Party.

12. Third-Party Beneficiaries. The performance of the County's and the Cities' respective obligations under this MOU are not intended to benefit any party other than the County and the Cities. No person or entity not a signatory to this MOU shall have any rights or causes of action against any Party to this MOU as a result of that Party's performance or non-performance under this MOU.

13. Interpretation. The Parties acknowledge that this MOU is the product of mutual arms-length negotiation and drafting and that each Party has been represented by legal

counsel in the negotiation and drafting of this MOU. Accordingly, the rule of construction that provides that ambiguities in a document shall be construed against the drafter of that document shall have no application to the interpretation and enforcement of this MOU. In any action or proceeding to interpret or enforce this MOU, the finder of fact may refer to any extrinsic evidence not in direct conflict with any specific provision of this MOU to determine and give effect to the intention of the Parties.

14. Counterpart Originals; Integration. This MOU may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute one instrument. This MOU, and its Exhibits, represent the entire understanding of the Parties and supersedes all negotiations, correspondence, or previous agreements of any kind whatsoever between the Parties with respect to all or any part of the subject matter addressed herein.

15. No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions of this MOU on any one or more occasions shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any rights or powers under this MOU at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

16. Severability. If any portion of this MOU is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

17. Notices. All notices, demands, invoices, and other written communications required by or issued in conjunction with this MOU shall be in writing and shall be delivered to the following addresses or such other addresses as the Parties may designate by written notice:

County Administrator
County of Solano
675 Texas St., Suite 6500
Fairfield, CA 94533

City Manager
City of Benicia
250 East "L" Street

Benicia, CA 94510

City Manager
City of Dixon
600 East "A" Street
Dixon, CA 95620

City Manager
City of Fairfield
1000 Webster Street
Fairfield, CA 94533

City Manager
City of Rio Vista
One Main Street
Rio Vista, CA 94571

City Manager
City of Suisun City
701 Civic Center Blvd.
Suisun City, CA 94585

City Manager
City of Vacaville
650 Merchant Street
Vacaville, CA 95688

City Manager
City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of seventy-two (72) hours after deposit in the U.S. Mail.

18. Jurisdiction and Venue. This MOU shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this MOU, or which in any way arises out of the Parties' activities undertaken pursuant to this MOU, shall be filed and prosecuted in the appropriate California state court in Solano County, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue because governmental entities are parties to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding.

[SIGNATURES ON FOLLOWING PAGES]

SIGNATURE PAGE TO
MEMORANDUM OF UNDERSTANDING
ON PROVISION OF ANIMAL CARE SERVICES

Date

County of Solano
Name: _____

Date

City of Benicia
Name: _____

Date

City of Dixon
Name: _____

Date

City of Fairfield
Name: _____

Date

City of Rio Vista
Name: _____

Date

City of Suisun City
Name: _____

Date

City of Vacaville
Name: _____

Date

City of Vallejo
Name: _____

**ANIMAL CARE SERVICES
CORE SERVICES SUMMARY**

The following core services are provided by the Solano County Sheriff's Animal Care Services as of December 2012.

Mandated Services	
	Shelter services for stray, abandoned, or unwanted animals (food, water, health care)
	Spay/Neuter and implanted microchip to adopted dogs & cats, purchased, fostered or rescued
	Enforce animal control ordinances (state & county) house/care for animals while under investigation/court hearing
	Issue animal license and tag
	Provide animal control and patrol services to unincorporated area of Solano County
	Rabies control for entire Solano County (provide quarantine facility)
	Provide emergency veterinary services
	Holding period 72 hours / Hayden Bill
	Adoption services
	Low cost vaccination clinic
Non - Mandated Services	
	Offsite adoption services
	Foster care program
	Volunteer program
	Rescue program
	Owner request put to sleep (ORPTS)
	Micro Chip within incorporated area
	Low cost spay /neuter
	Euthanasia of stray / unwanted animals
	Trap/neuter/return program for feral cats (TNR)
	Offsite education / Shelter tours
	Dog obedience / Agility classes
	Educational & therapy site visits by mentally/physically challenged student program

Animal Care Services
New Kennel Building

Project Costs - Preliminary Opinion

Overall Summary

(Revision Date: August 7, 2012)

PRELIMINARY

TOTAL PROJECT COSTS SUMMARY									
Ref	Description	Area	Construction Costs		Total Soft Costs	Project		Project	
			Total	Cost/SF		Contingency	Total	Cost/SF	
Phase 1	Site Work and Building Foundation	15,000 sf	\$ 334,201.62	\$ 22.28	\$ 246,848.63	\$ 87,157.54	\$ 668,207.78	\$ 44.55	
Phase 2	New Kennel Building - Shell & Tenant Improvements	12,500 sf	\$ 2,164,238.89	\$ 173.14	\$ 1,057,200.15	\$ 483,215.86	\$ 3,704,654.90	\$ 296.37	
Phase 3	Tenant Improvements: Existing Animal Shelter Facility (Section A) and New Kennel Building (Exterior)	2,600 sf	\$ 446,700.00	\$ 171.81	\$ 201,900.85	\$ 97,290.13	\$ 745,890.98	\$ 286.88	
Total Project Costs (All Phasing Scenarios)							\$ 5,118,753.66		

Scope of Work:

Phase 1 Site Work and Building Foundation

- A. Relocate existing leased modular to northeast of existing kennel, tie-in to existing utilities, and provide temporary ADA parking stalls and sidewalk.
- B. Demolition of small building, sidewalks, concrete pads, and perimeter fence; and relocation of trash enclosure.
- C. Surface demolition, grading, cut and fill (assumed balanced site).
- D. Utility lines: increase from 1" to 2" and add meter & booster pumps (water); 2 new fire hydrants; increase from 3" to 4" (sewer); extend 3" and new meter (gas); replace main switchboard, transformer, and underground conduits (electrical); new subpanel and emergency generator for new kennel (electrical); upgrade fiber optics (communications).
- E. Demolish existing County-installed secondary transformer.
- F. Continuous footing for new kennel, along with spot footings for the columns of new kennel.
- G. Concrete slab - 6" thick (trash enclosure and transformer pad).
- H. See Attachment A-1 (Phase 1 - Site Work & Building Foundation Site Plan) for scope of work location.
- I. See Attachment B-1 (Kitchell's Utility Assessment, dated July 26, 2012) for assessment on existing and expected utilities.

Phase 2 New Kennel Building - Shell & Tenant Improvements

- A. New kennel (turn key) includes: trench drain system, building materials (kennel runs, plumbing, electric, and HVAC), and concrete slab.
- B. Fire sprinkler system for new kennel (by JOC).
- C. FF&E (clinical items) installed by respective vendors; office furniture designed and installed by Keller Group; office equipment installed by County; and all other furniture, fixtures, and equipment installed by JOC contractor.
- D. New Kennel based on Conceptual Plans from Houndquarters (dated 01/28/12).
- E. See Attachment A-2 (Phase 2 - New Kennel Building & Tenant Improvements Site Plan) for scope of work location.
- F. See Attachment B-1 (Kitchell's Utility Assessment, dated July 26, 2012) for assessment on existing and expected utilities.
- G. See Attachment C-1, Overall Summary - Furniture, Fixtures, & Equipment (FF&E Costs).

Phase 3 Tenant Improvements: Existing Animal Shelter Facility (Section A) and New Kennel Building (Exterior)

- A. Demolish existing kennels, walls, and doors in Sector A of existing Animal Shelter Building.
- B. Tenant improvement includes rooms/spaces such as waiting, reception, workstations, offices, conference room, breakroom, MDF, and restrooms.
- C. Fill and level slab to existing slab on grade.
- D. Cut and cap existing utilities.
- E. System upgrades for: HVAC and data/communications (entire building); new fire sprinkler system (TI area only).
- F. Install new systems furniture.
- G. Exterior improvement allowance includes 26 additional parking stalls, ADA upgrades, and concrete walkways at New Kennel Building.
- H. See Attachment A-3 [Phase 3 - Tenant Improvements (Exst. Bldg. & Exterior) Site Plan] for scope of work location.
- I. See Attachment B-1 (Kitchell's Utility Assessment, dated July 26, 2012) for assessment on existing and expected utilities.

Assumptions:

Phase 1 Site Work and Building Foundation

- I. Work to be performed using County's Job Order Contracting 2012 Contract.
- II. Lease of existing modular to be paid by Sheriff (operational costs).
- III. City of Fairfield Impact Fee included in costs (for new water meter).
- IV. Impact fee for sewer not included.
- V. Fire access remains as is.
- VI. Resizing of sewer line may need to be presented to Fairfield-Suisun Sewer District.
- VII. No additional parking lot included.

Phase 2 New Kennel Building - Shell & Tenant Improvements

- I. Construction work for the new kennel will be performed by a vendor (through traditional design-bid-build delivery); all other work to be performed using County's Job Order Contracting 2012 Contract.
- II. Lease of existing modular to be paid by Sheriff (operational costs).

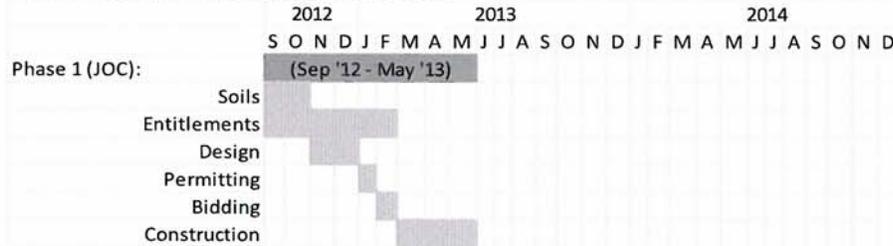
Phase 3 Tenant Improvements: Existing Animal Shelter Facility (Section A) and New Kennel Building (Exterior)

- I. Work to be performed using County's Job Order Contracting 2012 Contract.
- II. Sector A is typical office building tenant improvement, including restrooms.
- III. Lease of existing modular to be paid by Sheriff (operational costs) until project completion.

Schedule

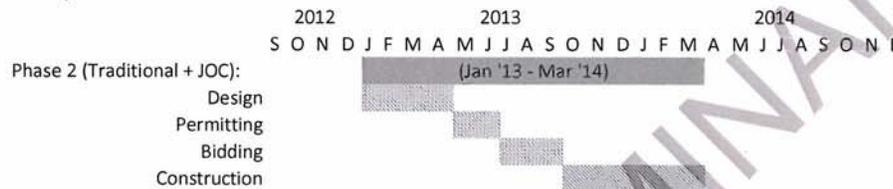
Phase 1 Site Work and Building Foundation

Duration of phase: 9 months (see schedule below).



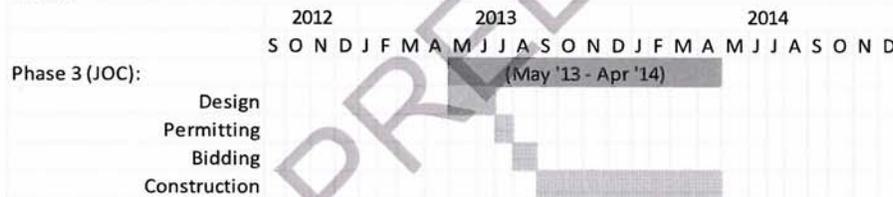
Phase 2 New Kennel Building - Shell & Tenant Improvements

Duration of phase: 15 months (see schedule below).



Phase 3 Tenant Improvements: Existing Animal Shelter Facility (Section A) and New Kennel Building (Exterior)

Duration of phase: 15 months (see schedule below).



Items Not Included in Preliminary Cost that May Impact Cost:

Phase 1 Site Work and Building Foundation

- a. Jurisdictional Agency Review.
- b. Utilities Capacity.
- c. Traffic Study.
- d. Impact Fee (Sewer).

Phase 2 New Kennel Building - Shell & Tenant Improvements

- a. Jurisdictional Agency Review.
- b. Utilities Capacity.
- c. Traffic Study.

Phase 3 Tenant Improvements: Existing Animal Shelter Facility (Section A) and New Kennel Building (Exterior)

- a. Jurisdictional Agency Review.
- b. Utilities Capacity.
- c. Traffic Study.

**ANIMAL CARE SERVICES
ILLUSTRATION – CALCULATION OF PAYMENT
PROPORTIONAL SHARES - OPEARATIONS**

Step 1 – Net Cost:

The total Animal Care expenses include all the cost associated with maintaining and operating the Shelter and caring for the animals. The Net Cost is determined by subtracting the amount of all non-license revenue received by Animal Care Services and the cost of animal patrol services for the unincorporated area of the county.

Total Animal Care Expenses for FY 2011/12 (Per County Financial System)	\$ 2,328,841
Subtract Non-License Revenue	(273,788)
Subtract Animal Patrol Services	<u>(233,901) *</u>
 Net Cost	 \$ 1,821,152

*Included in the cost per the County's Financial System are three Animal Control Officers. Per the MOU the Parties acknowledge Net Cost will include the cost of one dedicated Animal Control Officer. The two additional Animal Control Officers dedicated for animal patrol services are subtracted from the total costs chargeable to the participants. Please note, expenses associated with the Animal Care Officers subtracted from the total costs include salary and benefits, standby, overtime, uniform, cell phones, pagers, vehicles and other expenses unique to the Animal Care Officers.

Step 2 – Proportional Share:

The proportional share of the net cost for each participant is determined and distributed by the percentage contribution of animals associated with each participant that use the kennel.

KENNEL INTAKE STATISTICS FOR FY 2011/12

CITY	DOGS	CATS	OTHER	TOTAL	Proportional Share of Cost Based on Animal Intake	ANNUAL PAYMENT
BENICIA	45	26	5	76	0.815%	14,835
DIXON	176	221	12	409	4.384%	79,834
FAIRFIELD	1,304	1,236	83	2,623	28.114%	511,992
RIO VISTA	44	91	9	144	1.543%	28,108
SUISUN	360	440	11	811	8.692%	158,302
TAFB	50	66	6	122	1.308%	23,814
VACAVILLE	704	772	93	1,569	16.817%	306,258
VALLEJO	1,180	1,572	42	2,794	29.946%	545,370
COUNTY - UNINCORP.	346	305	131	782	8.382%	152,641
TOTAL	4,209	4,729	392	9,330	100.000%	1,821,152

Note: The kennel statistics includes the animals born at the shelter and excludes disposals.

Information included herein represents an illustration of the calculation of payment of proportional shares- operations and is not intended to convey actual payment due for FY 2011/12.

County of Solano
Illustration of Estimated Proportional Share of Costs of Capital Expenditures for the Solano County Animal Shelter

I. Capital Expenditures to Amortize over 15 Years.

Reference	Description	Estimated Costs
Exhibit 1	New Kennel Building	5,150,000
	Animal Shelter	
	Remediation/Reroof	250,000
	TOTAL	5,400,000

Note 1

Note 1: Current estimates from Architect as of 8/7/12 total \$5,118,753.66 (See Exhibit 2)

II. Calculation of Cost Sharing Ratio Based on 5-yr Average of Animal Intake by Jurisdiction (excludes disposal)

Reference	Jurisdiction	FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2011/12	5-yr Average	Cost Sharing Ratio Based on Animal Intake by Jurisdiction
1	City of Benicia	88	117	127	130	76	108	1.14%
2	City of Dixon	298	359	374	323	409	353	3.75%
3	City of Fairfield*	2543	2756	2607	2,570	2745	2,644	28.12%
4	City of Rio Vista	127	156	130	129	144	137	1.46%
5	City of Suisun City	752	913	756	823	811	811	8.63%
6	City of Vacaville	1750	1927	1903	1,952	1569	1,820	19.36%
7	City of Vallejo	2307	2470	2727	2,774	2794	2,614	27.81%
8	Unincorporated Solano County	943	1114	774	961	782	915	9.73%
		8,808	9,812	9,398	9,662	9,330	9,402	100.00%

* includes Travis AFB

III. Amortization Schedule (for illustration only)

# Years	Principal Amount**	Interest Rate	Annual Payment	Total Interests	Total Payments
15	5,425,000	3.5%	467,665	1,589,980	7,014,980

** Principal Amount includes \$25,000 in debt issuance costs. Any surplus in loan proceeds will be placed in reserve for building maintenance.

County of Solano
Illustration of Estimated Proportional Share of Costs of Capital Expenditures for the Solano County Animal Shelter

IV. Cost Sharing by Jurisdiction - 15 Years

Reference	Jurisdiction	Total Cost to Amortize	Interest Rate	Total Annual Payment	Cost Sharing Ratio Based on Animal Intake by Jurisdiction	Share of Annual Payment	Share of Total Interests Over 15 Years	Share of Total Payments Over 15 Years
1	City of Benicia	5,425,000	3.5%	467,665	1.14%	5,352	18,196	80,282
2	City of Dixon	5,425,000	3.5%	467,665	3.75%	17,539	59,628	263,080
3	City of Fairfield*	5,425,000	3.5%	467,665	28.12%	131,525	447,163	1,972,879
4	City of Rio Vista	5,425,000	3.5%	467,665	1.46%	6,824	23,202	102,367
5	City of Suisun City	5,425,000	3.5%	467,665	8.63%	40,340	137,149	605,100
6	City of Vacaville	5,425,000	3.5%	467,665	19.36%	90,539	307,816	1,358,080
7	City of Vallejo	5,425,000	3.5%	467,665	27.81%	130,043	442,123	1,950,645
8	Unincorporated Solano County	5,425,000	3.5%	467,665	9.73%	45,503	154,703	682,547
	TOTAL				100.00%	467,665	1,589,980	7,014,980

Note: County will bill cities based on straight line amortization for 15 year loan as shown herein.

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 18, 2012
CONSENT CALENDAR

DATE : November 26, 2012

TO : City Manager

FROM : Finance Director

SUBJECT : **REVIEW AND ACCEPTANCE OF THE INVESTMENT REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

RECOMMENDATION:

Accept, by motion, the Investment Report for the quarter ended September 30, 2012.

EXECUTIVE SUMMARY:

The investment portfolio is in compliance with the City's Investment Policy and California Law. Additionally, the City has adequate investments to meet its expenditure needs for the next six months. The Finance Committee has reviewed and accepted this report.

BUDGET INFORMATION:

This report has no impact on the City's budget.

GENERAL PLAN:

There is no effect on the City's General Plan.

STRATEGIC PLAN:

Relevant Strategic Plan Issues and Strategies:

- Strategic Issue #3: Strengthening Economic and Fiscal Conditions
 - Strategy #4: Manage City finances prudently

BACKGROUND:

The City's investment portfolio consists of cash balances in checking accounts (less outstanding checks), Local Agency Investment Fund, treasury bills, federal agency notes and trustee accounts which manage the installment payments and reserves for bonds issued by the City.

The City has adequate investments to meet its expenditure requirements for the next six months. In addition, the City's investment portfolio is in compliance with Government Code Sections 53600 et seq. and the City's Investment Policy. This report was prepared by the City's investment portfolio manager, PFM Asset

Management LLC and to the best of my knowledge, is an accurate representation of the City's investment portfolio. The Finance Committee reviewed and accepted the Investment Report at its October 26, 2012 meeting. The attached report summarizes the City's investments by maturity date, investment type, custodian of investment and cost.

Attachment:

- Investment Report for the quarter ended September 30, 2012



City of Benicia

Investment Performance Review

Third Quarter 2012

PFM Asset Management LLC
Carlos Oblites, Senior Managing Consultant
50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544





Summary

- During the third quarter, further easing measures by central banks around the world spurred investors' demand for riskier assets, resulting in strong performance for corporate bonds, mortgage-backed securities, and equities.
- While the U.S. housing recovery seemed to be building momentum, manufacturing activity and job growth have continued to show persistent weakness.
- The domestic economy will likely continue its sluggish recovery, despite uncertainties about the U.S. election and the looming fiscal cliff.

Economic Snapshot

- The unemployment rate fell to 7.8% in September. The economy added 437,000 jobs in the third quarter, up from 200,000 in the prior period.
- The S&P Case-Shiller Index of home prices for July marked a year-over-year increase that was more than consensus estimates predicted, reflecting a continued housing recovery.
- The Institute for Supply Management's manufacturing survey fell slightly below 50 for June, July, and August, indicating a weakening of the important manufacturing base, but rose to 51.5 in September, suggesting slow growth (a measure above 50 is the dividing point between growth and expansion).
- The Consumer Price Index increased by 0.6% in August on a seasonally adjusted basis, its largest gain since June 2009; this was primarily due to increases in food and energy prices.
- Most economists expect U.S. gross domestic product (GDP) to grow by 1.8% to a 2% total for the balance of the year.

Interest Rates

- Interest rates ended the quarter modestly lower, while yield spreads on Agencies, corporates, and mortgage-backed securities (MBS) tightened significantly.
- Long-term Treasury yields experienced significant intra-quarter volatility, while two-year Treasury yields remained in a tight range of 0.20% to 0.30% for the quarter.
- The Federal Reserve announced that it will keep short-term rates at extremely low levels through mid-2015, and initiated QE3, a new program to purchase \$40 billion in agency MBS each month until employment conditions improve.

Sector Performance

- Returns of high-quality corporate bonds beat those of Treasuries and Agencies for the quarter as accommodative measures by global central banks prompted investors to search for additional yield. Financial issues did particularly well, outpacing those in the industrial and utility sectors.
- Supported by the new QE3 purchase program, Agency MBS performed well, but were tempered as a result of increased pre-payments, which shortened their average lives.
- While the Municipal sector lagged the corporate sector, it generated returns in excess of Treasuries and Agencies, and offered the additional value of diversification.
- Supply reductions should keep Agency spreads low, as Fannie Mae and Freddie Mac reduce their retained portfolios by 15% per year, as mandated by the Treasury Department.

The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC (PFMAM) at the time of distribution and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFMAM cannot guarantee its accuracy, completeness, or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities.

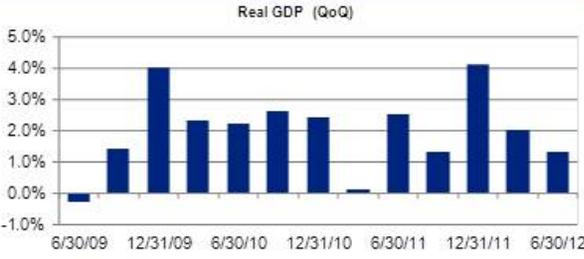
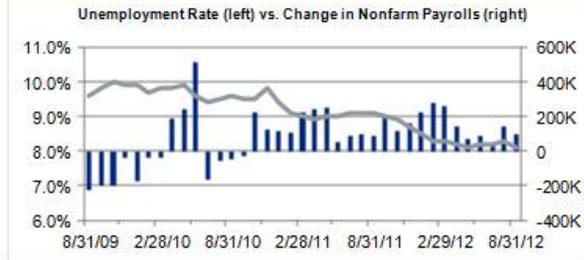


Economic Snapshot

Labor Market		Latest	6/30/12	9/30/11
Unemployment Rate	Aug	8.1%	8.2%	9.0%
Change In Non-Farm Payrolls	Aug	96,000	45,000	202,000
Average Hourly Earnings (YoY)	Aug	1.7%	2.0%	2.0%
Personal Income (YoY)	Aug	3.5%	3.4%	4.6%
Initial Jobless Claims	Sep 28	367,000	376,000	402,000

Growth		Latest	6/30/12	9/30/11
Real GDP (QoQ SAAR)	Q2	1.3%	2.0%	1.3%
GDP Personal Consumption (QoQ SAAR)	Q2	1.5%	2.4%	1.7%
Retail Sales (YoY)	Aug	4.7%	3.5%	8.5%
ISM Manufacturing Survey	Sep	51.5	49.7	52.5
Existing Home Sales (millions)	Aug	4.82	4.37	4.28

Inflation / Prices		Latest	6/30/12	9/30/11
Personal Consumption Expenditures (YoY)	Aug 12	1.5%	1.5%	2.9%
Consumer Price Index (YoY)	Aug 12	1.7%	1.7%	3.9%
Consumer Price Index Core (YoY)	Aug 12	2.0%	0.7%	7.0%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$92.19	\$84.96	\$79.20
Gold Futures (oz)	Sep 30	\$1,771	\$1,604	\$1,620



Source: Bloomberg

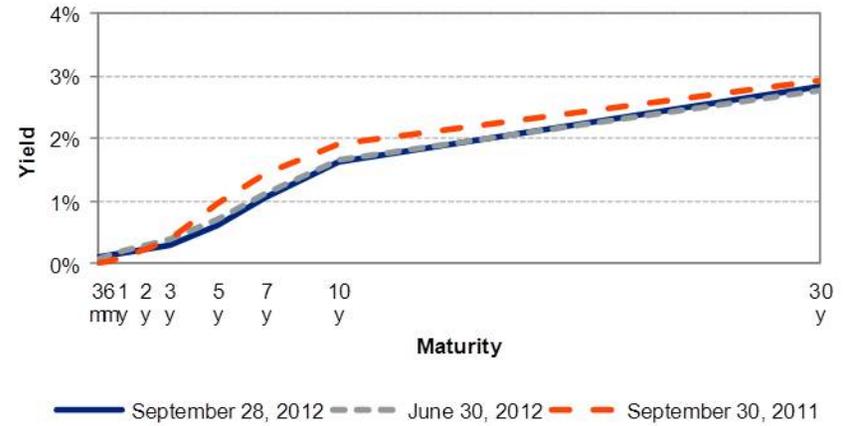


Interest Rate Overview

U.S. Treasury Note Yields



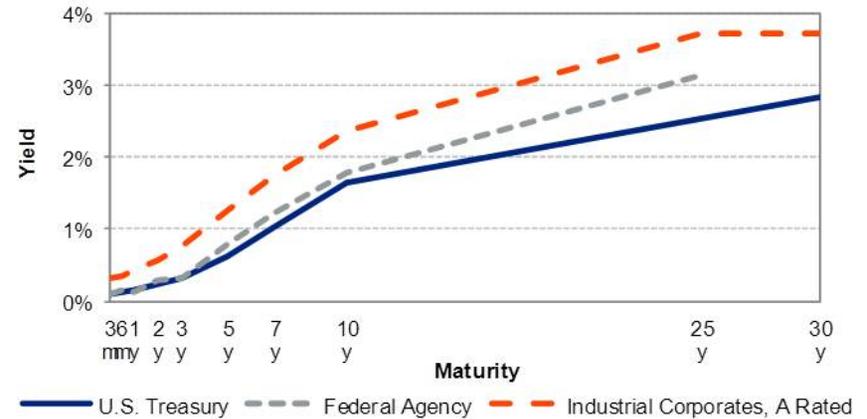
U.S. Treasury Note Yield Curve



U.S. Treasury Note Yields

Maturity	9/30/12	6/30/12	Change over Quarter	9/30/11	Change over Year
3-month	0.12%	0.11%	0.00%	0.02%	0.09%
1-year	0.16%	0.26%	(0.10%)	0.17%	(0.02%)
2-year	0.25%	0.32%	(0.08%)	0.28%	(0.04%)
5-year	0.63%	0.75%	(0.11%)	0.96%	(0.33%)
10-year	1.70%	1.73%	(0.04%)	2.01%	(0.31%)
30-year	2.82%	2.78%	0.04%	2.95%	(0.13%)

Yield Curves as of 9/30/12



Source: Bloomberg



Periods Ended 9/30/2012

	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.89	0.25%	0.26%	0.26%	1.43%
Federal Agency	1.60	0.31%	0.25%	0.25%	1.58%
U.S. Corporates, A-AAA Rated	1.98	1.02%	1.50%	1.50%	3.63%
Agency MBS (0 to 3 years)	1.78	0.87%	0.91%	0.91%	3.78%
Municipals	1.84	0.52%	0.33%	0.33%	1.75%
1-5 Year Indices					
U.S. Treasury	2.74	0.34%	0.47%	0.47%	2.58%
Federal Agency	2.24	0.42%	0.46%	0.46%	2.29%
U.S. Corporates, A-AAA Rated	2.79	1.26%	2.18%	2.18%	4.98%
Agency MBS (0 to 5 years)	1.83	0.91%	1.08%	1.08%	4.73%
Municipals	2.59	0.71%	0.62%	0.62%	2.65%
Master Indices					
U.S. Treasury	6.05	0.91%	0.58%	0.58%	5.46%
Federal Agency	3.69	0.79%	0.84%	0.84%	3.95%
U.S. Corporates, A-AAA Rated	6.78	2.38%	3.53%	3.53%	8.26%
Agency MBS	1.82	0.92%	1.13%	1.13%	5.06%
Municipals	7.39	2.48%	2.51%	2.51%	6.20%

Source: Bloomberg

Total Funds Summary

Fund ¹	Market Value 9/30/2012
<u>Investments</u>	
Investment Portfolio (Managed by PFM)	27,236,712.78
Cash Sweep	74,607.79
LAIF	5,649,346.34
Total Investments	32,960,666.91
<u>Cash</u>	
Cash in Checking Account	2,646,200.00
Total Cash	2,646,200.00
<u>Restricted/Other Funds</u>	
2002 Water Refunding Bonds	-
2005 Wastewater Refunding Bonds	-
2006 Pension Obligation Bonds	1,392,424.54
CDBG Funds	152,430.33
2011 COP - Energy Conservation Projects	2,795,005.06
Total Restricted/Other Funds	4,339,859.93
Total	39,946,726.84

¹PFM portfolio market value includes accrued interest

Portfolio Summary

<u>Total Portfolio Value</u>	<u>September 30, 2012</u>	<u>June 30, 2012</u>
Market Value	\$32,960,666.91	\$27,360,671.78
Amortized Cost	\$32,757,008.22	\$27,214,835.49

PORTFOLIO RECAP**PORTFOLIO STRATEGY**

- The portfolio complies with the California Government Code and the City's investment policy. The portfolio is well diversified among U.S. Treasury and Federal Agency issuers.
- We were able to achieve a consolidation of the City's investments from two managers to under one manager and one custodian, paying close attention to repositioning the portfolio duration to be in line with the City's performance-measuring benchmark. We expect portfolio returns to be more in line with the City's benchmark going forward as a result of this transition. The transition thus far has been successful, and the portfolio management team will be focusing on diversifying the portfolio and taking advantage of all the sectors the City's investment policy allows.
- Bond yields remained highly correlated with headlines out of Europe. Weakening economic conditions in the Eurozone triggered a flight to quality that drove intermediate-term Treasury yields to new all-time record lows in July. The development of an ECB sovereign debt purchase program reversed the trend, causing yields to rebound sharply. Despite several periods of sharp temporary yield movements, Treasury yields ended the quarter only modestly lower in most maturities.
- While long-term yields were quite volatile during the quarter, yields of 1- to 5-year Treasuries were mostly range-bound within narrow bands. For example, the 2-year Treasury note traded between 0.20% and 0.30% during the quarter.
- In the range-bound market, we kept portfolio durations close to their respective benchmarks, but added modestly to duration when rates moved toward the upper end of the trading range.
- Agency notes received a boost during the quarter when the Treasury Department accelerated the wind-down of Fannie Mae's and Freddie Mac's investment portfolio holdings, an action which will shrink Agency bond and discount note supply by \$1 trillion over the next few years. As spreads tightened, we reduced Agency allocations in favor of more U.S. Treasuries. A short-lived spike in volatility mid-quarter provided a brief opportunity to add attractively valued callable Agency bonds.

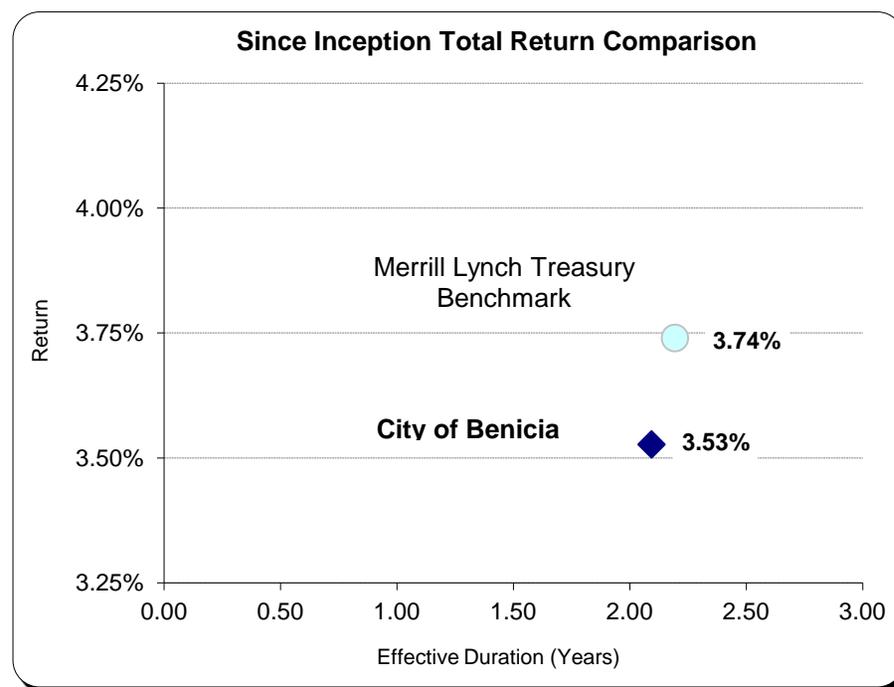
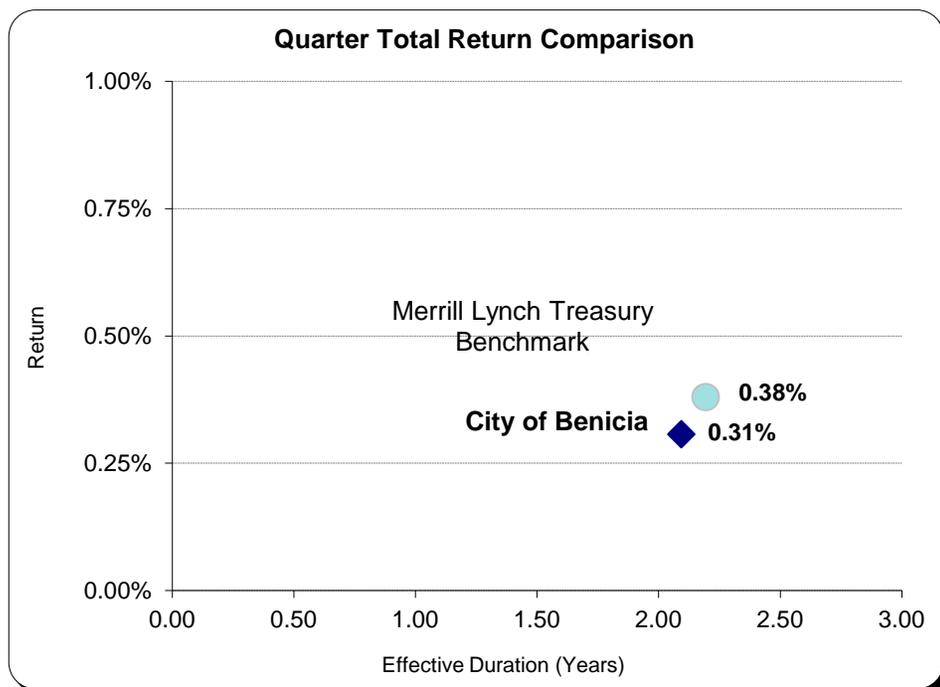
PORTFOLIO STRATEGY

- With the ECB's sovereign debt support program in place, we are turning our attention away from Europe and focusing on domestic issues, such as U.S. economic conditions, the upcoming election and the looming fiscal cliff, and other global issues, like the troubling slowdown in China and turmoil in the Middle East. These conditions create uncertainties that are hard to handicap, and virtually impossible to predict with any degree of certainty.
- Since all of these factors have more downside risk to economic growth than upside potential, and thus a greater chance of keeping yields low in the fourth quarter, we plan to keep portfolio durations generally in line with benchmarks.
- With central banks around the globe pumping an unprecedented amount of liquidity into the market and embarking on new large-scale bond purchase programs, we are faced with a scenario of more dollars chasing fewer assets. As a result, our outlook for most "spread sectors" remains positive. We anticipate relatively low volatility in yields and expect income to be a major component of total returns in the upcoming quarter.
- In this environment, our approach to security selection will employ more of a bottom-up analysis of individual issues, rather than a top-down approach of shifting sector allocations based on a macroeconomic view. We will use this bottom-up approach in the selection of individual corporate and municipal bonds, as well as negotiable CD's and commercial paper in the money market space wherever allowed.
- Over the previous 12 months, we have made a sizable shift away from the Federal agency sector and into the Treasury and other sectors. We continue to actively trade within the Treasury and Federal Agency sectors, seeking to identify those issues that offer the best combination of yield, yield spread, and roll-down potential. We are comfortable with our current sector weightings, but we will adjust our view as new developments in fiscal and monetary policy evolve.
- Although we have generally avoided callable Federal agencies over the past several years, these issues may now be a reasonable alternative to both bullet agencies.
- As always, we strive to maintain safety of principal and appropriate liquidity, while seeking opportunities to add value through active management. Our strategy will remain flexible and may change in response to changes in interest rates, economic data, market outlook, or specific opportunities that arise.

Portfolio Performance

Total Return ^{1,2,3,4}	Quarter Ended September 30, 2012	Past 12 Months	Past 3 Years	Past 5 Years	Since Inception
City of Benicia	0.31%	1.13%	1.69%	2.98%	3.53%
Merrill Lynch Treasury Benchmark	0.38%	1.04%	2.11%	3.26%	3.74%

<u>Effective Duration</u>	<u>September 30, 2012</u>	<u>June 30, 2012</u>	<u>Yields</u>	<u>September 30, 2012</u>	<u>June 30, 2012</u>
City of Benicia	2.09	2.13	Yield at Market	0.55%	0.40%
Merrill Lynch Treasury Benchmark	2.19	2.18	Yield on Cost	0.97%	1.03%

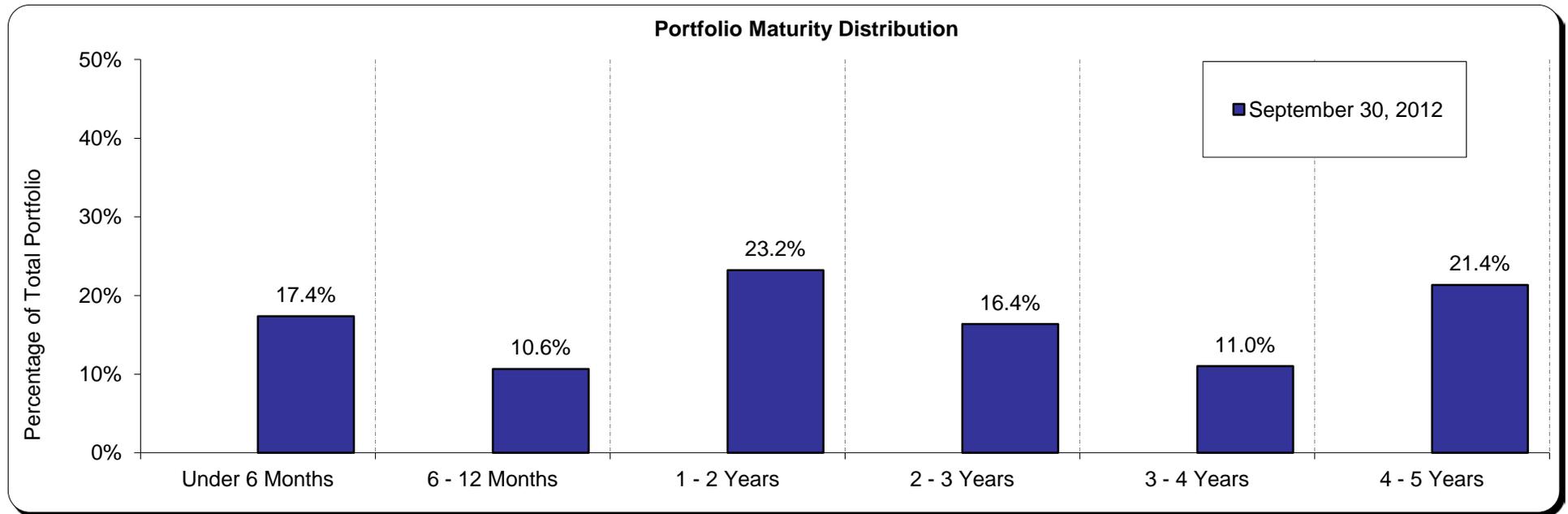


Notes:

- Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- Merrill Lynch Indices provided by Bloomberg Financial Markets. Custom Benchmark consists of the Merrill Lynch 1-3 Year U.S. Treasury Index through 6/30/2006 and the Merrill Lynch 0-5 Year U.S. Treasury Index thereafter.
- Returns for periods less than a year are presented on an unannualized basis. Performance numbers for periods greater than 1 year are presented on an annualized basis.
- Inception date is December 31, 2005.

Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>September 30, 2012</u>
Under 6 Months	\$5,723,954.13
6 - 12 Months	\$3,510,039.73
1 - 2 Years	\$7,655,872.46
2 - 3 Years	\$5,398,239.59
3 - 4 Years	\$3,634,144.93
4 - 5 Years	\$7,038,416.07
5 Years and Over	\$0.00
Totals	\$32,960,666.91



able securities, if any, in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2012**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/15/2011 1.250% 03/15/2014	912828PZ7	875,000.00	AA+	Aaa	03/31/11	04/01/11	874,965.82	1.25	483.43	874,983.71	887,988.50
US TREASURY NOTES DTD 04/30/2009 1.875% 04/30/2014	912828KN9	275,000.00	AA+	Aaa	03/25/10	03/26/10	271,315.43	2.22	2,157.78	273,539.20	282,121.95
US TREASURY NOTES DTD 08/15/2011 0.500% 08/15/2014	912828RB8	750,000.00	AA+	Aaa	08/25/11	08/25/11	752,988.28	0.37	478.94	751,885.76	753,603.75
US TREASURY NOTES DTD 12/15/2011 0.250% 12/15/2014	912828RV4	750,000.00	AA+	Aaa	01/11/12	01/11/12	747,802.73	0.35	553.28	748,342.42	749,824.50
US TREASURY NOTES DTD 03/01/2010 2.375% 02/28/2015	912828MR8	100,000.00	AA+	Aaa	02/28/12	02/29/12	105,769.53	0.44	203.38	104,649.03	105,031.20
US TREASURY NOTES DTD 03/01/2010 2.375% 02/28/2015	912828MR8	660,000.00	AA+	Aaa	02/28/12	02/29/12	698,182.03	0.43	1,342.33	690,766.26	693,205.92
US TREASURY NOTES DTD 08/02/2010 1.750% 07/31/2015	912828NP1	325,000.00	AA+	Aaa	03/13/12	03/15/12	337,695.31	0.58	958.22	335,654.87	338,203.13
US TREASURY NOTES DTD 08/02/2010 1.750% 07/31/2015	912828NP1	700,000.00	AA+	Aaa	06/27/12	06/28/12	727,753.91	0.46	2,063.86	725,441.68	728,437.50
US TREASURY NOTES DTD 08/01/2011 1.500% 07/31/2016	912828OX1	500,000.00	AA+	Aaa	08/18/11	08/18/11	512,382.81	0.99	1,263.59	509,635.24	520,117.00
US TREASURY N/B DTD 01/31/2012 0.875% 01/31/2017	912828SC5	600,000.00	AA+	Aaa	02/22/12	02/27/12	599,882.81	0.88	884.51	599,897.33	609,187.20
US TREASURY N/B DTD 07/31/2012 0.500% 07/31/2017	912828TG5	750,000.00	AA+	Aaa	08/14/12	08/15/12	741,357.42	0.74	631.79	741,576.40	746,308.50
Security Type Sub-Total		6,285,000.00					6,370,096.08	0.74	11,021.11	6,356,371.90	6,414,029.15
Federal Agency Bond / Note											
FHLMC GLOBAL NOTES DTD 03/04/2010 1.625% 04/15/2013	3137EACJ6	650,000.00	AA+	Aaa	03/03/10	03/04/10	649,090.00	1.67	4,870.49	649,838.48	654,999.80
FHLMC GLOBAL REFERENCE NOTES DTD 03/14/2008 3.500% 05/29/2013	3137EABJ7	1,200,000.00	AA+	Aaa	04/26/10	04/26/10	1,260,252.00	1.82	14,233.33	1,213,162.90	1,226,228.40



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2012**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLB GLOBAL NOTES DTD 07/21/2011 0.500% 08/28/2013	313374Y61	850,000.00	AA+	Aaa	07/20/11	07/21/11	848,988.50	0.56	389.58	849,566.26	852,324.75
FHLB NOTES DTD 03/09/2011 1.125% 09/09/2013	313372XG4	750,000.00	AA+	Aaa	08/03/11	08/03/11	758,985.00	0.55	515.63	754,030.03	756,477.75
FHLMC NOTES DTD 01/06/2011 1.375% 02/25/2014	3137EACR8	1,500,000.00	AA+	Aaa	01/24/11	01/24/11	1,502,790.00	1.31	2,062.50	1,501,277.75	1,523,547.00
FFCB BONDS DTD 03/05/2010 2.125% 03/05/2014	31331JGC1	750,000.00	AA+	Aaa	08/16/11	08/16/11	782,550.00	0.41	1,151.04	768,247.31	769,451.25
FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 04/15/2011 1.375% 05/28/2014	313373JR4	500,000.00	AA+	Aaa	06/10/11	06/10/11	507,305.00	0.88	2,348.96	504,106.41	509,891.50
FHLMC NOTES DTD 07/05/2011 1.000% 08/27/2014	3137EACV9	750,000.00	AA+	Aaa	08/24/11	08/26/11	758,490.00	0.62	708.33	755,405.64	760,552.50
FNMA NOTES DTD 08/14/2009 3.000% 09/16/2014	31398AYY2	1,000,000.00	AA+	Aaa	01/27/11	01/28/11	1,050,010.00	1.58	1,250.00	1,027,313.71	1,053,946.00
FHLMC NOTES DTD 08/12/2011 0.500% 09/19/2014	3134G2YJ5	1,100,000.00	AA+	Aaa	09/14/11	09/15/11	1,096,642.58	0.60	183.33	1,097,800.28	1,103,945.70
FNMA NOTES (CALLABLE) DTD 11/07/2011 1.000% 11/07/2014	3135G0EQ2	1,000,000.00	AA+	Aaa	11/07/11	11/07/11	1,000,000.00	1.00	4,000.00	1,000,000.00	1,000,592.00
FREDDIE MAC GLOBAL NOTES DTD 10/06/2011 0.750% 11/25/2014	3137EACY3	760,000.00	AA+	Aaa	05/31/12	06/01/12	764,628.40	0.50	1,995.00	764,010.32	767,014.04
FHLMC (CALLABLE) GLOBAL NOTES DTD 12/19/2011 1.000% 12/19/2014	3134G3CV0	500,000.00	AA+	Aaa	12/29/11	12/29/11	501,400.00	0.90	1,416.67	500,312.58	500,543.50
FNMA NOTES (CALLABLE) DTD 09/09/2011 1.000% 09/09/2015	3136FRX73	500,000.00	AA+	Aaa	09/09/11	09/09/11	500,000.00	1.00	305.56	500,000.00	502,549.50
FNMA NOTES DTD 09/27/2010 1.625% 10/26/2015	31398A4M1	1,050,000.00	AA+	Aaa	09/14/11	09/15/11	1,079,578.50	0.93	7,346.35	1,072,176.74	1,088,384.85
NOTES (CALLABLE) /24/2012 1.000% 02/24/2016	3134G3MK3	700,000.00	AA+	Aaa	02/24/12	02/24/12	702,898.00	0.89	719.44	702,029.15	704,636.10

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Managed Account Detail of Securities Held

For the Month Ending **September 30, 2012**

CITY OF BENICIA RESERVES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLMC NOTES (CALLABLE) DTD 03/21/2012 1.000% 03/21/2016	3134G3SE1	500,000.00	AA+	Aaa	03/21/12	03/21/12	500,515.00	0.97	138.89	500,380.03	503,640.00
FNMA NOTES DTD 03/04/2011 2.375% 04/11/2016	3135G0BA0	750,000.00	AA+	Aaa	07/27/12	07/30/12	798,960.00	0.59	8,411.46	796,741.65	799,487.25
FHLMC NOTES (CALLABLE) DTD 11/02/2011 1.700% 11/02/2016	3134G22R2	500,000.00	AA+	Aaa	12/29/11	12/29/11	502,000.00	1.61	3,518.06	500,205.33	500,575.00
FANNIE MAE NOTES DTD 10/20/2011 1.375% 11/15/2016	3135G0ES8	500,000.00	AA+	Aaa	01/11/12	01/11/12	505,235.00	1.15	2,597.22	504,474.44	515,542.00
FNMA NOTES (CALLABLE, STEP) DTD 12/28/2011 1.000% 12/28/2016	3136FTVB2	1,000,000.00	AA+	Aaa	12/28/11	12/28/11	999,250.00	1.75	2,583.33	1,004,938.69	1,001,999.00
FNMA NOTES DTD 03/01/2012 1.125% 04/27/2017	3135G0JA2	750,000.00	AA+	Aaa	07/27/12	07/30/12	760,080.00	0.84	3,609.38	759,727.97	763,879.50
FNMA NOTES (CALLABLE) DTD 05/03/2012 1.750% 05/03/2017	3135G0KP7	900,000.00	AA+	Aaa	05/29/12	05/29/12	910,098.00	1.51	6,475.00	906,415.00	908,068.50
FHLMC NOTES (CALLABLE) DTD 06/06/2012 1.200% 06/06/2017	3134G3WV8	500,000.00	AA+	Aaa	06/07/12	06/08/12	501,925.00	1.12	1,916.67	501,624.36	504,705.50
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	750,000.00	AA+	Aaa	07/30/12	07/31/12	755,017.50	0.86	2,000.00	754,852.34	759,848.25
FANNIE MAE GLOBAL NOTES DTD 07/20/2012 0.875% 08/28/2017	3135G0MZ3	700,000.00	AA+	Aaa	09/06/12	09/10/12	701,736.00	0.82	561.46	701,716.03	703,525.20
Security Type Sub-Total		20,410,000.00					20,698,424.48	1.05	75,307.68	20,590,353.40	20,736,354.84
Managed Account Sub-Total		26,695,000.00					27,068,520.56	0.97	86,328.79	26,946,725.30	27,150,383.99
Money Market Fund											
PFM Funds - Prime, Institutional Class		74,607.79	AAA	NR			74,607.79		0.00	74,607.79	74,607.79
Money Market Sub-Total		74,607.79					74,607.79		0.00	74,607.79	74,607.79



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2012**

CITY OF BENICIA RESERVES

Securities Sub-Total	\$26,769,607.79	\$27,143,128.35	0.97%	\$86,328.79	\$27,021,333.09	\$27,224,991.78
Accrued Interest						\$86,328.79
Total Investments						\$27,311,320.57

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 18, 2012
CONSENT CALENDAR

DATE : December 3, 2012

TO : City Council

FROM : City Attorney

SUBJECT : **AMENDMENTS TO THE SOLTRANS JOINT POWERS AUTHORITY AGREEMENT**

RECOMMENDATION:

Authorize the execution of amendments to the SolTrans Joint Powers Authority Agreement ("JPA").

EXECUTIVE SUMMARY:

It has been requested that the SolTrans JPA be amended to provide for a voting alternate to the Metropolitan Transportation Commission ("MTC") Representative to act in the absence of the Representative and to provide the authority necessary for MTC to allocate funding pursuant to the Transportation Development Act ("TDA").

BUDGET INFORMATION:

There is no budget impact to the City by designating a voting alternate or specifically authorizing MTC to allocate TDA funding.

GENERAL PLAN:

N/A

STRATEGIC PLAN:

Relevant Strategic Plan Issues and Strategies:

- ❑ Strategic Issue #4: Preserving and Enhancing Infrastructure
 - Strategy #2: Increase use of mass transit
 - Action 2(d): Evaluate feasibility of merging transit services with Vallejo and STA

BACKGROUND:

In November 2010, the Solano County Transit Joint Powers Agreement ("JPA") was approved by the City Councils of Benicia and Vallejo and the Solano Transportation Authority ("STA") Board. Since the formation of SolTrans two years ago, the need to make a few minor changes has arisen regarding voting

alternates and to clarify authority to claim Transportation Development Act ("TDA") funding.

Voting Alternate: The SolTrans Governing Board is comprised of five voting members and one ex officio non-voting member. The voting members consist of the two Directors from each of the cities of Benicia and Vallejo and the Solano County Representative to the Metropolitan Transportation Commission ("MTC"). The ex officio non-voting Director is the STA's Representative to the SolTrans Board.

The JPA allows for each of the participating Member Agencies except for the STA to appoint an alternate to serve in the place of the Director in his/her absence, however; there is no provision in the JPA to allow for a voting alternate for the MTC Representative to act in his/her absence. To address situations in which the MTC Representative is unable to attend a SolTrans Board Meeting, SolTrans staff suggested that the JPA be amended to allow the non-voting ex officio STA Representative be designated as the MTC Representative's alternate and act in the MTC Representative's absence.

There are two places in the JPA that need to be amended to do this. First, Paragraph a.2. of Section 10 of the SolTrans JPA would be amended to add the following sentence:

When the MTC Director is absent, the Non-Voting STA representative may serve as the MTC Alternate and act in his/her place.

Second, Paragraph a.3. of Section 10 of the SolTrans JPA would be amended to add the redlined clause as follows:

One Non-Voting STA representative to participate as an ex officio Director. The STA Board will appoint the STA Representative which may be either a STA Board Director or staff. Notwithstanding any language to the contrary in this Agreement, the STA representative may participate in all discussions but shall have no vote in any action of the Board except when serving as the MTC Representative, in which case, the STA Representative will have full voting rights.

In January of 2012, the SolTrans Board approved the modification to the JPA to provide for the voting alternate to the MTC Representative. This modification requires approval of STA and the Benicia and Vallejo City Councils to become effective.

TDA Funding: SolTrans staff was contacted by the MTC Office of the General

VII.D.2

Counsel informing them of MTC's concern that the SolTrans JPA does not provide the authority necessary for MTC to allocate funding pursuant to the Transportation Development Act ("TDA"). Despite assurances from SolTrans, MTC is still requesting that SolTrans amend its JPA to specifically authorize SolTrans to claim TDA funds. MTC requests the following edit to the JPA, as indicated with the added underlined words below:

Section 9. Powers

- m. Claim transit funds from regional, state, and federal sources, including, but not limited to Transportation Development Act funds;

The SolTrans Board approved the amendment to the JPA. It also requires approval by the City Councils of Benicia and Vallejo as well as the STA Board.

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 18, 2012
CONSENT CALENDAR

DATE : December 6, 2012

TO : City Manager

FROM : Interim Public Works Director

SUBJECT : **AWARD OF CONSTRUCTION CONTRACT FOR RAW WATER TRANSMISSION LINE CATHODIC PROTECTION SYSTEM REHABILITATION PROJECT**

RECOMMENDATION:

Adopt the resolution accepting the bids for the Raw Water Transmission Line Cathodic Protection System Rehabilitation Project, awarding the construction contract to Corpro Companies of San Leandro, in the amount of \$112,395, and authorizing the City Manager to sign the contract on behalf of the City.

EXECUTIVE SUMMARY:

This cathodic protection rehabilitation project, located along the Raw Water Transmission Line from Lopes Road in Cordelia to the Benicia Water Treatment Plant, will replace two of the six rectifiers that protect the buried water pipeline from corrosion. Sufficient funds are available in the Water Funds to cover the proposed costs as per the adopted City Budget.

BUDGET INFORMATION:

The total cost of the Raw Water Transmission Line Cathodic Protection System Rehabilitation Project is \$123,635, which includes construction (\$112,395) and contingency (\$11,240 or 10%). Sufficient funds for this project are available in Account Nos. 596-8259-9960 (Major Water Capital Fund) and 045-8045-9896 (Water Connection Fund.)

GENERAL PLAN:

Relevant General Plan Goal:

- Goal 2.28: Improve and maintain public facilities and services

STRATEGIC PLAN:

Relevant Strategic Plan Issues:

- Strategic Issue #1: Protecting Community Health and Safety
- Strategic Issue #4: Preserving and Enhancing Infrastructure

BACKGROUND:

The 36-inch raw water transmission line delivers untreated source water from Lopes Road in Cordelia to the Benicia Water Treatment Plant. The pipeline is 56,000 feet in length and has six cathodic protection rectifiers spread over its length. The existing cathodic protection for this pipeline was installed in 1969. Consultants have determined that the anode beds of the rectifiers have reached the end of their useful life and two are in need of replacement now. The original anode beds were laid out in a horizontal field because of cost and availability of land. The current technology is to install the anode beds into deep wells (~300 feet) to achieve the same protection.

Cathodic protection is an electrical system for the prevention of rust, corrosion, and pitting of metal surfaces, in this case, water pipelines, which are in contact with water and/or soil. The system concentrates the corrosion on auxiliary parts that are deliberately allowed to corrode instead of letting the structure (pipe) corrode.

The project includes replacement of the anode beds for two cathodic protection rectifiers (CR-5 and CR-6.) The contractor will remove and dispose of the existing wooden poles and rectifier cabinets. Then they will install cast iron anodes in a deep well anode bed configuration. And finally they will install city-provided rectifiers in a pad mounted electrical enclosure and provide electrical power to the rectifiers.

Construction is anticipated to begin in January and end in April. The anode beds will last up to 40 years. Replacement of two other rectifiers on this raw water transmission line will occur in the future.

There are only four qualified firms in Northern California that can complete this specialized project and they were invited to bid. On November 1, 2012, a total of three responsive bids were received with the results summarized in the table below.

Bid Results:

RANK	BIDDER'S NAME AND CITY	Total BASE BID
1	Corpro Companies, Inc. (San Leandro)	\$112,395
2	American Construction & Supply, Inc. (Corte Madera)	\$147,521
3	Farwest Corrosion Control Company (Hayward)	\$177,610

In accordance with the contract specifications, the construction contract should be awarded to the bidder submitting the lowest responsive responsible

total base bid, which is Corpro Companies, Inc. Staff recommends that the construction contract be awarded to Corpro Companies, Inc. in the amount of \$112,395.

Attachments:

- Proposed Resolution
- Exhibit "A" Project Schematic

RESOLUTION NO. 12-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA ACCEPTING THE BIDS FOR THE RAW WATER TRANSMISSION LINE CATHODIC PROTECTION SYSTEM REHABILITATION PROJECT, AWARDING THE CONSTRUCTION CONTRACT TO CORRPRO COMPANIES, INC. OF SAN LEANDRO, IN THE AMOUNT OF \$112,395, AND AUTHORIZING THE CITY MANAGER TO SIGN THE CONSTRUCTION CONTRACT ON BEHALF OF THE CITY

WHEREAS, the four qualified firms in Northern California were invited to bid on the Raw Water Transmission Line Cathodic Protection System Rehabilitation Project and three sealed bids were properly received and opened on November 1, 2012; and

WHEREAS, Corrpro Companies, Inc. of San Leandro was the lowest, responsive, responsible bidder; and

WHEREAS, sufficient funds are available in the project budget; and

WHEREAS, this project is categorically exempt under CEQA pursuant to Section 15302(c) (Replacement or Reconstruction of existing utility systems) of the CEQA guidelines.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia hereby accepts the bids and awards the construction contract in the amount of \$112,395 to Corrpro Companies, Inc. of San Leandro for the Raw Water Transmission line Cathodic Protection System Rehabilitation Project.

BE IT FURTHER RESOLVED THAT the City Manager is hereby authorized to sign the construction contract on behalf of the City, subject to approval by the City Attorney.

On motion of Council Member _____, and seconded by Council Member _____, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 18th day of December, 2012, and adopted by the following vote.

Ayes:

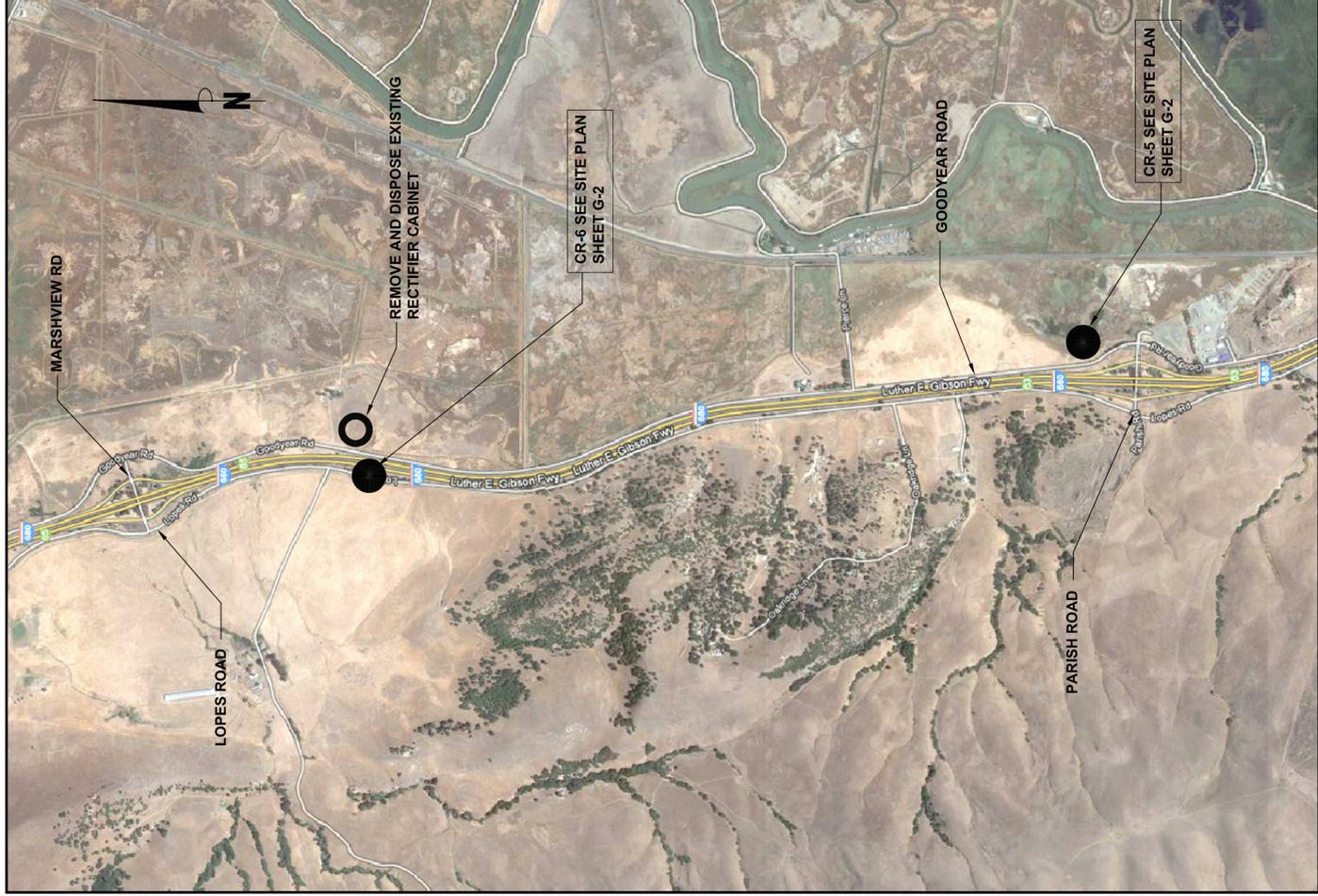
Noes:

Absent:

Elizabeth Patterson, Mayor

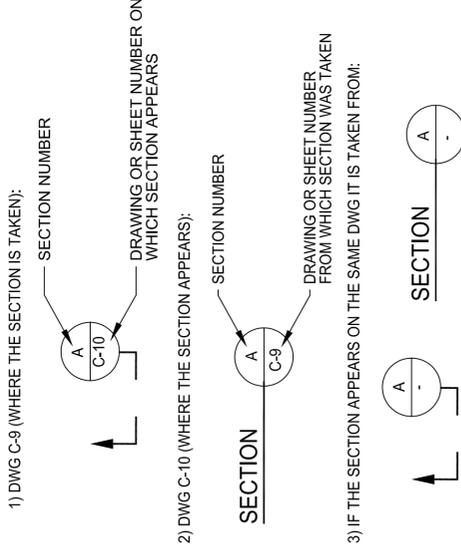
Attest:

Lisa Wolfe, City Clerk

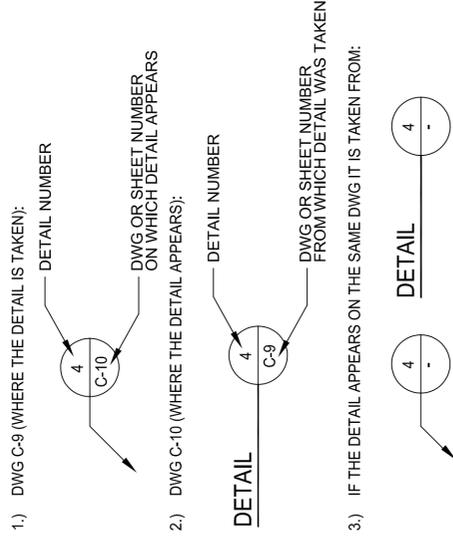


PROJECT LOCATION PLAN
NO SCALE

TYPICAL SECTION NUMBERING SYSTEM



TYPICAL DETAIL NUMBERING SYSTEMS



INDEX OF DRAWINGS

SHEET NUMBER	DRAWING NUMBER	TITLE
GENERAL		
1	T-1	TITLE SHEET
2	G-1	GENERAL SHEET
3	G-2	SITE PLANS

CATHODIC PROTECTION SYSTEM

- 4 CP-1 RECTIFIER AND DEEP WELL DETAILS
- 5 CP-2 DETAILS

ABBREVIATIONS

- A AMP, AMPERE
- AC ALTERNATING CURRENT
- AB AGGREGATE BASE
- ACP ASBESTOS CEMENT PIPE
- AVE AVENUE
- BV BALL VALVE
- BLVD BOULEVARD
- CCP CONCRETE CYLINDER PIPE
- DIA DIAMETER
- DWG DRAWING
- EX EXISTING
- FH FIRE HYDRANT
- FM FORCE MAIN
- GV GATE VALVE
- IN. INCH OR INCHES
- MIN MINIMUM
- NTS NOT TO SCALE
- PG&E PACIFIC GAS AND ELECTRIC
- PVC POLYVINYL CHLORIDE
- RWTL RAW WATER TRANSMISSION LINE
- SD STORM DRAIN
- SS SANITARY SEWER
- SP STEEL PIPE
- R.R. RAIL ROAD
- ST STREET
- STA STATION
- TBD TO BE DETERMINED
- V VOLT
- VCP VITRIFIED CLAY PIPE
- WL WATER LINE

SYMBOLS

- RECTIFIER
- DEEP ANODE WELL
- ELECTRICAL PULL BOX

PROJECT SUMMARY

- THE IMPRESSED CURRENT CATHODIC PROTECTION SYSTEM FOR THE CITY OF BENICIA'S 36-INCH RAW WATER TRANSMISSION LINE CONSISTS OF 10 RECTIFIER INSTALLATIONS. TWO OF THE RECTIFIER INSTALLATIONS, CR-5 AND CR-6, WILL BE REPLACED DURING THIS PROJECT.
- THE WORK AT CR-5 INCLUDES THE FOLLOWING:
 - REMOVE AND DISPOSE THE CUSTOMER OWNED WOODEN POLE AND RECTIFIER CABINET FROM THE ORIGINAL INSTALLATION.
 - INSTALL CAST IRON ANODES IN A DEEP ANODE BED CONFIGURATION.
 - INSTALL AN AIR COOLED RECTIFIER IN A PAD MOUNTED ELECTRICAL ENCLOSURE. THE RECTIFIER UNIT WILL BE PROVIDED BY THE CITY.
 - PROVIDE ELECTRICAL POWER TO THE RECTIFIER COMPLETE WITH CONDUITS AND PULL BOXES.
- THE WORK AT CR-6 INCLUDES THE FOLLOWING:
 - REMOVE AND DISPOSE OF THE CUSTOMER OWNED WOODEN POLE AND RECTIFIER CABINET FROM THE ORIGINAL INSTALLATION.
 - INSTALL CAST IRON ANODES IN A DEEP ANODE BED CONFIGURATION.
 - INSTALL AN AIR COOLED RECTIFIER IN A PAD MOUNTED ELECTRICAL ENCLOSURE. THE RECTIFIER UNIT WILL BE PROVIDED BY THE CITY.
 - PROVIDE ELECTRICAL POWER TO THE RECTIFIER COMPLETE WITH CONDUITS, CUSTOMER OWNED POLES AND PULL BOXES.
- THE CITY HAS APPLIED TO PG&E FOR ELECTRICAL POWER TO THE RECTIFIERS AND PG&E HAS PROVIDED A PRELIMINARY APPROVAL FOR THE APPLICATIONS. THE CONTRACTOR SHALL CONTACT MR. FRED BADERTSCHER AT (707) 648-5714 OR FRB2@PGE.COM TO COMPLETE THE APPLICATION PROCESS.
- THE RECTIFIERS WILL BE INSTALLED AT THE EAST SIDE OF THE RESPECTIVE ROADS FOR CR-5 AND CR-6. THE GROUND SURFACE AT BOTH LOCATIONS IS SLOPED TO PROVIDE FOR WATER DRAINAGE AWAY FROM THE ROADWAY. THE CONTRACTOR SHALL PROVIDE A CLASS 2 AGGREGATE BASE TO PROVIDE A LEVEL SURFACE FOR THE RECTIFIER PAD ABOVE THE SURROUNDING GRADE.

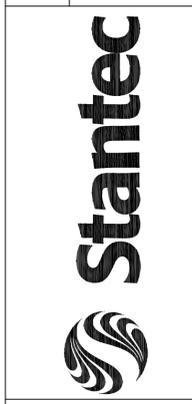
REV.	DESCRIPTION	BY	DATE	APP.
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LINE IS 2 INCHES AT FULL SIZE (IF NOT 2" SCALE ACCORDINGLY)
SUBMITTED: _____
DATE: _____
APPROVED: _____
DATE: _____
APPROVED: _____
DATE: _____

JOB NO	10-0379C
DRAWN	MGT
DESIGNED	KAP
CHECKED	GHW
CHECKED	KJ



V&A
155 Grand Avenue, Suite 700
Oakland, CA 94612
Tel. (510) 903-6600, Fax (510) 903-6601



GENERAL SHEET	SCALE NONE
CATHODIC PROTECTION SYSTEM REHABILITATION 36-INCH RAW WATER TRANSMISSION LINE	DRAWING NUMBER G-1
	SHEET NUMBER 2 of 5

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 18, 2012
CONSENT CALENDAR

DATE : December 7, 2012

TO : City Council

FROM : City Manager

SUBJECT : **ADOPTION OF THE 2013 CITY COUNCIL REGULAR MEETING CALENDAR**

RECOMMENDATION:

Adopt, by motion, the 2013 City Council Regular Meeting Calendar.

EXECUTIVE SUMMARY:

The Open Government Ordinance (Section 4.08.040 of Ordinance No. 05-6) states that each body established by ordinance shall establish and publish an annual schedule of regular meetings. The proposed calendar lists the City Council's regular meeting dates for 2013.

STRATEGIC PLAN:

Relevant Strategic Plan Goals and Strategies:

- Goal 8.00: Build Organizational Quality and Capacity

BACKGROUND:

Per the City's Open Government Ordinance, the proposed schedule of regular meetings of the City Council for 2013 follows for Council review and approval. As reflected on the attached schedule, it is recommended that the first regular meeting in August be cancelled. In previous years, a City Council meeting has been cancelled during the summer months as business to be addressed is typically lighter during this time of year and residents are more likely to be out of town on vacation. It also provides Council and staff an opportunity to make vacation plans accordingly, if they wish, as well as giving staff an extra few weeks prior to the next Council meeting to address various projects.

Attachment:

- 2013 City Council Regular Meeting Calendar

2013 City Council Regular Meeting Calendar

First and third Tuesday council meetings are at 7 pm in Council Chambers, and the fourth Tuesday meetings begin at 6 pm.

This schedule does not include special City Council meetings, including study sessions. For information on upcoming special meetings, please visit the City's website at www.ci.benicia.ca.us or contact the City Manager's Office at (707) 746-4200.

January

- January 1st - New Year's Day - No Council Meeting
- January 15th
- January 22nd

February

- February 5th
- February 19th
- February 26th

March

- March 5th
- March 19th
- March 26th

April

- April 2nd
- April 16th
- April 23rd

May

- May 7th
- May 21st
- May 28th

June

- June 4th
- June 18th
- June 25th

July

- July 2nd**
- July 16th**
- July 23rd**

August

- August 6th – No Council Meeting**
- August 20th**
- August 27th**

September

- September 3rd**
- September 17th**
- September 24th**

October

- October 1st**
- October 15th**
- October 22nd**

November

- November 5th – Election Day – No Council Meeting**
- November 19th**
- November 26th**

December

- December 3rd**
- December 17th**
- December 24th**

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 18, 2012
BUSINESS ITEMS

DATE : December 11, 2012

TO : City Manager

FROM : Interim Public Works Director

SUBJECT : **SECOND READING AND ADOPTION OF ORDINANCES TO AMEND THE WATER AND SEWER RATES/FEEES RELATED TO WATER AND SEWER SERVICE**

RECOMMENDATION:

To protect the health and safety of the community and the City's financial integrity, adopt ordinances to amend the water and sewer rates/fees related to water and sewer service as follows:

- (1) Ordinance amending Chapter 13.12 (Water Rates and Charges) of Title 13 (Public Services) of the Benicia Municipal Code; and
- (2) Ordinance amending Chapter 13.52 (Sewer Rates and Charges) of Title 13 (Public Services) of the Benicia Municipal Code; and
- (3) Ordinances amending various sections of Title 13 (Public Service) including
 - Sections 13.56.030 (Payment – Returned Checks), 13.56.050 (Delinquent Accounts), 13.56.070 (Delinquency of Service-Discontinuation of Service) and 13.56.080 (Discontinuation of Service – Unauthorized Use) of Chapter 13.56 (Sewer Billing Requirements); and
 - Sections 13.08.040 (Water Use Without Application) and 13.08.050 (Deposit) of Chapter 13.08 (Water Service); and
 - Sections 13.16.040 (Payment – Returned Checks), 13.16.060 (Delinquent Accounts), 13.16.080 (Delinquency – Discontinuation of Service), 13.16.090 (Tampering – Unauthorized Use), and 13.16.110 (Inspections) of Chapter 13.16 (Water Billing Requirements).

EXECUTIVE SUMMARY:

On December 4, 2012, City Council introduced and conducted the first reading and public hearing of ordinances to amend the water and sewer rates/fees. The proposed action is the second reading and adoption of the ordinances.

The quality and safety of our local water supply and the proper maintenance of our sewer system is essential to our community's health, safety and financial integrity. Specifically, our water and sewer systems must be properly maintained in order to:

- Ensure clean, safe drinking water for our residents and businesses
- Have secure adequate water capacity in the event of a major earthquake, fire or catastrophic emergency
- Prevent sewage spills that present a health risk to the community, placing the City at risk for regulatory fines and lawsuits, and polluting the Carquinez Strait.

BUDGET INFORMATION:

Since 2006, water and sewer rates have remained constant, with no increases. The Water and Sewer Funds are currently operating in a deficit. The Water Fund is projected to be (\$1,774,315) and Sewer Fund (\$641,566) based on fiscal year 2011/12 amended budget figures. Without any rate increases, they will continue to run an operating deficit and will deplete the operating fund reserves by June 2014 at which point they would have to borrow from the General Fund (used for critical community service needs such as police and fire). Also, without the recommended rate increases, it is estimated that the Water and Sewer Funds will not meet the City's 20% reserve requirement starting in fiscal year 2012/13. Additionally, the Water Fund will fail to meet its debt service coverage requirements, which could result in another credit rating downgrade as Standard and Poor's has already downgraded the City's credit rating. An independent auditor has informed the City that rate adjustments will be necessary to restore the City's credit rating.

The proposed rate adjustments will help the City continue to provide reliable and safe water and sewer services. The City's water and sewer divisions rely almost entirely on customer revenues to provide these services. No local, state, or federal taxes offset the cost of these services. The proposed rate adjustments were calculated to recover only the estimated revenue needed to cover actual costs of continued safe water and sewer services.

The annual General Fund Impact for subsidizing the senior discounts (discussed later in this report) is estimated to be as follows:

General Fund Impact for Sewer and Water Subsidies							FY 17/18 and subsequent years (if no further increases)
		FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	
Sewer	Casa De Vilarrasa Discount	\$11,149	\$23,301	\$25,095	\$26,402	\$27,187	\$27,454
Water	Low Income Senior Discount	\$175,850	\$91,497	\$89,964	\$98,073	\$103,071	\$104,856
Water	Senior Discount 4 Year Phase Out		\$171,042	\$146,341	\$97,391	\$34,171	\$0
Total Cost to General Fund		\$186,999	\$285,840	\$261,400	\$221,866	\$164,429	\$132,310

GENERAL PLAN:

Relevant General Plan Goals:

- ❑ Goal 2.28: Improve and maintain public facilities and services
- ❑ Goal 2.36: Ensure an adequate water supply for current and future residents and businesses

STRATEGIC PLAN:

Relevant Strategic Plan Issues:

- ❑ Strategic Issue #1: Protecting Community Health and Safety
- ❑ Strategic Issue #2: Protecting and Enhancing the Environment
- ❑ Strategic Issue #3: Strengthening Economic and Fiscal Conditions
 - Strategy #4: Manage City finances prudently
- ❑ Strategic Issue #4: Preserving and Enhancing Infrastructure
 - Strategy #4: Provide funding for ongoing infrastructure needs

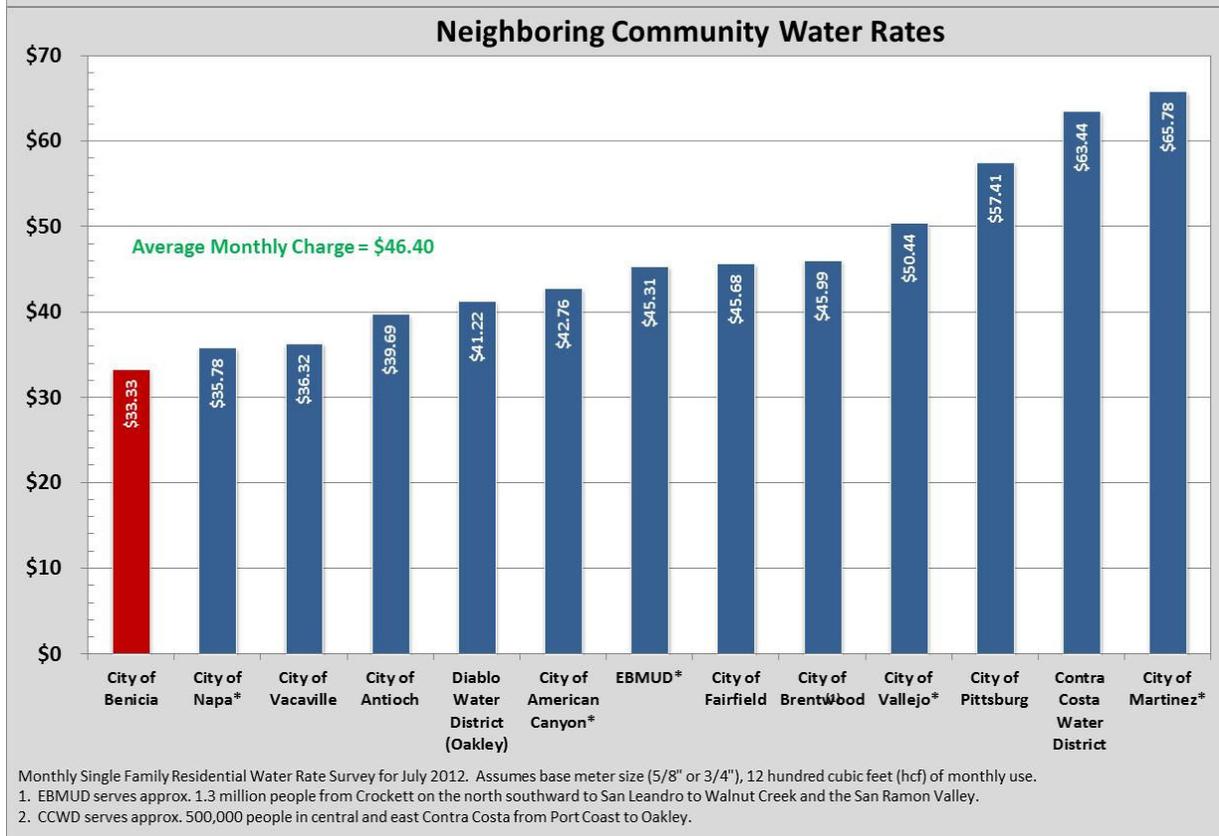
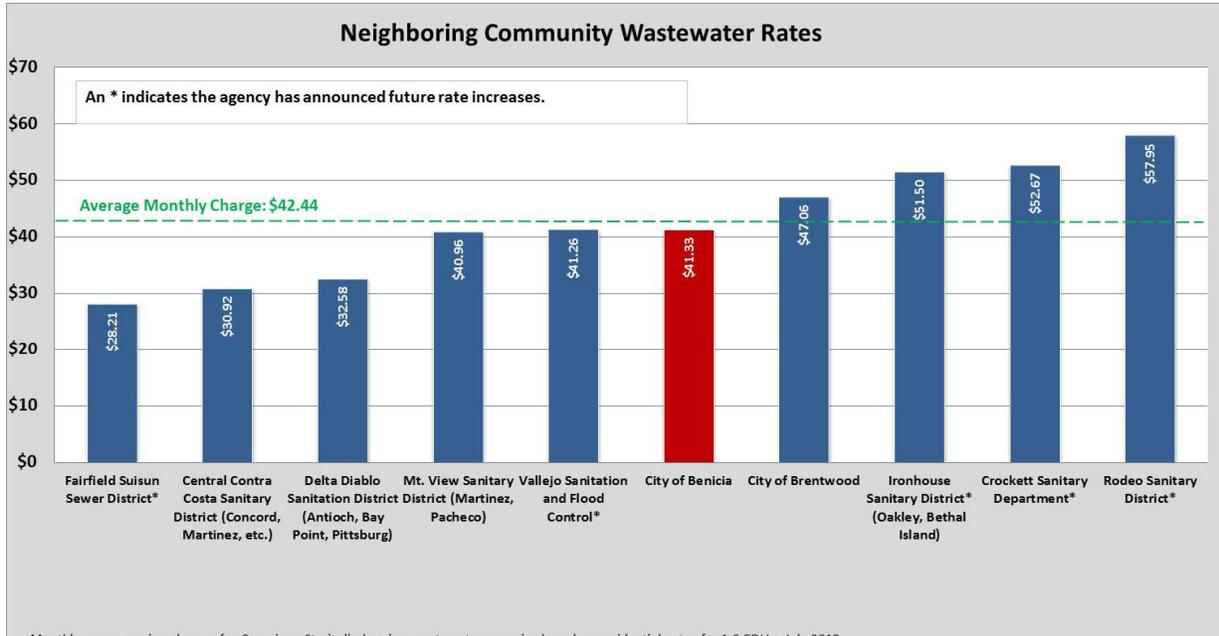
BACKGROUND:

Summary

The City started the rate setting process in 2009, when CDM was hired to prepare an updated Sewer System Master Plan. In 2011, the City hired Nolte Vertical 5 to prepare an updated Water System Master Plan, and hired Bartle Wells Associate to integrate the Capital Infrastructure plans in the Master Plans into a financial analysis and funding plan. The Master Plan consultants were told to only include projects that would insure the longevity of the infrastructure. When preparing the funding plan, the financial consultant was to extenuate the funding of projects to soften the needed increases as much as possible and still insure the necessary projects occur when needed. Rates have not increased since 2006 and have not kept pace with the cost of materials and services needed to assure regulatory compliance.

In addition, as stated in the presentation given at the City Council meeting on the 4th of December, the City began outreach to the community in August. The first presentation was before the Finance Committee August 10. Subsequent presentations included the Rotary, and Soroptimist Clubs; the Community Sustainability, Economic Development, and Parks and Recreation Commissions; the Finance Committee two additional times; the Council/School Liaison Committee; the Benicia Industrial Park Association Board; the Chamber of Commerce Board, and a senior roundtable forum. Two mailings were sent to all residents; a website with frequently asked questions and a hotline were established September 4th, before the first mailing, and both were referenced in each of the mailings. The City Council held a study session on September 25 regarding the potential rate increases, which were discussed in local papers.

At the December 4th hearing, staff presented data on how Benicia Water and Sewer Rates compared to other jurisdictions. The increases are projected over a five year period to adjust rates gradually. The following tables exhibit current comparisons:



At the December 4, 2012 hearing, questions were raised regarding how Benicia's sewer and water rate increases would compare with other jurisdictions in the future. As noted in the above charts, several agencies are currently evaluating their own sewer and water rate increases. While information is limited at this time as to exactly what those increases will be, staff estimates that Benicia's rates will remain at or near the median with other jurisdictions.

Overview

Our local water supply must be properly maintained and protected to ensure clean, safe drinking water and an adequate water supply in the event of an earthquake, fire or catastrophic emergency. Benicia's sewer system must be properly maintained to prevent sewage spills that present a health risk to the community, place the City at risk for regulatory fines and lawsuits, and can damage the Carquinez Strait.

Unfortunately, Benicia has aging water and sewer systems and proper maintenance and repair is needed. Our systems include aging clay and asbestos cement pipes and other deteriorating infrastructure. Additionally, Benicia's treatment plants have important monitoring equipment, pumps, and other major capital items that cannot be easily repaired, due to age of materials, and must be upgraded to ensure safety.

Evolving state and federal regulations that our water and sewer systems are subject to, are also impacting our systems. Benicia must stay in compliance with all required regulatory mandates, or face costly fines or environmental lawsuits.

A. Outreach

A City hotline (746-4380) and dedicated email address (WaterSewerQuestions@ci.benicia.ca.us) have been activated and staff has received comments and responded to questions from members of the public. A Water and Sewer System Safety webpage on the City's website has been created and updated with information including FAQs, the master plans, the rate studies and bill estimates.

In early September, informational pamphlets were mailed to 9,500 Benicia property owners. The September and October utility bills included an outreach letter. In September and October, a detailed letter was mailed to approximately 45 interested parties. Another information mailer (jumbo postcard) was mailed to all property owners in November.

City staff met with the Finance Committee at three separate meetings.

The Finance Committee was instrumental in providing constructive feedback to staff regarding the outreach process. The Committee provided helpful suggestions for improving the PowerPoint presentation presented to the community groups previously listed. The Committee also offered valuable input concerning the senior citizen issue.

B. Proposition 218 Notice

On October 17, a Proposition 218 notice titled "Notice of Public Hearing on Proposed Increases to Water and Sewer Rates" was mailed to all property owners in Benicia outlining the public hearing date and time, the proposed rate increases and details of the protest process. A copy of the notice is attached. A total of 9,348 were mailed and 169 were returned from the post office that staff researched and no alternate mailing address was found; therefore, the revised total is 9,179. This means that 4,590 (which is 50% plus 1) written protests would need to have been received in order for a majority protest to exist. As of December 4, the City had received 83 protests, which is less than 1 percent.

C. Senior Discount

Note on current senior citizen rate structure:

Utility bills contain two types of water charges – a fixed maintenance/service charge, and a consumption/volume charge that is variable since it is based on usage. The current senior discount (age 60 or older) is 78% off the maintenance charge and 18% off the consumption charge for Tier 1 (43% off Tier 2 and 42% off Tier 3.) On average, these discounts equate to roughly 50% off (low consumption would be less than 50% and high consumption would be more than 50%). As of November 21, the City has 2,545 senior discounted customers.

1. Senior Sewer Discount – Casa De Vilarrasa

Casa de Vilarrasa, a senior housing complex on East I and 3rd Streets, is the City's only customer that currently receives a discounted sewer rate.

It is staff's recommendation that the City provide a 50% discount to Casa De Vilarrasa, subsidized by the General Fund, as more than 50% of the residents are low income seniors. While this is less than the current discount, this subsidy will help those most in need. The table below shows the proposed Casa De Vilarrasa sewer charge per month.

CASA DE VILARRASA DISCOUNT TRANSITION FROM ~68% TO 50%						
	Current	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017
Proposed Residential Service Charge (mo.)	\$41.33	\$45.88	\$50.01	\$53.26	\$55.39	\$56.49
Casa De Vilarrasa Discount	67.75%	50.00%	50.00%	50.00%	50.00%	50.00%
Casa De Vilarrasa Sewer Charge (mo)	\$13.33	\$22.94	\$25.01	\$26.63	\$27.70	\$28.25

2. Senior Water Discount – Transition to Low-Income Senior Discount

Per City Council's vote at the December 4 meeting, the former Senior Citizen Rate will transition to the Low-Income Senior Citizen Discount effective July 1, 2013. The eligibility requirements for the low-income discount include all of the below:

1. Head of a residential household or spouse is age 60 or older: Provide identification that substantiates name, age and address; and
2. Low-Income Verification: Provide a copy of a recent PG&E bill noting participation in the PG&E CARE (California Alternate Rates for Energy) program. Current income guidelines are below (effective through May 31, 2013) and updated guidelines can be found at www.PG&E.com/CARE; and

Income Guidelines for PG&E's CARE Program								
Number of Persons in Household	1	2	3	4	5	6	7	8*
Annual income before taxes	\$22,340	\$30,260	\$38,180	\$46,100	\$54,020	\$61,940	\$69,860	\$77,780
* For each additional person, add \$7,920.								

Apply in person in the Finance Department or designated location (every two years).

This discount consists of using the General Fund to pay for a discount of 78% off the water maintenance charge for the first 6 months of 2013 for the currently enrolled senior discounted customers. During the first six months of 2013, low-income seniors would apply for the discount. Then, starting July 1, 2013 for 6 months, the fixed maintenance charge discount would drop to 65% and the program transitions from a senior discount to a low-income senior discount. Finally, beginning July 1, 2014, the fixed maintenance charge discount would be reduced to 50% permanently for qualified low-income senior customers. The proposed discount is on the fixed maintenance charge only as outlined in the table below. Low-income senior customers would start paying the full price of the water consumption charges (at the revised rates) starting in January 2013 (see Section E, 2 below.)

Low-Income Senior Discount (per unit, per month)	1/17/13 - 6/30/13	7/1/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/16
Single family dwelling discount amount	\$11.52	\$9.60	\$8.34	\$9.30	\$9.93	\$10.28
Multi family dwelling discount amount	\$8.65	\$7.21	\$6.26	\$6.98	\$7.46	\$7.72

Below is a table with sample monthly water charge estimates for senior citizens who qualify for the low-income discount:

Sample Monthly Estimates for Low-Income Senior Discount Customers	1/17/2013	7/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017
Proposed Sewer Charge Maintenance Charge	7%	-	12.9%	11.5%	6.8%	3.5%
Proposed Water Maintenance Charge	\$14.77	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
Low-Income Senior Discount	<u>-\$11.52</u>	<u>-\$9.60</u>	<u>-\$8.34</u>	<u>-\$9.30</u>	<u>-\$9.93</u>	<u>-\$10.28</u>
Adjusted Water Maintenance Charge	\$3.25	\$5.17	\$8.34	\$9.30	\$9.93	\$10.28
Water Consumption Charge (based on 12 units)	<u>\$20.88</u>	<u>\$20.88</u>	<u>\$23.60</u>	<u>\$26.32</u>	<u>\$28.16</u>	<u>\$29.16</u>
Monthly Water Charges Low-Income Seniors	\$24.13	\$26.05	\$31.94	\$35.62	\$38.09	\$39.44

3. Senior Water Discount – Phase Out of Senior Citizen Rate for those not qualifying for the low income discount

In an effort to soften the transition to higher rates, there will be a four year phase out of the discount on the water maintenance charge for all other seniors that are enrolled in the Senior Discount Rate prior to December 4, 2012 who do not qualify for the low-income senior discount. The phase out discount amounts are shown in the table below. This discount includes a 78% discount off the fixed maintenance charge for the first 6 months of 2013. Then the phase out consists of multiplying the difference between the proposed residential monthly service charge and the current senior monthly water maintenance charge of \$3.05 by 80% for the second half of 2013, 60% the second year, 40% the third year, and 20% the fourth year. The senior citizen rate will end on January 1, 2017.

Beginning January 17, 2013, senior citizen customers will begin paying the full price of the volume charge (i.e., “water consumption charge” on the utility bill) at the revised rates (see Section E, 2 below.) All seniors that are grandfathered in prior to December 4, 2012 will be eligible to receive the discounts shown in the table below through December 31, 2016.

Phase Out Of Senior Citizen Rate (per unit, per month)	1/17/13 - 6/30/13	7/1/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/16
Single family dwelling discount amount	\$11.52	\$9.38	\$8.18	\$6.22	\$3.36	\$0.00
Multi family dwelling discount amount	\$8.65	\$6.43	\$5.68	\$4.36	\$2.37	\$0.00

Below is a table with sample monthly water charge estimates for senior citizens not qualifying for the low-income discount:

Sample Monthly Estimates for Phase Out Of Senior Citizen Rate	1/17/2013 7%	7/1/2013 -	1/1/2014 12.9%	1/1/2015 11.5%	1/1/2016 6.8%	1/1/2017 3.5%
Proposed Water Maintenance Charge	\$14.77	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
Senior Citizen Rate Phase Out Discount	<u>-\$11.52</u>	<u>-\$9.38</u>	<u>-\$8.18</u>	<u>-\$6.22</u>	<u>-\$3.36</u>	<u>\$0.00</u>
Adjusted Water Maintenance Charge	\$3.25	\$5.39	\$8.50	\$12.38	\$16.50	\$20.56
Water Consumption Charge (based on 12 units)	<u>\$20.88</u>	<u>\$20.88</u>	<u>\$23.60</u>	<u>\$26.32</u>	<u>\$28.16</u>	<u>\$29.16</u>
Monthly Water Charges for Senior Citizens	\$24.13	\$26.27	\$32.10	\$38.70	\$44.66	\$49.72

D. Net Impact to General Fund

Below is the total cost to the General Fund for the senior discount subsidies through fiscal year 2017-18. The Low-Income Senior Discount costs are based on an estimate that 850 seniors would qualify under the low-income guidelines, per the City's Housing Element. The Housing Element defines seniors as age 65 and older and reported that 546 seniors are "very low income" and 303 are "low income." ("Very low income" is defined as below 50% of the average medium income and "low income" is 80% of the average medium income.)

General Fund Impact for Sewer and Water Subsidies							FY 17/18 and subsequent years (if no further increases)
		FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	
Sewer	Casa De Vilarrasa Discount	\$11,149	\$23,301	\$25,095	\$26,402	\$27,187	\$27,454
Water	Low Income Senior Discount	\$175,850	\$91,497	\$89,964	\$98,073	\$103,071	\$104,856
Water	Senior Discount 4 Year Phase Out		\$171,042	\$146,341	\$97,391	\$34,171	\$0
Total Cost to General Fund		\$186,999	\$285,840	\$261,400	\$221,866	\$164,429	\$132,310

General Fund Capacity

Per the City Council vote at the December 4, 2012 meeting, staff will implement an ongoing Low Income Senior Discount program to be subsidized by the General Fund and phase out the current Senior Discount for those that do not qualify for the Low Income discount over four years. At that time, it was anticipated the impact of these costs would reduce the General Fund reserve level to approximately 16.4%, assuming no significant changes to the budget. However, due to lower revenue projections than anticipated, it is now estimated the costs of the senior water subsidy over five-years will reduce the reserve level to approximately 13.5%. In addition, the budget will need to include ongoing program costs of up to \$132,000 after fiscal year 2017/18.

E. Ordinance changes

1. Sewer Rates

Attached is the proposed ordinance amending Chapter 13.52 (Sewer Rates and Charges.) It includes the sewer rates shown in the table below, the proposed 50% Casa De Vilarrasa discount (discussed in Section C. 1 above), 3% increases for other charges (e.g. one-time sewage discharges, wastes from vessels), deletion of the lateral sewer installation charge section (since the City does not install sewer laterals), and other minor changes for clarification purposes.

Proposed Sewer Rates						
Fiscal Year	Current	Proposed				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Monthly Rate per EDU (1 & 2)	\$41.33	\$45.88	\$50.01	\$53.26	\$55.39	\$56.49
Recommended Change	0.0%	11.0%	9.0%	6.5%	4.0%	2.0%
Dollar Increase per month		\$4.55	\$4.13	\$3.25	\$2.13	\$1.11
(1) EDU = equivalent dwelling unit (average household)						
(2) Customers are billed every 2 months. The rates above are per month.						

2. Water Rates

Attached is the proposed ordinance amending Chapter 13.12 (Water Rates and Charges.) It includes the water rates shown in the table below, a 25% volume charge increase for construction hydrant meters (25% is based on the current ordinance), the low-income senior discount and four year phase out for other seniors discussed previously in Section C. 2 and 3 above), and other minor changes for clarification purposes.

Proposed Water Rates							
		Current	Proposed Rates (per month)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
			7%	12.9%	11.5%	6.8%	3.5%
Residential Rates							
Service Charge per meter	Single family	\$13.80	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
	Multi- family unit	\$10.36	\$11.09	\$12.52	\$13.96	\$14.91	\$15.43
Volume Charge per hcf (1 & 2)	0 - 8 hcf	\$1.37	\$1.46	\$1.65	\$1.84	\$1.97	\$2.04
	8 - 30 hcf	\$2.15	\$2.30	\$2.60	\$2.90	\$3.10	\$3.21
	Over 30 hcf	\$2.30	\$2.46	\$2.78	\$3.10	\$3.31	\$3.43
Commercial / Industrial / Irrigation / Municipal Rates							
Service Charge per meter	5/8 - 3/4"	\$17.83	\$19.08	\$21.54	\$24.02	\$25.65	\$26.55
	1"	\$31.68	\$33.90	\$38.27	\$42.67	\$45.57	\$47.16
	1½"	\$71.25	\$76.24	\$86.07	\$95.97	\$102.50	\$106.09
	2"	\$126.64	\$135.50	\$152.98	\$170.57	\$182.17	\$188.55
	3"	\$284.90	\$304.85	\$344.18	\$383.76	\$409.86	\$424.21
	4"	\$506.48	\$541.93	\$611.84	\$682.20	\$728.59	\$754.09
	6"	\$1,139.56	\$1,219.32	\$1,376.61	\$1,534.92	\$1,639.29	\$1,696.67
Volume Charge per hcf (1 & 2)	0 - 30 hcf	\$1.86	\$1.99	\$2.25	\$2.51	\$2.68	\$2.77
	Over 30 hcf	\$2.18	\$2.33	\$2.63	\$2.93	\$3.13	\$3.24
(1) Customers are billed every 2 months. The rates above are per month.							
(2) hcf = one hundred cubic feet = 748 gallons							

Proposed Water Rates (continued)							
		Current	Proposed Rates (per month)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
			7%	12.9%	11.5%	6.8%	3.5%
Automatic Sprinkler & Private Fire Hydrant Rates							
Flat Rate per meter	2"	\$9.37	\$10.03	\$11.32	\$12.62	\$13.48	\$13.95
	4"	\$16.40	\$17.55	\$19.81	\$22.09	\$23.59	\$24.42
	6"	\$23.21	\$24.84	\$28.04	\$31.26	\$33.39	\$34.56
	8"	\$30.42	\$32.55	\$36.75	\$40.98	\$43.77	\$45.30
	10"	\$37.39	\$40.01	\$45.17	\$50.36	\$53.78	\$55.66
	12"	\$44.40	\$47.51	\$53.64	\$59.81	\$63.88	\$66.12
Fire Hydrants	Double outlet & steamer	\$11.71	\$12.53	\$14.15	\$15.78	\$16.85	\$17.44
	Single outlet & wharf	\$3.52	\$3.77	\$4.26	\$4.75	\$5.07	\$5.25
Untreated Water Rates							
Minimum Charge per meter	2"	\$23.38	\$25.02	\$28.25	\$31.50	\$33.64	\$34.82
	3"	\$46.75	\$50.03	\$56.48	\$62.98	\$67.26	\$69.61
	4"	\$70.10	\$75.00	\$84.68	\$94.42	\$100.84	\$104.37
	6"	\$140.17	\$149.98	\$169.33	\$188.80	\$201.64	\$208.70
Volume Charge per hcf	0 - 150 hcf	\$0.84	\$0.90	\$1.02	\$1.14	\$1.22	\$1.26
	Over 150 hcf	by agmt	by agmt	by agmt	by agmt	by agmt	by agmt
(1) Customers are billed every 2 months. The rates above are per month.							
(2) hcf = one hundred cubic feet = 748 gallons							

3. Other Water and Sewer Charges

Attached are proposed ordinances amending Chapter 13.56 (Sewer Billing Requirements), Chapter 13.16 (Water Billing Requirements), and Chapter 13.08 (Water Service.)

These three ordinances contain other water and sewer related fees such as renters deposit, returned check fee, delinquent charge, and turn off service fee. These charges have not been updated since 1990 and the City is currently not covering costs on these fees. City staff compared Benicia's fees with other Solano County cities and proposes to amend fees to make Benicia's fees comparable. A tampering fee of \$50 and an inspection fee of \$52 per hour are proposed to be added. With these modifications, the City will recover the cost of service.

The capacity fees (formerly referred to as connection fees) have not been increased since 1999. These are proposed to be increased 1.6% based on the construction cost index. The ordinance already includes language for regular increases, but has not been implemented until now.

At the December 4, 2012 meeting, Council approved a resolution that transfers other water and sewer related fees from the Benicia Municipal Code to the Master Fee Schedule. For this reason, the attached ordinances indicate that all fees are set by resolution of the City Council instead of noting the actual fee.

Please refer to the attached staff report from December 4 titled Water and Sewer Fee Additions and Amendments to the Master Fee Schedule for the proposed fees.

F. Estimated Yearly Utility Bill For Residential Customers

Below is a table showing an example of what the proposed water and sewer rate increases will cost an average residential customer per month.

Sewer - All Customers Except for Casa De Vilarrasa										
Proposed Rate Adjustment	Current 0%	1/17/13 11%	7/1/13 9%	1/1/14 -	7/1/14 6.5%	1/1/15 -	7/1/15 4%	1/1/16 -	7/1/16 2%	1/1/17 -
Proposed Monthly Charge (per EDU ¹)	\$41.33	\$45.88	\$50.01	\$50.01	\$53.26	\$53.26	\$55.39	\$55.39	\$56.49	\$56.49
Monthly Increase	N/A	\$4.55	\$4.13	\$0.00	\$3.25	\$0.00	\$2.13	\$0.00	\$1.10	\$0.00
Water - Residential Customers										
Proposed Rate Adjustment	Current 0%	1/17/13 7%	7/1/13 -	1/1/14 12.9%	7/1/14 -	1/1/15 11.5%	7/1/15 -	1/1/16 6.8%	7/1/16 -	1/1/17 3.5%
Average Residential Monthly Charge ²	\$33.33	\$35.65	\$35.65	\$40.28	\$40.28	\$44.92	\$44.92	\$48.02	\$48.02	\$49.72
Monthly Increase	N/A	\$2.32	\$0.00	\$4.63	\$0.00	\$4.64	\$0.00	\$3.10	\$0.00	\$1.70
Total Monthly Charge (Water + Sewer)	\$74.66	\$81.53	\$85.66	\$90.29	\$93.54	\$98.18	\$100.31	\$103.41	\$104.51	\$106.21
Average Annual Water & Sewer Cost	2012 \$895.92	2013 \$1,003.14	2014 \$1,102.98	2015 \$1,190.94	2016 \$1,247.52	2017 \$1,274.52				

Footnotes:

(1) EDU = equivalent dwelling unit.

(2) Average monthly usage is 12 billing units (hundred cubic feet)

G. Action Reminder

1. Effective date

On December 4, 2012, City Council introduced and conducted the first reading and public hearing of ordinances to amend the water and sewer rates/fees. The proposed action at tonight's meeting (December 18, 2012) is the second reading and adoption of the ordinances. If the water and sewer rates and charges are adopted, then they will become effective 30 days later, which would be on January 17, 2013.

2. Outreach plan for Senior Citizens and transition to low income discount rate

All customers receiving the current senior discount as of December 4, 2012 will be notified by mail about the change in the discount structure. For those who qualify, they will want to apply for the new low-income senior discount between January 14, 2013 and June 30, 2013 in order to assure there is no lapse in receiving the appropriate discount amount. On Monday, January 14, 2013, seniors can apply for the low-income senior discount at the Benicia Senior Center from 11:00 a.m. to noon. Thereafter, applications will be accepted every Tuesday and Thursday from 2:00 p.m. to 4:00 p.m. in the Commission Room at

City Hall. Folks will need to bring a copy of their PG&E bill noting participation in the PG&E CARE discount program; identification that substantiates name, age and address; and a Water & Wastewater Utility Bill in order to sign up.

Attachments:

- ❑ Staff Report from December 4, 2012 City Council Meeting (Introduction and First Reading of Ordinances to Amend the Water and Sewer Rates/Fees)
- ❑ Staff Report from December 4, 2012 City Council Meeting (Master Fee Schedule Additions and Amendments to Various Water and Sewer Fees)
- ❑ Staff Report from September 25, 2012 City Council Meeting
- ❑ Proposition 218 Notice
- ❑ Proposed Ordinance Amending Chapter 13.12 (Water Rates and Charges) (clean copy)
- ❑ Proposed Ordinance Amending Chapter 13.52 (Sewer Rates and Charges) (clean copy)
- ❑ Proposed Ordinance Amending various sections of Chapter 13.56 (Sewer Billing Requirements) (clean copy)
- ❑ Proposed Ordinance Amending various sections of Chapter 13.08 (Water Service) (clean copy)
- ❑ Proposed Ordinance Amending various sections of Chapter 13.16 (Water Billing Requirements) (clean copy)

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 4, 2012
BUSINESS ITEM

DATE : November 27, 2012

TO : City Manager

FROM : Public Works Director

SUBJECT : **INTRODUCTION AND FIRST READING OF ORDINANCES TO AMEND THE WATER AND SEWER RATES/FEES RELATED TO WATER AND SEWER SERVICE**

RECOMMENDATION:

To protect the health and safety of the community and the City's financial integrity, conduct a public hearing and introduce ordinances to amend the water and sewer rates/fees related to water and sewer service as follows:

- (1) Introduction of an Ordinance amending Chapter 13.12 (Water Rates and Charges) of Title 13 (Public Services) of the Benicia Municipal Code; and
- (2) Introduction of an Ordinance amending Chapter 13.52 (Sewer Rates and Charges) of Title 13 (Public Services) of the Benicia Municipal Code; and
- (3) Introduction of Ordinances amending various sections of Title 13 (Public Service) including
 - Sections 13.56.030 (Payment – Returned Checks), 13.56.050 (Delinquent Accounts), 13.56.070 (Delinquency of Service-Discontinuation of Service) and 13.56.080 (Discontinuation of Service – Unauthorized Use) of Chapter 13.56 (Sewer Billing Requirements); and
 - Sections 13.08.040 (Water Use Without Application) and 13.08.050 (Deposit) of Chapter 13.08 (Water Service); and
 - Sections 13.16.040 (Payment – Returned Checks), 13.16.060 (Delinquent Accounts), 13.16.080 (Delinquency – Discontinuation of Service), 13.16.090 (Tampering – Unauthorized Use), and 13.16.110 (Inspections) of Chapter 13.16 (Water Billing Requirements).

EXECUTIVE SUMMARY:

The quality and safety of our local water supply and the proper maintenance of our sewer system is essential to our community's health, safety and financial

integrity. Specifically, our water and sewer systems must be properly maintained in order to:

- Ensure clean, safe drinking water for our residents and businesses
- Have secure adequate water capacity in the event of a major earthquake, fire or catastrophic emergency
- Prevent sewage spills that present a health risk to the community, placing the City at risk for regulatory fines and lawsuits, and polluting the Carquinez Strait.

While Water and Sewer rates are used exclusively to provide for maintaining the City's water and sewer systems, rates have unfortunately not been keeping pace with the cost of providing water and sewer services. Rates have not changed for 6 years and action is now necessary to ensure these important public assets are maintained for future generations. After conducting a comprehensive public outreach effort in August and September to ensure complete transparency of our efforts and to ensure public knowledge on our critical water and sewer systems needs, on September 25, 2012 a workshop with City Council was held to consider staff's recommendation to increase rates over a period of five years and provide further staff direction. At that workshop, City Council directed staff to proceed with mailing Proposition 218 notices to all property owners notifying them of this public hearing where the City Council would consider amending the Benicia Municipal Code sections to increase water and sewer rates. Benicia's rates are currently at or below the rates of other cities in our region.

GENERAL PLAN:

Relevant General Plan Goals:

- ❑ Goal 2.28: Improve and maintain public facilities and services
- ❑ Goal 2.36: Ensure an adequate water supply for current and future residents and businesses

STRATEGIC PLAN:

Relevant Strategic Plan Issues:

- ❑ Strategic Issue #1: Protecting Community Health and Safety
- ❑ Strategic Issue #2: Protecting and Enhancing the Environment
- ❑ Strategic Issue #3: Strengthening Economic and Fiscal Conditions
 - Strategy #4: Manage City finances prudently
- ❑ Strategic Issue #4: Preserving and Enhancing Infrastructure
 - Strategy #4: Provide funding for ongoing infrastructure needs

BUDGET INFORMATION:

Since 2006, water and sewer rates have remained constant, with no increases. The Water and Sewer Funds are currently operating in a deficit. The Water Fund is projected to be (\$1,774,315) and Sewer Fund (\$641,566) based on fiscal year 2011/12 amended budget figures. Without any rate increases, they will continue to run an operating deficit and will deplete the operating fund reserves by June 2014 at which point they would have to borrow from the General Fund (used for critical community service needs such as police and fire). Also, without the recommended rate increases, it is estimated that the Water and Sewer Funds will not meet the City’s 20% reserve requirement starting in fiscal year 2012/13. Additionally, the Water Fund will fail to meet its debt service coverage requirements, which could result in another credit rating downgrade as Standard and Poor’s has already downgraded the City’s credit rating. An independent auditor has informed the City that rate adjustments will be necessary to restore the City’s credit rating.

The proposed rate adjustments will help the City continue to provide reliable and safe water and sewer services. The City’s water and sewer divisions rely almost entirely on customer revenues to provide these services. No local, state, or federal taxes offset the cost of these services. The proposed rate adjustments were calculated to recover only the estimated revenue needed to cover actual costs of continued safe water and sewer services.

The annual General Fund Impact for subsidizing the senior discounts (discussed later in this report) is estimated to be as follows:

General Fund Impact for Sewer and Water Subsidies							
							FY 17/18 and subsequent years (if no further increases)
		FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	
Sewer	Casa De Vilarrasa Discount	\$11,149	\$23,301	\$25,095	\$26,402	\$27,187	\$27,454
Water	Low Income Senior Discount	\$175,850	\$91,497	\$89,964	\$98,073	\$103,071	\$104,856
Water	Senior Discount 4 Year Phase Out		\$171,042	\$146,341	\$97,391	\$34,171	\$0
Total Cost to General Fund		\$186,999	\$285,840	\$261,400	\$221,866	\$164,429	\$132,310

BACKGROUND AND DISCUSSION:

Overview

Our local water supply must be properly maintained and protected to ensure clean, safe drinking water and an adequate water supply in the event of an

earthquake, fire or catastrophic emergency. Benicia's sewer system must be properly maintained to prevent sewage spills that present a health risk to the community, place the City at risk for regulatory fines and lawsuits, and can damage the Carquinez Strait.

Unfortunately, Benicia has aging water and sewer systems and proper maintenance and repair is needed. Our systems include aging clay and asbestos cement pipes and other deteriorating infrastructure. Additionally, Benicia's treatment plants have important monitoring equipment, pumps, and other major capital items that cannot be easily repaired, due to age of materials, and must be upgraded to ensure safety.

Evolving state and federal regulations that our water and sewer systems are subject to, are also impacting our systems. Benicia must stay in compliance with all required regulatory mandates, or face costly fines or environmental lawsuits.

A. History

1. Master Plans

Water and sewer rates were last raised in 2006 as a part of a regular schedule of modest increases that were intended to assure that rates kept pace with increases in costs. Staff examined current rates and determined that the system had substantially changed since the last master plans were completed. Rather than continue on the current progression that rates had been following, staff began an update of both the Water and Sewer Master Plans to assess the City's current and future needs to assure the longevity of these important assets.

Master Plans study the capacity, condition and related life cycle of both a treatment plant and the network of pipelines associated with it. Complex hydraulic modeling is completed to examine system capacity and needed redundancies to assure reliable water delivery, and assure public health and safety is protected from exposure to waste. In addition to modeling, condition assessment, maintenance practices and replacement schedules are used to complete a full inventory of the system and its needs.

Federal and State Water Quality standards and requirements have continued to become more stringent to protect public health. Benicia has no legal option but to comply. Chemical costs to properly treat drinking water have risen substantially. Disposal of sewage sludge and solids at the landfill has risen 4-5 times in cost over the last 5 years, as has the required regulatory safety testing of those byproducts.

The City has a sewer treatment plant that treats from 3.5 to 8 million gallons per day. The collection system that transports waste from all over the City to the

treatment plant includes 150 miles of sanitary sewers, 23 lift stations, and 9,278 sewer service connections. The City has a water treatment plant with a maximum daily capacity of 12 million gallons per day and a distribution system made up of 160 miles of water mains, 1,428 fire hydrants, 9,547 water service connections, three pump stations and three reservoir sites.

As part of the master planning process, the City hired Camp Dresser & McKee (CDM) to prepare an updated Sewer Master Plan and Nolte Vertical 5 to prepare an updated Water Master Plan. Project costs and timelines were reviewed by staff to assure there were no unnecessary multipliers used to inflate the estimates, and the timeline for each project's completion was reasonable and necessary. Only essential projects are included in the capital improvement section of the studies that are necessary for maintenance in order to sustain the systems and ensure continued safe service, modifications due to future regulatory changes, or changes due to lessons learned or future permit changes.

The Sewer System Master Plan was completed in July 2011 and the Water System Master Plan was completed in September 2012. Master Plans are then used to guide the needed funds for operation, maintenance and renewal of water and sewer infrastructure as part of rate studies. Both the master plans and the rate studies can be found on the City's website www.ci.benicia.ca.us under Water/Sewer System Safety.

2. Fee Studies

In 2011 the City hired rate consultant, Bartle Wells Associates (BWA), to review the sewer and water enterprise funds' finances, project revenues and expenses over a future 10-year period, and design sewer and water rates and charges. BWA's study develops and recommends adjustments to sewer and water rates to keep the Sewer and Water Enterprise Funds financially sustainable, pay for maintenance and capital projects, comply with credit rating requirements, and satisfy the City's reserve fund policy. Three objectives serve as the foundation of the rate analyses as outlined below. However, rates need to be raised not only for these reasons, but principally to assure that needed maintenance and future replacement of major components of the systems occur.

Rate Study Objectives

1. Revenues Cover Expenses - Revenues cover all expenses, including operating, capital and debt service, which is consistent with the City's Balanced Operating Budget Policy.
2. Debt Service Coverage Target - Net revenues (all revenues available after Operations and Maintenance expenses are covered) are at least 120% of

annual debt service, which includes principal and interest payments on the revenue refunding bonds and the SRF loans.

3. Reserve Target - The Enterprise meets the City's fund balance reserve policy of 20% of current year revenue.

BWA determined that sewer rates should be adjusted, as provided in three scenarios. The recommended option offers the lowest initial increase and eases the needed increase across the 5-year time period. With this option, all objectives as outlined in the Rate Study Objectives section above are met in Fiscal Year 2016/17. BWA conducted 10-year projections to help determine how to best set the rates over 5 years, as Proposition 218 (discussed later in this report) limits rate increases to 5 years.

The City's financial rating was recently downgraded because revenues were not equal to or greater than costs. A lower financial rating increases the cost to borrow funds and limits the City's ability to borrow additional funds, should that become necessary. The rating agency has indicated that a further downgrade is possible if no action is taken to address the fiscal sustainability of the enterprise funds. An independent auditor has informed the City that rate adjustments will be necessary to restore the City's credit rating.

If approved, the rate adjustments will fund water and sewer service to City residents and property owners. The revenue from these charges does not go into the General Fund. For clarification purposes, water and sewer rates are not being raised to pay for the recent solar project. The solar project is self-funded through the electrical savings realized. The City issued Certificates of Participation to finance the solar project. The Certificates of Participation are paid back using energy savings generated by the solar project. Also, the Downtown Intermodal Project (the street project at the intersection of First and Military) is grant funded. No Benicia monies are funding that project.

3. Outreach

A comprehensive public education program began in August 2012 to inform community, City Commissions/Committees, and interested citizens with factual information resulting from the recent water and sewer rate studies. This effort was undertaken because of the City Council's commitment to inform the community of important issues and provide complete transparency to decisions of such great importance.

In August and September, City staff made a power point presentation followed by a question and answer period for the following groups:

- ✓ City Finance Committee
- ✓ City Economic Development Board
- ✓ City Parks & Recreation Commission
- ✓ City Council/School Liaison Committee
- ✓ City Community Sustainability Commission
- ✓ City Department Heads
- ✓ Benicia Industrial Park Association Board
- ✓ Chamber of Commerce Board
- ✓ Rotary Club
- ✓ Senior Citizen Roundtable Forum
- ✓ Soroptomist Club

In addition to the above presentations, City staff met individually with Benicia Unified School District representatives to specifically review rate changes and their impact to the School District's utility bills.

A City hotline (746-4380) and dedicated email address (WaterSewerQuestions@ci.benicia.ca.us) have been activated and staff has received comments and responded to questions from members of the public. A Water and Sewer System Safety webpage on the City's website has been created and updated with information including FAQs, the master plans, the rate studies and bill estimates.

In early September, informational pamphlets were mailed to 9,500 Benicia property owners. The September and October utility bills included an outreach letter. In September and October, a detailed letter was mailed to approximately 45 interested parties. Another information mailer (jumbo postcard) was mailed to all property owners in November.

City staff met with the Finance Committee at three separate meetings. The Finance Committee was instrumental in providing constructive feedback to staff regarding the outreach process. The Committee provided helpful suggestions for improving the PowerPoint presentation presented to the community groups previously listed. The Committee also offered valuable input concerning the senior citizen issue. In addition, the attached memo was included in the September 25 staff report with their recommendations.

4. Council Direction

At the September 25, 2012 meeting, City Council took action to ensure the health and safety of the community and to protect the City's financial health. Council received staff's recommendation to increase rates over a period of five

years and directed staff to set a public hearing date and proceed with mailing Proposition 218 notices (discussed in the next section.) A copy of the staff report is attached.

Also at that meeting, City Council took action protecting our community's most vulnerable citizens. Because courts have ruled that one class of ratepayers can no longer subsidize another class of ratepayers, Benicia's current senior discount is now illegal. In its place, Council has authorized a new low-income senior discount for those who qualify to be paid from the General Fund. Additionally, Council authorized that all current senior discount recipients will be allowed a phase in of the new rates over a period of four years, also subsidized by the General Fund.

5. Proposition 218 Notice

In 2006 the Supreme Court ruling on the Bighorn-Desert View Water Agency case established that water and sewer charges are property-related and subject to Proposition 218 requirements. Proposition 218 requires that property owners be given the right to protest increases in water and sewer rate charges. The City must provide a 45-day public notice of the December 4 public hearing to all property owners. If, as of the close of the public hearing on December 4, more than 50% of the property owners submit a written protest to the City, the rates cannot go into effect.

On October 17, a Proposition 218 notice titled "Notice of Public Hearing on Proposed Increases to Water and Sewer Rates" was mailed to all property owners in Benicia outlining the public hearing date and time, the proposed rate increases and details of the protest process. A copy of the notice is attached. A total of 9,348 were mailed and 169 were returned from the post office that staff researched and no alternate mailing address was found; therefore, the revised total is 9,179. This means that 4,590 (which is 50% plus 1) written protests would need to have been received in order for a majority protest to exist. As of November 27, City staff has responded to nine questions since the Proposition 218 notice was mailed. And as of November 27, the City has received 57 protests, which is less than 1 percent.

B. Intent of this meeting

The purpose of tonight's public hearing is to present the community justification for new water and sewer rates and charges to ensure continued safe operation of Benicia's water and sewer systems. Tonight is the introduction and first reading of five ordinances that will amend the water and sewer rates and

charges in the various chapters and sections of the Benicia Municipal Code. Based on Council's direction, staff recommends to return these five ordinances to the Council for a second reading and adoption on December 18, 2012.

At the close of the public hearing on December 4, if a majority protest does not exist, the City Council will consider adoption of the proposed water and sewer rates increases. Note that actual rates and charges adopted by the City Council may be less, but not more than, the proposed rates identified in the Proposition 218 notice.

C. Senior Discount

Water and sewer funds are "Enterprise Funds" which means they are managed as individual businesses and the revenues come from fees charged to users. The Enterprise Funds are separate from the "General Fund" which is the City's main operating fund that is funded by general revenues (e.g. sales tax, property tax, utility users' tax). Proposition 218 prohibits water and sewer enterprise funds (funded by water and sewer ratepayers) from continuing to subsidize the discount offered to seniors age 60 and older. Proposition 218 prohibits providing a lower cost to one specific customer class that is subsidized through higher charges to other customers.

In addition to the extensive public outreach conducted, City staff also met with a group of senior citizens to discuss the issue of future funding for the senior discount. The group's consensus was that the City should offer a discount to low-income seniors.

At their September 25, 2012 meeting, the City Council was amenable to staff's recommendation to provide a 50% discount on sewer rates to Casa de Vilarrasa, subsidized by the General Fund. Council decided to transition to a low-income senior discount (in lieu of a discount for all seniors) effective July 1, 2013. Council also decided to phase out the discount for all other currently enrolled seniors who do not qualify for the low-income discount over four years to soften the transition to higher rates. This combined program continues the discount for currently enrolled seniors for the first six months of 2013. During this time, seniors who are low-income will have an opportunity to apply for the low-income discount if they also qualify for PG&E's CARE discount program. Additional detail on the senior discounts is provided below.

Note on current senior citizen rate structure:

Utility bills contain two types of water charges – a fixed maintenance/service charge, and a consumption/volume charge that is variable since it is based on usage. The current senior discount (age 60 or older) is 78% off the maintenance

charge and 18% off the consumption charge for Tier 1 (43% off Tier 2 and 42% off Tier 3.) On average, these discounts equate to roughly 50% off (low consumption would be less than 50% and high consumption would be more than 50%). As of November 21, the City has 2,545 senior discounted customers.

1. Senior Sewer Discount – Casa De Vilarrasa

Casa de Vilarrasa, a senior housing complex on East I and 3rd Streets, is the City’s only customer that currently receives a discounted sewer rate, which is about 68% off the regular service charge. For example, a single-family residence currently pays \$41.33 per month and a residential unit at Casa De Vilarrasa pays \$13.33 per month. There are 81 units in this complex and with this discount the sewer fund (paid by sewer ratepayers) subsidizes approximately \$27,000 per year. As indicated previously, under Proposition 218 provisions, sewer ratepayers cannot legally bear the subsidy cost. Proposition 218 prohibits providing a lower cost to one specific customer class that is subsidized through higher charges to other customers. If the City wishes to continue the discounted rate to Casa De Vilarrasa, the cost must be subsidized from another source of revenue other than from ratepayers, such as the General Fund.

It is staff’s recommendation that the City provide a 50% discount to Casa De Vilarrasa, subsidized by the General Fund, as more than 50% of the residents are low income seniors. While this is less than the current discount, this subsidy will help those most in need. The table below shows the proposed Casa De Vilarrasa sewer charge per month.

CASA DE VILARRASA DISCOUNT TRANSITION FROM ~68% TO 50%						
	Current	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017
Proposed Residential Service Charge (mo.)	\$41.33	\$45.88	\$50.01	\$53.26	\$55.39	\$56.49
Casa De Vilarrasa Discount	67.75%	50.00%	50.00%	50.00%	50.00%	50.00%
Casa De Vilarrasa Sewer Charge (mo)	\$13.33	\$22.94	\$25.01	\$26.63	\$27.70	\$28.25

2. Senior Water Discount – Transition to Low-Income Senior Discount

Per City Council’s direction at their September 25 meeting, the former Senior Citizen Rate will transition to the Low-Income Senior Citizen Discount effective July 1, 2013. The eligibility requirements for the low-income discount include all of the below:

1. Head of a residential household or spouse is age 60 or older: Provide identification that substantiates name, age and address; and

2. Low-Income Verification: Provide a copy of a recent PG&E bill noting participation in the PG&E CARE (California Alternate Rates for Energy) program. Current income guidelines are below (effective through May 31, 2013 and updated guidelines can be found at www.PG&E.com/CARE; and

Income Guidelines for PG&E's CARE Program								
Number of Persons in Household	1	2	3	4	5	6	7	8*
Annual income before taxes	\$22,340	\$30,260	\$38,180	\$46,100	\$54,020	\$61,940	\$69,860	\$77,780
* For each additional person, add \$7,920.								

3. Apply in person in the Finance Department or designated location (every two years).

This discount consists of using the General Fund to pay for a discount of 78% off the water maintenance charge for the first 6 months of 2013 for the currently enrolled senior discounted customers. During the first six months of 2013, low-income seniors would apply for the discount. Then, starting July 1, 2013 for 6 months, the fixed maintenance charge discount would drop to 65% and the program transitions from a senior discount to a low-income senior discount. Finally, beginning July 1, 2014, the fixed maintenance charge discount would be reduced to 50% permanently for qualified low-income senior customers. The proposed discount is on the fixed maintenance charge only as outlined in the table below. Low-income senior customers would start paying the full price of the water consumption charges (at the revised rates) starting in January 2013 (see Section D, 2 below.)

Low-Income Senior Discount (per unit, per month)	1/17/13 - 6/30/13	7/1/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/16
Single family dwelling discount amount	\$11.52	\$9.60	\$8.34	\$9.30	\$9.93	\$10.28
Multi family dwelling discount amount	\$8.65	\$7.21	\$6.26	\$6.98	\$7.46	\$7.72

Below is a table with sample monthly water charge estimates for senior citizens who qualify for the low-income discount:

Sample Monthly Estimates for Low-Income Senior Discount Customers	1/17/2013	7/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017
Proposed Sewer Charge Maintenance Charge	7%	-	12.9%	11.5%	6.8%	3.5%
Proposed Water Maintenance Charge	\$14.77	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
Low-Income Senior Discount	-\$11.52	-\$9.60	-\$8.34	-\$9.30	-\$9.93	-\$10.28
Adjusted Water Maintenance Charge	\$3.25	\$5.17	\$8.34	\$9.30	\$9.93	\$10.28
Water Consumption Charge (based on 12 units)	\$20.88	\$20.88	\$23.60	\$26.32	\$28.16	\$29.16
Monthly Water Charges for Low-Income Senior Citizens	\$24.13	\$26.05	\$31.94	\$35.62	\$38.09	\$39.44

3. Senior Water Discount – Phase Out of Senior Citizen Rate for those not qualifying for the low income discount

In an effort to soften the transition to higher rates, there will be a four year phase out of the discount on the water maintenance charge for all other seniors that are enrolled in the Senior Discount Rate prior to December 31, 2012 who do not qualify for the low-income senior discount. The phase out discount amounts are shown in the table below. This discount includes a 78% discount off the fixed maintenance charge for the first 6 months of 2013. Then the phase out consists of multiplying the difference between the proposed residential monthly service charge and the current senior monthly water maintenance charge of \$3.05 by 80% for the second half of 2013, 60% the second year, 40% the third year, and 20% the fourth year. The senior citizen rate will end on January 1, 2017.

Beginning January 17, 2013, senior citizen customers will begin paying the full price of the volume charge (i.e., “water consumption charge” on the utility bill) at the revised rates (see Section D, 2 below.) All seniors that are grandfathered in prior to December 31, 2012 will be eligible to receive the discounts shown in the table below through December 31, 2016.

Phase Out Of Senior Citizen Rate (per unit, per month)	1/17/13 - 6/30/13	7/1/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/16
Single family dwelling discount amount	\$11.52	\$9.38	\$8.18	\$6.22	\$3.36	\$0.00
Multi family dwelling discount amount	\$8.65	\$6.43	\$5.68	\$4.36	\$2.37	\$0.00

Below is a table with sample monthly water charge estimates for senior citizens not qualifying for the low-income discount:

Sample Monthly Estimates for Phase Out Of Senior Citizen Rate	1/17/2013	7/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017
	7%	-	12.9%	11.5%	6.8%	3.5%
Proposed Water Maintenance Charge	\$14.77	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
Senior Citizen Rate Phase Out Discount	<u>-\$11.52</u>	<u>-\$9.38</u>	<u>-\$8.18</u>	<u>-\$6.22</u>	<u>-\$3.36</u>	<u>\$0.00</u>
Adjusted Water Maintenance Charge	\$3.25	\$5.39	\$8.50	\$12.38	\$16.50	\$20.56
Water Consumption Charge (based on 12 units)	<u>\$20.88</u>	<u>\$20.88</u>	<u>\$23.60</u>	<u>\$26.32</u>	<u>\$28.16</u>	<u>\$29.16</u>
Monthly Water Charges for Senior Citizens	\$24.13	\$26.27	\$32.10	\$38.70	\$44.66	\$49.72

3. Net Impact to General Fund

Below is the total cost to the General Fund for the senior discount subsidies through fiscal year 2017-18. The Low-Income Senior Discount costs are based on an estimate that 850 seniors would qualify under the low-income guidelines, per the City's Housing Element. The Housing Element defines seniors as age 65 and older and reported that 546 seniors are "very low income" and 303 are "low income." ("Very low income" is defined as below 50% of the average medium income and "low income" is 80% of the average medium income.)

General Fund Impact for Sewer and Water Subsidies							FY 17/18 and subsequent years (if no further increases)
		FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	
Sewer	Casa De Vilarrasa Discount	\$11,149	\$23,301	\$25,095	\$26,402	\$27,187	\$27,454
Water	Low Income Senior Discount	\$175,850	\$91,497	\$89,964	\$98,073	\$103,071	\$104,856
Water	Senior Discount 4 Year Phase Out		\$171,042	\$146,341	\$97,391	\$34,171	\$0
Total Cost to General Fund		\$186,999	\$285,840	\$261,400	\$221,866	\$164,429	\$132,310

General Fund Capacity

In September 2012, City Council provided direction to staff to incorporate an ongoing Low Income Senior Discount program to be subsidized by the General Fund and to phase out the current Senior Discount for those that do not qualify for the Low Income discount over four years. At that time, it was anticipated the impact of these costs would reduce the General Fund reserve level to approximately 16.4%, assuming no significant changes to the budget. However, due to lower revenue projections than anticipated, it is now estimated the costs of the senior water subsidy over five-years will reduce the reserve level to approximately 13.5%. In addition, the budget will need to include ongoing program costs of up to \$132,000 after fiscal year 2017/18.

D. Ordinance changes

1. Sewer Rates

Attached is a proposed ordinance amending Chapter 13.52 (Sewer Rates and Charges) in both redline/strike-out and a clean copy. It includes the sewer rates shown in the table below, the proposed 50% Casa De Vilarrasa discount (discussed in Section C. 1 above), 3% increases for other charges (e.g. one-time

sewage discharges, wastes from vessels), deletion of the lateral sewer installation charge section (since the City does not install sewer laterals), and other minor changes for clarification purposes.

Proposed Sewer Rates						
Fiscal Year	Current	Proposed				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Monthly Rate per EDU (1 & 2)	\$41.33	\$45.88	\$50.01	\$53.26	\$55.39	\$56.49
Recommended Change	0.0%	11.0%	9.0%	6.5%	4.0%	2.0%
Dollar Increase per month		\$4.55	\$4.13	\$3.25	\$2.13	\$1.11
(1) EDU = equivalent dwelling unit (average household)						
(2) Customers are billed every 2 months. The rates above are per month.						

2. Water Rates

Attached is a proposed ordinance amending Chapter 13.12 (Water Rates and Charges) in both redline/strike-out and a clean copy. It includes the water rates shown in the table below, a 25% volume charge increase for construction hydrant meters (25% is based on the current ordinance), the low-income senior discount and four year phase out for other seniors discussed previously in Section C. 2 and 3 above), and other minor changes for clarification purposes.

Proposed Water Rates							
		Current	Proposed Rates (per month)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
			7%	12.9%	11.5%	6.8%	3.5%
Residential Rates							
Service Charge per meter	Single family	\$13.80	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
	Multi- family unit	\$10.36	\$11.09	\$12.52	\$13.96	\$14.91	\$15.43
Volume Charge per hcf (1 & 2)	0 - 8 hcf	\$1.37	\$1.46	\$1.65	\$1.84	\$1.97	\$2.04
	8 - 30 hcf	\$2.15	\$2.30	\$2.60	\$2.90	\$3.10	\$3.21
	Over 30 hcf	\$2.30	\$2.46	\$2.78	\$3.10	\$3.31	\$3.43
Commercial / Industrial / Irrigation / Municipal Rates							
Service Charge per meter	5/8 - 3/4"	\$17.83	\$19.08	\$21.54	\$24.02	\$25.65	\$26.55
	1"	\$31.68	\$33.90	\$38.27	\$42.67	\$45.57	\$47.16
	1½"	\$71.25	\$76.24	\$86.07	\$95.97	\$102.50	\$106.09
	2"	\$126.64	\$135.50	\$152.98	\$170.57	\$182.17	\$188.55
	3"	\$284.90	\$304.85	\$344.18	\$383.76	\$409.86	\$424.21
	4"	\$506.48	\$541.93	\$611.84	\$682.20	\$728.59	\$754.09
	6"	\$1,139.56	\$1,219.32	\$1,376.61	\$1,534.92	\$1,639.29	\$1,696.67
Volume Charge per hcf (1 & 2)	0 - 30 hcf	\$1.86	\$1.99	\$2.25	\$2.51	\$2.68	\$2.77
	Over 30 hcf	\$2.18	\$2.33	\$2.63	\$2.93	\$3.13	\$3.24
(1) Customers are billed every 2 months. The rates above are per month.							
(2) hcf = one hundred cubic feet = 748 gallons							

Proposed Water Rates (continued)							
		Current	Proposed Rates (per month)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
			7%	12.9%	11.5%	6.8%	3.5%
Automatic Sprinkler & Private Fire Hydrant Rates							
Flat Rate per meter	2"	\$9.37	\$10.03	\$11.32	\$12.62	\$13.48	\$13.95
	4"	\$16.40	\$17.55	\$19.81	\$22.09	\$23.59	\$24.42
	6"	\$23.21	\$24.84	\$28.04	\$31.26	\$33.39	\$34.56
	8"	\$30.42	\$32.55	\$36.75	\$40.98	\$43.77	\$45.30
	10"	\$37.39	\$40.01	\$45.17	\$50.36	\$53.78	\$55.66
	12"	\$44.40	\$47.51	\$53.64	\$59.81	\$63.88	\$66.12
Fire Hydrants	Double outlet & steamer	\$11.71	\$12.53	\$14.15	\$15.78	\$16.85	\$17.44
	Single outlet & wharf	\$3.52	\$3.77	\$4.26	\$4.75	\$5.07	\$5.25
Untreated Water Rates							
Minimum Charge per meter	2"	\$23.38	\$25.02	\$28.25	\$31.50	\$33.64	\$34.82
	3"	\$46.75	\$50.03	\$56.48	\$62.98	\$67.26	\$69.61
	4"	\$70.10	\$75.00	\$84.68	\$94.42	\$100.84	\$104.37
	6"	\$140.17	\$149.98	\$169.33	\$188.80	\$201.64	\$208.70
Volume Charge per hcf	0 - 150 hcf	\$0.84	\$0.90	\$1.02	\$1.14	\$1.22	\$1.26
	Over 150 hcf	by agmt	by agmt	by agmt	by agmt	by agmt	by agmt
(1) Customers are billed every 2 months. The rates above are per month.							
(2) hcf = one hundred cubic feet = 748 gallons							

3. Other Water and Sewer Charges

Attached are proposed ordinances amending Chapter 13.56 (Sewer Billing Requirements), Chapter 13.16 (Water Billing Requirements), and Chapter 13.08 (Water Service) in both redline/strike-out and clean copies.

These three ordinances contain other water and sewer related fees such as renters deposit, returned check fee, delinquent charge, and turn off service fee. These charges have not been updated since 1990 and the City is currently not covering costs on these fees. City staff compared Benicia's fees with other Solano County cities and proposes to amend fees to make Benicia's fees comparable. A tampering fee of \$50 and an inspection fee of \$52 per hour are proposed to be added. With these modifications, the City will recover the cost of service.

The capacity fees (formerly referred to as connection fees) have not been increased since 1999. These are proposed to be increased 1.6% based on the construction cost index. The ordinance already includes language for regular increases, but has not been implemented until now.

By a separate Council action, also on December 4, staff is recommending to move other water and sewer related fees from the Benicia Municipal Code to

the Master Fee Schedule. For this reason, the attached ordinances indicate that all fees are set by resolution of the City Council instead of noting the actual fee. Please refer to the staff report titled Water and Sewer Fee Additions and Amendments to the Master Fee Schedule for the proposed fees.

E. Estimated Utility Bill Increases For Residential Customers

Below is a table showing an example of what the proposed water and sewer rate increases will cost an average residential customer per month.

Sewer - All Customers Except for Casa De Vilarasa										
	Current	1/17/13	7/1/13	1/1/14	7/1/14	1/1/15	7/1/15	1/1/16	7/1/16	1/1/17
Proposed Rate Adjustment	0%	11%	9%	-	6.5%	-	4%	-	2%	-
Proposed Monthly Charge (per EDU ¹)	\$41.33	\$45.88	\$50.01	\$50.01	\$53.26	\$53.26	\$55.39	\$55.39	\$56.49	\$56.49
Monthly Increase	N/A	\$4.55	\$4.13	\$0.00	\$3.25	\$0.00	\$2.13	\$0.00	\$1.10	\$0.00
Water - Residential Customers										
	Current	1/17/13	7/1/13	1/1/14	7/1/14	1/1/15	7/1/15	1/1/16	7/1/16	1/1/17
Proposed Rate Adjustment	0%	7%	-	12.9%	-	11.5%	-	6.8%	-	3.5%
Average Residential Monthly Charge ²	\$33.33	\$35.65	\$35.65	\$40.28	\$40.28	\$44.92	\$44.92	\$48.02	\$48.02	\$49.72
Monthly Increase	N/A	\$2.32	\$0.00	\$4.63	\$0.00	\$4.64	\$0.00	\$3.10	\$0.00	\$1.70
Total Monthly Charge (Water + Sewer)	\$74.66	\$81.53	\$85.66	\$90.29	\$93.54	\$98.18	\$100.31	\$103.41	\$104.51	\$106.21
Average Annual Water & Sewer Cost	2012 \$895.92	2013 \$1,003.14	2014 \$1,102.98	2015 \$1,190.94	2016 \$1,247.52	2017 \$1,274.52				

Footnotes:

(1) EDU = equivalent dwelling unit.

(2) Average monthly usage is 12 billing units (hundred cubic feet)

F. Action Reminder

1. When each goes into effect

At the conclusion of tonight's public hearing, with Council's concurrence, staff recommends bringing the ordinances back to Council for the second reading and adoption on December 18, 2012. If the water and sewer rates and charges are adopted at the December 18 meeting, then they will become effective 30 days later, which would be on January 17, 2013.

2. Outreach plan for Senior Citizens and transition to low income discount rate

All customers receiving the current senior discount prior to the end of 2012 will be notified by mail about the change in the discount structure. They will be notified that they have six months to apply for the new low-income senior discount (January 1, 2013 to June 30, 2013) in order to assure there is no lapse in receiving the appropriate discount amount. Staff is planning on going to the Senior Center on Monday, January 14 to provide a convenient way for senior citizens to apply.

Attachments:

- ❑ Staff Report from September 25, 2012 City Council Meeting
- ❑ Proposition 218 Notice
- ❑ Finance Committee's Comments
- ❑ Proposed Ordinance Amending Chapter 13.12 (Water Rates and Charges)(with changes shown in redline strikeout)
- ❑ Proposed Ordinance Amending Chapter 13.12 (Water Rates and Charges) (clean copy)
- ❑ Proposed Ordinance Amending Chapter 13.52 (Sewer Rates and Charges) (with changes shown in redline strikeout)
- ❑ Proposed Ordinance Amending Chapter 13.52 (Sewer Rates and Charges) (clean copy)
- ❑ Proposed Ordinance Amending various sections of Chapter 13.56 (Sewer Billing Requirements) (with changes shown in redline strikeout)
- ❑ Proposed Ordinance Amending various sections of Chapter 13.56 (Sewer Billing Requirements) (clean copy)
- ❑ Proposed Ordinance Amending various sections of Chapter 13.08 (Water Service) (with changes shown in redline strikeout)
- ❑ Proposed Ordinance Amending various sections of Chapter 13.08 (Water Service) (clean copy)
- ❑ Proposed Ordinance Amending various sections of Chapter 13.16 (Water Billing Requirements) (with changes shown in redline strikeout)
- ❑ Proposed Ordinance Amending various sections of Chapter 13.16 (Water Billing Requirements) (clean copy)

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 4, 2012
BUSINESS ITEM

DATE : November 27, 2012

TO : City Manager

FROM : Public Works Director

SUBJECT : **MASTER FEE SCHEDULE ADDITIONS AND AMENDMENTS TO VARIOUS WATER AND SEWER FEES**

RECOMMENDATION:

Adopt a resolution approving and adopting additions and amendments to various water and sewer fees to the Master Fee Schedule.

EXECUTIVE SUMMARY:

This action approves additions and amendments to various water and sewer related fees and transfers the fee amounts from the Benicia Municipal Code to the Master Fee Schedule. The water and sewer fees include charges such as renters' deposit, returned check fee, delinquent charge, turn off service fee, and capacity fees. These fees are captured in three ordinances: Chapter 13.56 (Sewer Billing Requirements), Chapter 13.16 (Water Billing Requirements), and Chapter 13.08 (Water Service) as noted in the corresponding December 4, 2012 staff report titled Introduction and First Reading of Ordinances to amend the Water and Sewer Rates/Fees Related to Water and Sewer Service.

GENERAL PLAN:

Relevant General Plan Goals:

- ❑ Goal 2.28: Improve and maintain public facilities and services
- ❑ Goal 2.36: Ensure an adequate water supply for current and future residents and businesses

STRATEGIC PLAN:

Relevant Strategic Plan Issues:

- ❑ Strategic Issue #1: Protecting Community Health and Safety
- ❑ Strategic Issue #2: Protecting and Enhancing the Environment
- ❑ Strategic Issue #3: Strengthening Economic and Fiscal Conditions
 - Strategy #4: Manage City finances prudently
- ❑ Strategic Issue #4: Preserving and Enhancing Infrastructure
 - Strategy #4: Provide funding for ongoing infrastructure needs

BUDGET INFORMATION:

These various water and sewer fees have not been updated since the 1990s and the City is currently not covering costs on these fees. The proposed modifications will allow the City to recover the cost of service for these activities related to water and sewer service.

BACKGROUND:

As stated in the corresponding December 4 staff report titled Introduction and First Reading of Ordinances to amend the Water and Sewer Rates/Fees Related to Water and Sewer Service, staff is recommending making additions and adjustments to other water and sewer related fees and transfer the fee amounts from the Benicia Municipal Code to the Master Fee Schedule. The other water and sewer related fees include charges such as renters' deposit, returned check fee, delinquent charge, and turn off service fee. These fees are captured in three ordinances: Chapter 13.56 (Sewer Billing Requirements), Chapter 13.16 (Water Billing Requirements), and Chapter 13.08 (Water Service).

These charges have not been updated since 1990 and the City is currently not recovering costs on these fees. City staff compared Benicia's fees with other Solano County cities and proposes to amend fees to make Benicia's fees comparable. A tampering fee of \$50 and an inspection fee of \$52 per hour are proposed to be added. With these modifications, the City will recover the cost of service.

The capacity fees (formerly referred to as connection fees) have not been increased since 1999. These are proposed to be increased 1.6% based on the construction cost index. The ordinance already includes language for regular increases, but has not been implemented until now.

The ordinances included in the accompanying staff report indicate that all fees are set by resolution of the City Council instead of noting the actual fee. Please refer to the attached Resolution with Exhibit A for the proposed fee descriptions and amounts. The proposed fee adjustments are recommended to become effective January 17, 2013.

Any future necessary adjustments to these other water and sewer fees will occur annually as part of the Master Fee Schedule review process.

Attachment:

- Resolution with Exhibit A

RESOLUTION NO. 12-152

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA APPROVING AND ADOPTING ADDITIONS AND AMENDMENTS TO VARIOUS WATER AND SEWER FEES TO THE MASTER FEE SCHEDULE FOR THE 2012-13 FISCAL YEAR

WHEREAS, water and sewer fees related to water and sewer service have not been adjusted since the 1990s; and

WHEREAS, City staff compared Benicia's fees with other Solano County cities; and

WHEREAS, staff proposes to make Benicia's fees comparable with other cities as well as recover the cost of service; and

WHEREAS staff recommends transferring the fee amounts from the Benicia Municipal Code to the Master Fee Schedule.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia hereby approves and adopts additions and amendments to various water and sewer fees to the Master Fee Schedule effective January 17, 2013 as provided in the attached Exhibit A.

On motion of Council Member **Hughes**, seconded by Council Member **Strawbridge**, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 4th day of December, 2012 and adopted by the following vote:

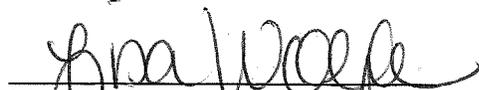
Ayes: Council Members Campbell, Hughes, Schwartzman, Strawbridge and Mayor Patterson

Noes: None

Absent: None


Elizabeth Patterson, Mayor

ATTEST:


Lisa Wolfe, City Clerk

VIII.A.36

Exhibit A Water and Sewer Fees for the Master Fee Schedule

ADDITIONS TO MASTER FEE SCHEDULE

BMC Section	Description	Current Fee	Proposed Fee for Master Fee Schedule	Justification
Sewer				
13.56	Returned check fee	\$20	\$30	Return Check Fee - Trust is \$30 in Master Fee Schedule
13.56.030	Delinquent Charge	10%	10%	10% is standard among surrounding agencies
13.56.050	Turn off service fee for delinquent payment	\$20	\$75	Finance \$50 (1/2 hr) + FUSA \$25.39 (1/2 hr @ \$50.77/hr) = \$75.39
13.56.070				
Water				
13.16	Returned check fee	\$20	\$30	Return Check Fee - Trust is \$30 in Master Fee Schedule
13.16.040	Delinquent Charge	10%	10%	10% is pretty standard among surrounding agencies
13.16.060	Turn off service fee for delinquent payment	\$20	\$75	Finance \$50 (1/2 hr) + FUSA \$25.39 (1/2 hr @ \$50.77/hr) = \$75.39
13.16.080	Tampering Fee	N/A	\$50	Average of Fairfield, Suisun and Vallejo's charges for unauthorized use.
13.16.090	Labor cost (in addition to Tampering Fee)	\$25	\$72 per hour	Accounting Technician \$20 + PW Maint staff \$52 per hour.
13.16.090	(Note: Material Cost in addition to Labor Cost includes Meters - see below.)			Assume 2/3 FUSA and 1/3 FUSJ.
13.16.110	Inspections	\$0	\$52 per hour	(FUSA is \$50.77/hr, so 2/3 is \$34.02. FUSJ is \$54.52/hr, so 1/3 is \$17.99.)
Water				
13.08	Renters deposit	\$20	\$100	Assume 2/3 FUSA and 1/3 FUSJ.
13.08.050				(FUSA is \$50.77/hr, so 2/3 is \$34.02. FUSJ is \$54.52/hr, so 1/3 is \$17.99.)

AMENDMENTS TO MASTER FEE SCHEDULE

Residential Development Impact Fees	Description	Current Fee	Proposed Fee for Master Fee Schedule	Justification
13.52.040	Per Dwelling Unit (EDU)	\$7,500	\$7,620	1.6% increase per construction cost index 12 month percent change (Nov)
	Accessory Dwelling	\$3,750	\$3,810	1.6% increase per construction cost index 12 month percent change (Nov)
Water Capacity Fee				
13.12.050	Per Dwelling Unit	\$7,635	\$7,757	1.6% increase per construction cost index 12 month percent change (Nov)
	Accessory Dwelling	\$3,818	\$3,879	1.6% increase per construction cost index 12 month percent change (Nov)
	Multiple Family Dwelling per unit	\$7,635	\$7,757	1.6% increase per construction cost index 12 month percent change (Nov)
	Mobile Home per space	\$7,635	\$7,757	1.6% increase per construction cost index 12 month percent change (Nov)
Additional Meters (irrigation, etc.)				
	5/8 or 3/4" Meter	\$4,521	\$4,593	1.6% increase per construction cost index 12 month percent change (Nov)
	1" Meter	\$8,047	\$8,176	1.6% increase per construction cost index 12 month percent change (Nov)
	1 1/2" Meter	\$18,084	\$18,373	1.6% increase per construction cost index 12 month percent change (Nov)
	2" Meter	\$32,144	\$32,658	1.6% increase per construction cost index 12 month percent change (Nov)
	3" Meter	\$72,336	\$73,493	1.6% increase per construction cost index 12 month percent change (Nov)
	4" Meter	\$128,577	\$130,634	1.6% increase per construction cost index 12 month percent change (Nov)
	6" Meter or Larger	Subject to Negotiation	Subject to Negotiation	1.6% increase per construction cost index 12 month percent change (Nov)
13.12.070 Meter Installation Fee (i.e. cost of meter)				
	5/8 or 3/4" Meter	\$100	\$232	Meter cost is \$137.50, plus \$94 for Itron 100W Radio Endpt.
	1" Meter	\$165	\$274	Meter cost is \$180, plus \$94 for Itron 100W Radio Endpt.
	1 1/2" Meter	\$290	\$1,199	Meter cost is \$1,105, plus \$94 for Itron 100W Radio Endpt.
	2" Meter	\$500	\$1,369	Meter cost is \$1,275, plus \$94 for Itron 100W Radio Endpt.
	3" Meter or larger	Actual Cost	Actual Cost	

Exhibit A- Page 2 Water and Sewer Fees for the Master Fee Schedule

<u>Commercial/Industrial Development Impact Fees</u> 13.52 Sewer Capacity Fee (Based on Building Use)*	<u>Description</u>	<u>Current Fee</u>	<u>Proposed Fee for Master Fee</u>	<u>Justification</u>
	Office - per 1,000 Sq. Ft.	\$2,327	\$2,364	1.6% increase per construction cost index 12 month percent change (Nov)
	Warehouse - per 1,000 Sq. Ft.	\$183	\$186	1.6% increase per construction cost index 12 month percent change (Nov)
	Store, Dry Light Industrial - per 1,000 Sq. Ft.	\$1,475	\$1,499	1.6% increase per construction cost index 12 month percent change (Nov)
	Restaurant - per 1,000 Sq. Ft.	\$8,017	\$8,145	1.6% increase per construction cost index 12 month percent change (Nov)
	Bars, Night Clubs - per 1,000 Sq. Ft.	\$4,219	\$4,287	1.6% increase per construction cost index 12 month percent change (Nov)
	Church - per 1,000 Sq. Ft.	\$738	\$750	1.6% increase per construction cost index 12 month percent change (Nov)
	Private Schools - per 1,000 Sq. Ft.	\$2,327	\$2,364	1.6% increase per construction cost index 12 month percent change (Nov)
	Deli (No Cooking) - per 1,000 Sq. Ft.	\$3,246	\$3,298	1.6% increase per construction cost index 12 month percent change (Nov)
	Medical Clinics/Hospitals - per 1,000 Sq. Ft.	\$4,741	\$4,817	1.6% increase per construction cost index 12 month percent change (Nov)
	Markets with Garbage Disposal - per 1,000 Sq.	\$5,510	\$5,598	1.6% increase per construction cost index 12 month percent change (Nov)
	Auto Steam Cleaner - per 1,000 Sq. Ft.	\$2,786	\$2,831	1.6% increase per construction cost index 12 month percent change (Nov)
	Other uses not listed	Calculated		
	<u>Minimum</u> sewer capacity fee per building	\$4,131	\$4,197	1.6% increase per construction cost index 12 month percent change (Nov)
13.12.050 Water Capacity Fee	3/4" or 5/8" Meter	\$4,521	\$4,593	1.6% increase per construction cost index 12 month percent change (Nov)
	1" Meter	\$8,047	\$8,176	1.6% increase per construction cost index 12 month percent change (Nov)
	1 1/2" Meter	\$18,084	\$18,373	1.6% increase per construction cost index 12 month percent change (Nov)
	2" Meter	\$32,144	\$32,658	1.6% increase per construction cost index 12 month percent change (Nov)
	3" Meter	\$72,336	\$73,493	1.6% increase per construction cost index 12 month percent change (Nov)
	4" Meter	\$128,577	\$130,634	1.6% increase per construction cost index 12 month percent change (Nov)
	6" Meter or Larger	Negotiated		
13.12.070 Meter Installation Fee (i.e. meter cost)	5/8 or 3/4" Meter	\$100	\$232	Meter cost is \$137.50, plus \$94 for Itron 100W Radio Endpt.
	1" Meter	\$165	\$274	Meter cost is \$180, plus \$94 for Itron 100W Radio Endpt.
	1 1/2" Meter	\$290	\$1,199	Meter cost is \$1,105, plus \$94 for Itron 100W Radio Endpt.
	2" Meter	\$500	\$1,369	Meter cost is \$1,275, plus \$94 for Itron 100W Radio Endpt.
	3" Meter or larger	Actual Cost	Actual Cost	

AGENDA ITEM
CITY COUNCIL MEETING DATE - SEPTEMBER 25, 2012
BUSINESS ITEM

DATE : September 20, 2012

TO : City Manager

FROM : Interim Public Works Director

SUBJECT : **WATER AND SEWER RATE INCREASES**

RECOMMENDATION:

To protect the health and safety of the community and the City's financial integrity, staff recommends City Council adopt a resolution setting the public hearing date for December 4, 2012 to consider increasing rates for water and sewer service by amending Chapter 13.12 of the Benicia Municipal Code relating to water rates and charges and Chapter 13.52 relating to sewer rates and charges, and directing staff to proceed with mailing notices to all property owners within the City of Benicia.

EXECUTIVE SUMMARY:

Water and sewer rates were last raised in 2006 as part of a regular schedule of modest increases that were intended to assure the rates kept pace with increases in costs. After working with experts in the engineering and financial fields, updated Water and Sewer System Master Plans were developed that were incorporated into water and sewer rate studies. City staff conducted a comprehensive outreach effort, including receiving input from several City advisory bodies. Staff will present these comprehensive analyses and make recommendations for rate increases over a period of five years to protect the longevity of these important public resources. The quality and safety of our local water supply and the proper maintenance of our sewer system is essential to our community's health, safety and financial integrity. Specifically, our water and sewer systems must be properly maintained in order to:

- Ensure clean, safe drinking water for our residents and businesses
- Have secure adequate water capacity in the event of a major earthquake, fire or catastrophic emergency
- Prevent sewage spills that present a health risk to the community, placing the City at risk for regulatory fines and lawsuits, and polluting the Carquinez Strait.

GENERAL PLAN:

Relevant General Plan Goals:

- Goal 2.28: Improve and maintain public facilities and services
- Goal 2.36: Ensure an adequate water supply for current and future residents and businesses

STRATEGIC PLAN:

Relevant Strategic Plan Issues:

- Strategic Issue #1: Protecting Community Health and Safety
- Strategic Issue #2: Protecting and Enhancing the Environment
- Strategic Issue #3: Strengthening Economic and Fiscal Conditions
 - Strategy #4: Manage City finances prudently
- Strategic Issue #4: Preserving and Enhancing Infrastructure
 - Strategy #4: Provide funding for ongoing infrastructure needs

BUDGET INFORMATION:

Since 2006, water and sewer rates have remained constant, with no increases. The Water and Sewer Funds are currently operating in a deficit. The Water Fund is projected to be (\$1,774,315) and Sewer Fund (\$641,566) based on fiscal year 2011/12 amended budget figures. Without any rate increases, they will continue to run an operating deficit and will deplete the operating fund reserves by June 2014 at which point they would have to borrow from the General Fund (used for critical community service needs such as police and fire). Also, without any rate increases, it is estimated that the Water and Sewer Funds will not meet the City's 20% reserve requirement starting in fiscal year 2012/13. Additionally, the Water Fund will fail to meet its debt service coverage requirements, which could result in another credit rating downgrade as Standard and Poor's has already downgraded the City's credit rating. An independent auditor has informed the City that rate adjustments will be necessary to restore the City's credit rating.

BACKGROUND AND DISCUSSION:

Our local water supply must be properly maintained and protected to ensure clean, safe drinking water and an adequate water supply in the event of an earthquake, fire or catastrophic emergency. Benicia's sewer system must be properly maintained to prevent sewage spills that present a health risk to the community, place the City at risk for regulatory fines and lawsuits, and can damage the Carquinez Strait and our environment.

Unfortunately, Benicia has aging water and sewer systems and proper maintenance and repair is needed. Additionally, our plants have important monitoring equipment, pumps, and other major capital items that cannot be easily repaired, due to age of materials, and must be upgraded to ensure safety.

Evolving state and federal regulations that our water and sewer systems are subject to are also impacting our systems. Benicia must stay in compliance with all required mandates or face costly fines or environmental lawsuits.

Water and sewer rates were last raised in 2006 as a part of a regular schedule of modest increases that were intended to assure the rates kept pace with increases in costs. Staff examined the current rates and determined that the system had substantially changed since the last master plans were completed. Rather than continue on the current progression that rates had been following, staff moved to begin an update of both the Water and Sewer Master Plans to assess the City's current and future needs for new rate studies. In 2009, the Sewer Master Plan was begun and in August of 2012, both studies were completed.

Master Plans study the capacity, condition and related life cycle of both a treatment plant and the network of pipelines associated with it. Complex hydraulic modeling is completed to examine system capacity and needed redundancies to assure reliable water delivery, and assure public health and safety is protected from exposure to waste. In addition to modeling, condition assessment, maintenance practices and replacement schedules are used to complete a full inventory of the system and its needs.

Master Plans are then used to guide the needed funds for operation, maintenance and renewal of water and sewer infrastructure as part of rate studies completed recently and presented to the community for the first time at the Finance Committee Meeting of August 10, 2012. They can be found on the City's website www.ci.benicia.ca.us under Water/Sewer System Safety.

Rate Study Objectives

Three objectives serve as the foundation of the rate analyses:

1. Revenues Cover Expenses - Revenues cover all expenses, including operating, capital and debt service, which is consistent with the City's Balanced Operating Budget Policy (Attachment 1).
2. Debt Service Coverage Target - Net revenues (all revenues available after Operations and Maintenance expenses are covered) are at least 120% of annual debt service, which includes principal and interest payments on the revenue refunding bonds and the SRF loans.
3. Reserve Target - The Enterprise meets the City's fund balance reserve policy of 20% of current year revenue (Attachment 2).

First, the City's financial rating was recently downgraded (Attachment 3) because revenues were not equal to or greater than costs. A lower financial rating increases the cost to borrow funds and limits the City's ability to borrow

additional funds, should that become necessary. The rating agency has indicated that a further downgrade is possible if no action is taken to address the fiscal sustainability of the enterprise funds. An independent auditor has informed the City that rate adjustments will be necessary to restore the City's credit rating (Attachment 4).

Proposition 218/Discount Rates

It is important to know that in 2006 the Supreme Court ruling on the Bighorn-Desert View Water Agency case established that water and sewer charges are property-related and subject to Proposition 218 requirements. Proposition 218, the "Right to Vote on Taxes Act," was approved by California voters in November 1996 and is codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 established requirements for imposing or increasing property related taxes, assessments, fees and charges. For many years, there was no legal consensus on whether water and sewer rates met the definition of "property related fees." Under Proposition 218, the amount of the fees for water and sewer cannot exceed the proportional cost of service to a parcel.

Water and Sewer funds are "Enterprise Funds" which means they are managed as individual businesses and the revenues come from fees charged to users. The Enterprise Funds are different from the "General Fund" which is the City's main operating fund that is funded by general revenues (e.g. sales tax, property tax, utility users' tax). Proposition 218 prohibits water and sewer enterprise funds (funded by water and sewer ratepayers) from continuing to subsidize the discount offered to seniors age 60 and older. Proposition 218 prohibits providing a lower cost to one specific customer class that is subsidized through higher charges to other customers. If the City wishes to continue the discounted rate, the discounts must be subsidized from another source of revenue other than from ratepayers, such as the General Fund. Attached is a legal opinion regarding this issue (Attachment 5.)

Fire Flows

Benicia needs adequate water capacity in the event of a major earthquake, fire, or catastrophic emergency. Our community is unique in that a large percentage of the city is comprised of industrial and commercial occupancies, including the Valero Refinery, the Benicia Industrial Park, the historic downtown, the Benicia Arsenal, and a deep-water port. These industrial and commercial occupancies require our water distribution system to deliver high volumes of water, or fire flow, in the event of a fire.

Fire services are graded by an independent agency, the Insurance Services Office, in order to determine insurance rates. This grading survey is done every seven to ten years and the City of Benicia is currently going through this process. Our last survey was conducted in 2002, and the City currently has a rating of

three; 40% of the survey score is based on our water distribution system. As part of the survey, fire flow requirements are calculated for several specific occupancies in our city, some of which require over 7,000 gallons per minute fire flow. The inspector looks at maintenance records, as well as conducts actual fire flow tests in the field.

Therefore, it is critical for our community's safety and sustainability to keep our water distribution system well maintained and operating effectively.

Outreach

A comprehensive public education program has been underway since August 2012 to inform community, City Commissions/Committees, and interested citizens with factual information resulting from the recent water and sewer rate studies. This effort was undertaken because of the City Council's commitment to inform the community of important issues and provide complete transparency to decisions of such great importance.

In August and September, City staff made a power point presentation followed by a question and answer period for the following groups:

- ✓ City Finance Committee (three meetings)
- ✓ City Economic Development Board
- ✓ City Parks & Recreation Commission
- ✓ City Council/School Liaison Committee
- ✓ City Community Sustainability Commission
- ✓ City Department Heads
- ✓ Benicia Industrial Park Association Board
- ✓ Chamber of Commerce Board
- ✓ Rotary Club
- ✓ Senior Citizen Roundtable Forum

In addition to the above presentations, City staff met individually with Benicia Unified School District representatives to specifically review rate changes and their impact to the School District's utility bills.

During the above City and community group sessions, copies of the power point presentation and water and sewer rate studies were provided to attendees. In early August, the City's website was updated with the power point presentation and water and sewer rate studies.

In early September, informational pamphlets were mailed to 9,500 Benicia property owners (Attachment 6). A detailed letter, along with a Frequently Asked Questions Sheet, from the City Manager, Brad Kilger and Interim Public Works Director, Melissa Morton was mailed to approximately 45 interested

parties (Attachment 7).

A City hotline, ph# (707) 746-4380 and dedicated email address (WaterSewerQuestions@ci.benicia.ca.us) have been activated and staff has already received comments and questions from members of the public.

City staff will continue to meet with groups to provide information about the proposed rate increases. For example, staff will be speaking to the Soroptomist Club on September 27.

In early to mid-October, a Proposition 218 Notice outlining the specific water and sewer rate increases and details of the protest process will be mailed to all property owners in the City.

In mid-November, an additional informational postcard will be mailed to the same 9,500 property owners.

Feedback from Outreach Efforts

City staff received feedback from the public outreach effort mentioned above. Much of that feedback was used in the development of the senior discount plan recommendations. While many questions were addressed at the individual presentations, highlighted below are some select questions/comments received from the outreach with answers provided.

1. Q: Why were the water and sewer rate adjustments not addressed sooner?
A: Water and sewer rates were last raised in 2006. Subsequently in 2006 was the Supreme Court decision on the Bighorn case, which requires a Proposition 218 compliant process for future rate increase adoption. To avoid confronting the senior discount issue, the determination was made to avoid a rate increase and try to realize cost savings through operational efficiencies. When it was clear that this would not close the funding gap, staff began the proposal process to prepare new master plans. The Sewer System Master Plan was completed in July 2011 and the Water System Master Plan was completed in September 2012. These plans were used in the rate analyses, which began in 2011. Also during these years, the economy began a severe downturn as well. While in retrospect it appears that this may have accelerated the rate increases that must occur now, ratepayers were not impacted during one of the deepest recessions the Country has seen since the 1930's.
2. Q: It was suggested to make the financial goals more clear.
A: The financial goals have been carefully described in the staff report under the heading "Rate Study Objectives" and are important to the

fiscal stability of the fund. However, rates need to be raised not only for these reasons, but principally to assure that needed maintenance and future replacement of major components of the system occurs.

3. Q: Why do the rate studies assume PayGo?

A: PayGo refers to “pay as you go.” The water and sewer rate studies assume that capital projects are funded on a PayGo basis. This method was used instead of financing mechanisms, which would incur more debt. Further, the City cannot currently issue bonds because the water and sewer funds cannot demonstrate that they are self sustaining. The PayGo assumption can be revisited in the future.

4. Q: Why is water consumption assumed to remain constant?

A: The Water Rate Study assumes that total water consumption will remain constant based on FY 2010/11 use. Due to the community’s excellent water conservation efforts, it is expected that water consumption will decrease; however, as the economy improves, it is projected that an increase in consumption will offset the conservation efforts.

5. Q: It was suggested that the noticing process be explained.

A: City Council will hold a public meeting on September 25 to review the studies and receive public testimony. If the Council decides to move forward with the rate increases, a public hearing date will be set (tentatively December 4.) The City must notify property owners by mail of their right to protest the increases 45 days prior to the scheduled hearing date. Each property owner will have one chance to protest each fee. For example, if the Council sets a hearing date for December 4, the notices will be sent out in mid-October. If as of the scheduled hearing date more than 50 percent of the property owners submit a written protest to the City, the rates cannot go into effect.

6. Q: It was recommended the staff report include feedback received from the Senior Citizen roundtable group.

A: City staff met with a group of seniors to discuss the issue of future funding the senior water discount knowing that it legally cannot continue to be funded by other ratepayers, as it is currently. The group’s consensus was that the City should offer a senior low-income discount.

7. Q: It was requested staff provide clarification on whether the water and sewer rates are being raised to pay for the recent City solar projects.

A: Water and sewer rates are not being raised to pay for the recent solar projects. The City issued Certificates of Participation to fund the solar projects. The Certificates of Participation are paid back using energy

savings from the solar project.

8. Q: It was requested staff provide clarification on whether water rates are being raised due to water conservation.

A: Water rates are not being raised due to water conservation. Further conservation has been accounted for in the rate analysis as well.

9. Q: Staff were asked if “purple pipe” was considered.

A: Purple pipe refers to recycled water pipelines. It has been determined that recycled water projects are not cost effective for the City because it is less expensive to use treated water. The infrastructure construction cost needed to distribute the recycled water exceeds the benefit of pursuing the project. A consultant previously estimated that a recycled water project between the City and Valero Refinery would cost \$40 million.

As stated above, City staff met with the Finance Committee at three separate meetings. Staff spent an extensive amount of time responding to the Committee’s questions. Attached are the Finance Committee’s comments, approved at the September 18, 2012 (Attachment 8).

Sewer Rates

The City of Benicia has a sewer treatment plant that treats from 3.5 to 8 million gallons per day. The collection system that transports waste from all over the City to the treatment plant includes 150 miles of sanitary sewers, 23 lift stations, and 9,278 sewer service connections. As part of the master planning process, the City hired Camp Dresser & McKee (CDM) to prepare an updated Sewer Master Plan. Projects cost and timelines were reviewed by staff to assure there were no unnecessary multipliers used to inflate the estimates, and the timeline for each project’s completion was reasonable and necessary. Only essential projects are included in the capital improvement section of the study that are necessary for maintenance in order to sustain the system and ensure continued safe service, modifications due to future regulatory changes, or changes due to lessons learned or future permit changes.

The City hired rate consultant, Bartle Wells Associates (BWA), to review the sewer enterprise’s finances, project revenues and expenses over a future 10-year period, and design sewer rates and charges (Attachment 9). BWA’s study develops and recommends adjustments to sewer rates to keep the Sewer Enterprise Fund financially sustainable, pay for maintenance and capital projects, comply with credit rating requirements, and satisfy the City’s reserve fund policy. BWA determined that sewer rates should be increased, and they provided three scenarios. The recommended option presented below offers the lowest initial increase and eases the needed increase across the 5-year time period. With this option, all objectives as outlined in the Rate Study Objectives

section above are met in FY 2016/17. BWA conducted 10-year projections to help determine how to best set the rates over 5 years, as Proposition 218 (discussed later in this report) limits rate increases to 5 years.

Proposed Sewer Rates						
	Current	Proposed				
Fiscal Year	2012	2013	2014	2015	2016	2017
Monthly Rate per EDU (1)	\$41.33	\$45.88	\$50.01	\$53.26	\$55.39	\$56.49
Recommended Change	0.0%	11.0%	9.0%	6.5%	4.0%	2.0%
Dollar Increase per month		\$4.55	\$4.13	\$3.25	\$2.13	\$1.11
(1) EDU = equivalent dwelling unit						

On June 4, 2012, the City received a letter from the law office of Jack Silver regarding sanitary sewer overflows to Waters of the United States as reported to the Regional Water Quality Control Board as part of the City’s sewer treatment plant and collection system regulatory permit for discharge to the Carquinez Strait (Attachment 10). The letter placed the City on notice of the firm’s intent to file suit under the Clean Water Act. As part of a yet to be agreed upon settlement to avoid costly litigation, the City will increase the frequency of cleaning and inspection of the City’s sewer collection system. These improved maintenance activities are also accounted for in the proposed fee adjustment.

Water Rates

The City of Benicia has a water treatment plant with a maximum daily capacity of 12 million gallons per day with a distribution system made up of 160 miles of water mains, 1,428 fire hydrants, 9,547 water service connections, three pump stations and three reservoir sites. As part of the master planning process, the City hired Nolte Vertical 5 to prepare an updated Water Master Plan. Projects cost and timelines were reviewed by staff to assure there were no unnecessary multipliers used to inflate the estimates, and the timeline for each project’s completion was reasonable and necessary. Only essential projects are included in the capital improvement section of the study that are necessary for maintenance in order to sustain the system and ensure continued safe service, modifications due to future regulatory changes, or changes due to lessons learned or future permit changes.

Similar to what is stated in the Sewer Rate section above, the City hired rate consultant Bartle Wells Associates (BWA) to review the water enterprise’s finances, project revenues and expenses over a future, 10-year period, and design water rates and charges (Attachment 10.) BWA’s study develops and recommends changes in the City’s water rates to pay for maintenance and capital projects, keep the Enterprise on a sound financial foundation, comply with credit rating requirements, and satisfy the City’s reserve fund policy.

BWA determined that water charges should be increased, and they provided three scenarios. The recommended option is presented below and offers the lowest initial increase and eases the increase across the 5-year time period. With this option, all objectives as outlined in the Rate Study Objectives section above are met in FY 2016/17. BWA conducted 10-year projections to help determine how to best set the rates over 5 years, as Proposition 218 limits rate increases to 5 years.

		Proposed Water Rates					
		Current 2011/12	Proposed Rates (per month)				
		2012/13 7%	2013/14 12.9%	2014/15 11.5%	2015/16 6.8%	2016/17 3.5%	
Residential Rates							
Service Charge per meter	Single family	\$13.80	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
	Multi- family unit	\$10.36	\$11.09	\$12.52	\$13.96	\$14.91	\$15.43
Volume Charge per hcf (2)	0 - 8 hcf	\$1.37	\$1.46	\$1.65	\$1.84	\$1.97	\$2.04
	8 - 30 hcf	\$2.15	\$2.30	\$2.60	\$2.90	\$3.10	\$3.21
	Over 30 hcf	\$2.30	\$2.46	\$2.78	\$3.10	\$3.31	\$3.43
Commercial / Industrial / Irrigation / Municipal Rates							
Service Charge per meter	5/8 - 3/4"	\$17.83	\$19.08	\$21.54	\$24.02	\$25.65	\$26.55
	1"	\$31.68	\$33.90	\$38.27	\$42.67	\$45.57	\$47.16
	1½"	\$71.25	\$76.24	\$86.07	\$95.97	\$102.50	\$106.09
	2"	\$126.64	\$135.50	\$152.98	\$170.57	\$182.17	\$188.55
	3"	\$284.90	\$304.85	\$344.18	\$383.76	\$409.86	\$424.21
	4"	\$506.48	\$541.93	\$611.84	\$682.20	\$728.59	\$754.09
	6"	\$1,139.56	\$1,219.32	\$1,376.61	\$1,534.92	\$1,639.29	\$1,696.67
Volume Charge per hcf	0 - 30 hcf	\$1.86	\$1.99	\$2.25	\$2.51	\$2.68	\$2.77
	Over 30 hcf	\$2.18	\$2.33	\$2.63	\$2.93	\$3.13	\$3.24
Automatic Sprinkler & Private Fire Hydrant Rates							
Flat Rate per meter	2"	\$9.37	\$10.03	\$11.32	\$12.62	\$13.48	\$13.95
	4"	\$16.40	\$17.55	\$19.81	\$22.09	\$23.59	\$24.42
	6"	\$23.21	\$24.84	\$28.04	\$31.26	\$33.39	\$34.56
	8"	\$30.42	\$32.55	\$36.75	\$40.98	\$43.77	\$45.30
	10"	\$37.39	\$40.01	\$45.17	\$50.36	\$53.78	\$55.66
	12"	\$44.40	\$47.51	\$53.64	\$59.81	\$63.88	\$66.12
Fire Hydrants	Double outlet & steame	\$11.71	\$12.53	\$14.15	\$15.78	\$16.85	\$17.44
	Single outlet & wharf	\$3.52	\$3.77	\$4.26	\$4.75	\$5.07	\$5.25
Untreated Water Rates							
Minimum Charge per meter	2"	\$23.38	\$25.02	\$28.25	\$31.50	\$33.64	\$34.82
	3"	\$46.75	\$50.03	\$56.48	\$62.98	\$67.26	\$69.61
	4"	\$70.10	\$75.00	\$84.68	\$94.42	\$100.84	\$104.37
	6"	\$140.17	\$149.98	\$169.33	\$188.80	\$201.64	\$208.70
Volume Charge per hcf	0 - 150 hcf	\$0.84	\$0.90	\$1.02	\$1.14	\$1.22	\$1.26
	Over 150 hcf	by agmt	by agmt	by agmt	by agmt	by agmt	by agmt
(1) Customers are billed on a bi-monthly basis. The rates above are per month.							
(2) hcf = one hundred cubic feet = 748 gallons							

Water Conservation Efforts

The Water Rate Study assumes that total water consumption will remain constant based on FY 2010/11 use. Due to the community's excellent water conservation efforts, it is expected that water consumption will decrease; however, as the economy improves, it is projected that an increase in consumption will offset conservation efforts.

The City partners with Solano County Water Agency (SCWA) for water conservation programs. The City, and especially the Community Sustainability Commission (CSC), share a goal of improving water use efficiency and conserving water. Below are the current water conservation programs/efforts the City through SCWA and the CSC have implemented:

- ✓ High Efficiency Toilets – up to \$100 Rebate (SCWA)
- ✓ High Efficiency Washing Machines – up to \$75 Rebate (SCWA)
- ✓ Lawn Replacement Rebate - \$1/sq. ft. up to \$1,000 (SCWA)
- ✓ Smart Irrigation Controllers Rebate – up to \$300, \$700 or \$1,000 depending on size (SCWA)
- ✓ Free Home Water Audit Program (may include distribution of low flow shower heads, faucet aerators, and/or hose nozzles.) (SCWA)
- ✓ WattzOn Home Water and Energy Audit Program (CSC)
- ✓ CSC allocated \$10,000 for incentives for residential plumbing fixture upgrades. (CSC)

Below is a list of water conservation efforts planned for the future:

- ✓ Property Assessed Clean Energy (PACE) Program – This program provides an opportunity for commercial, industrial, and multi-family residential owners to finance high performance energy efficiency, renewable energy, and water conservation projects. The City is participating in this program again effective September 18, 2012.
- ✓ Proposed Additional Water Incentive Program – a per fixture rebate for toilets, washing machines, smart irrigation controllers, and sprinkler heads. These rebates would be in addition to other rebates offered. This proposal goes back to the Community Sustainability Commission in November 2012.

Senior Sewer Discount

Casa de Vilarrasa, a senior housing complex, is the City's only customer that receives a discounted sewer rate, which is about 68% off the regular service charge. For example, a single-family residence pays \$41.33 per month and a residential unit at Casa de Vilarrasa pays \$13.33 per month. There are 81 units in the complex and with this discount the sewer fund (funded by sewer ratepayers) subsidizes approximately \$27,000 per year. Under Proposition 218 provisions (as interpreted in the 2006 Bighorn-Desert View Water Agency Supreme Court

ruling), sewer ratepayers cannot legally bear the subsidy cost. Proposition 218 prohibits providing a lower cost to one specific customer class that is subsidized through higher charges to other customers. If the City wishes to continue the discounted rate to Casa de Vilarrasa, the cost must be subsidized from another source of revenue other than from ratepayers, such as the General Fund (Attachment 5).

It is City staff’s recommendation that the City provide a 50% discount to Casa de Vilarrasa, subsidized by the General Fund, as more than 50 percent of the residents are low income seniors. This is an arbitrary amount that is less than the current discount and thus would be a smaller impact to the General Fund as outlined below.

General Fund Impact – Transitioning from a ~68% to a 50% discount for Casa de Vilarrasa would cost the General Fund a total of \$126,861 over the first 5 ½ fiscal years, as outlined in the table below, and future fiscal year costs would be based on any future rate adjustments. For discussion purposes, assuming no rate adjustments are made after 2017, the cost to the General Fund would be approximately \$27,500 per fiscal year.

CASA DE VILARRASA DISCOUNT TRANSITION FROM ~68% TO 50%						
	(1/2 year)					FY 17/18 and subsequent
	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	years*
Cost/Fiscal Year	\$11,149	\$23,301	\$25,095	\$26,402	\$27,187	\$27,454
Total (for first 5 1/2 yrs only)	\$126,861					

* Assumes no increase in FY 18/19

Customer Billing Impact – Below is a representative sample of how monthly sewer charges would increase for Casa de Vilarrasa.

CASA DE VILARRASA DISCOUNT TRANSITION FROM ~68% TO 50%						
	Current	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017
Proposed Residential Service Charge (mo.)	\$41.33	\$45.88	\$50.01	\$53.26	\$55.39	\$56.49
Casa De Vilarrasa Discount	67.75%	50.00%	50.00%	50.00%	50.00%	50.00%
Casa De Vilarrasa Sewer Charge (mo)	\$13.33	\$22.94	\$25.01	\$26.63	\$27.70	\$28.25

Senior Water Discount

Customers receive utility bills that contain two types of water charges – a fixed maintenance/service charge, and a consumption/volume charge that is variable since it is based on usage. The current senior discount (age 60 or older) is 78% off the fixed maintenance charge and 18% off the consumption charge for Tier 1 (43% off Tier 2 and 42% off Tier 3.) On average, these discounts equate to roughly 50% off (low consumption would be less than 50% and high

consumption would be more than 50%). The City currently has 2,544 senior discounted customers. In FY 10/11, the senior discount amount (i.e. subsidy) was \$477,838 (the difference between the revenue received from senior customers vs. what it would have been without the discount.) As stated above, since other ratepayers can no longer legally subsidize utility discounts, any continued discounts would need to be subsidized by the General Fund. After extensive public outreach and feedback discussing how best to protect our community's most vulnerable residents, while at the same time ensuring the City's long-term financial integrity (as detailed in this report), two options are presented below.

1. Option 1 - Phase Out Senior Discount Over a 4 Year Period

This option consists of phasing out the senior discount on the fixed maintenance charge over the next four years. This option incrementally phases out the difference between the proposed residential monthly service charges (outlined in the water rate table above) and the current senior discounted monthly maintenance charge of \$3.05 by 80% the first year, 60% the second year, 40% the third year, and 20% the fourth year. The discount on the fixed maintenance charge would end in year 5. Current senior discounted customers would start paying the full price of the consumption charges (at the revised rates) starting in January 2013. Conservation efforts could help reduce the impact of this change.

General Fund Impact – Option 1 would cost the General Fund a total of \$828,408 over 5 fiscal years as outlined in the table below.

OPTION 1 - SENIOR DISCOUNT 4 YEAR PHASE OUT						
	<u>FY 12/13</u>	<u>FY 13/14</u>	<u>FY 14/15</u>	<u>FY 15/16</u>	<u>FY 16/17</u>	<u>FY 17/18...</u>
Cost to General Fund	\$143,115	\$267,944	\$219,771	\$146,260	\$51,318	\$0
Option 1 Total	\$828,408					

If the City chose to phase out the senior discount over a 3-year period, the cost to the General Fund would be \$595,067. And a 2-year phase out would cost the General Fund \$282,918.

Customer Billing Impact - Below is a representative sample of how the monthly water charges would increase with Option 1 based on average water consumption.

OPTION 1 - SENIOR DISCOUNT 4 YEAR PHASE OUT						
	Current Avg. Senior Bill/mo.	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017
Avg. SFR Bill/mo.		\$35.65	\$40.28	\$44.92	\$48.02	\$49.72
Discount Amount		<u>\$9.38</u>	<u>\$8.18</u>	<u>\$6.22</u>	<u>\$3.36</u>	<u>\$0.00</u>
Senior Avg. SFR Bill/mo.	\$16.89	\$26.27	\$32.10	\$38.70	\$44.66	\$49.72
<i>Bill Increase per month</i>		\$9.38	\$5.83	\$6.60	\$5.96	\$5.06

2. Option 2 - Transition to Senior Low-Income Discount

This option consists of using the General Fund to provide currently enrolled senior discounted customers a discount of 78% off the fixed maintenance charge for the first 6 months of 2013. These customers would start paying the full price of the consumption charges (at the revised rates) starting in January 2013. The first six months of 2013 is when low-income seniors would apply for the discount. Then, starting July 1, 2013 for 6 months, the fixed maintenance charge discount would drop to 65% and the program transitions from a senior discount to a senior low-income discount. And finally, starting July 1, 2014, the fixed maintenance charge discount would drop to 50% permanently for qualified senior low-income customers. The proposed discount is on the fixed maintenance charge only; customers would start paying the full price of the consumption charges (at the revised rates) starting in January 2013. Seniors who do not qualify for the low-income discount would begin paying the full residential rates on July 1, 2013.

The proposed requirements for the senior low-income discount on water bills are as follows:

1. Age 60 or older (Note: Social Security Administration uses 62 or older as the threshold for senior. Housing and Urban Development defines a senior as being 65 or older.)
2. Must apply in person in the Finance Department (every 2 years)
3. Low-Income Verification

The simplest and least invasive to implement is to follow PG&E's CARE program which utilizes a state wide standard for determining eligibility for the low income discount as demonstrated below.

Income Guidelines for PG&E's CARE Program								
Number of Persons in Household	1	2	3	4	5	6	7	8*
Annual income before taxes	\$22,340	\$30,260	\$38,180	\$46,100	\$54,020	\$61,940	\$69,860	\$77,780
* For each additional person, add \$7,920.								

Using the PG&E CARE guidelines would simplify verification of eligibility by requiring the customer to provide a copy of their PG&E bill noting the discount along with identification that substantiates their age and address. PG&E's guidelines utilize a statewide income standard. City staff is recommending utilizing PG&E's CARE income guidelines for ease of implementation, and limited intrusion into our citizens' lives requiring separate income documentation.

General Fund Impact – Option 2 would cost the General Fund a total of \$663,311 over 5 fiscal years as outlined in the table below and future fiscal year costs would be based on any future rate adjustments. For discussion purposes, assuming no rate adjustments are made after 2017, the cost to the General Fund would be approximately \$105,000 per fiscal year. This estimates 850 seniors would qualify under the low-income guidelines, per the City's Housing Element. The Housing Element defines seniors as age 65 and older and reported that 546 seniors are "very low income" and 303 are "low income." ("Very low income" is defined as below 50% of the average medium income and "low income" is 80% of the average medium income.)

OPTION 2 - TRANSITION TO SENIOR LOW-INCOME DISCOUNT						
	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18 and subsequent years*
Cost to General Fund	\$175,850	\$91,497	\$89,964	\$98,073	\$103,071	\$104,856
Option 2 Total (for first 5 1/2 yrs only)	\$663,311					
* Assumes no increase in FY 18/19						

Customer Billing Impact – Below is a representative sample of how the monthly water charges would increase with Option 2, based on average water consumption.

OPTION 2 - TRANSITION TO SENIOR LOW-INCOME DISCOUNT							
	Current Avg. Senior Bill/mo.	First 6 months 2013	Next 6 months 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017
Avg. SFR Bill/mo.		\$35.65	35.65	\$40.28	\$44.92	\$48.02	\$49.72
Discount Amount		\$11.52	\$9.60	\$8.34	\$9.30	\$9.93	\$10.28
Senior Avg. SFR Bill/mo.	\$16.89	\$24.13	\$26.05	\$31.94	\$35.62	\$38.09	\$39.44
Bill Increase per month		\$7.24	\$1.92	\$5.89	\$3.68	\$2.47	\$1.35

3. Option 3 – Four Year Phase Out For Seniors Who Do Not Qualify For The Low

Income Discount

To soften the transition for seniors who do not qualify for the low-income discount, another option for your consideration is to provide a four year phase out for seniors who do not qualify for the low income discount. This would be in addition to offering the senior low-income discount. This option would cost the General Fund over \$1.1 million dollars for the first five and a half years and approximately \$105,000 per fiscal year after that. This option consists of providing the currently enrolled senior discounted customers a discount of 78% off the fixed maintenance charge for the first 6 months of 2013. The first six months of 2013 is when low income seniors would apply for the discount. Then starting in July 2013, low-income seniors who qualify would transition to the senior low-income discount described in Option 2 and the seniors who do not qualify under the low-income guidelines would have their discount phased out over four years (similar to what is described in Option 1.)

General Fund Capacity

While it appears that the City's revenue base has begun to stabilize, there are no significant increases in revenue forecasted for the foreseeable future. Fiscal year 2011/12 financial results are not yet final; however, projections show the ending reserve balance to be 19.2% of General Fund revenues, slightly less than the City Council policy level of 20%. The budget for fiscal year 2012/13 is balanced and maintains the 19.2% level of fund reserves. Funding levels discussed previously to either phase in or continue the senior discount range between \$803,900 and \$968,996 and will reduce this reserve level to 16.6% - 17.0% over the 5-year period, assuming there are no significant changes in the budget. In addition, the budget will need to include ongoing project costs of up to \$132,000 after fiscal year 2017/18.

Proposition 218 Process

Any proposed increase to water and sewer rates is subject to Proposition 218, which requires that:

- City Council must hold a public meeting to review the rate studies and receive public testimony.
- After taking testimony, if the City Council decides to move forward with the rate increases, the Council will set a hearing date for formal adoption of the increases.
- City must notify property owners by mail of their right to protest the increases, 45 days prior to the scheduled hearing date (Attachment 12 & 13).
 - For example: if the City Council sets a hearing date for December 4, 2012, notices would be sent out in early October.
- Each parcel represents one chance to protest.
- Only one protest for each property owner will be counted.
- If, as of the scheduled hearing date, more than 50% of the property owners submit a written protest to the City, the rates cannot go into effect. Council can decrease proposed rates but cannot increase from amounts stated in the public notice.
- At the close of the public hearing, if a majority protest does not exist, the City Council will consider the adoption of the proposed water and sewer rates increases. Note that actual rates and charges adopted by the City Council may be less, but not more than, the proposed rates identified in the Proposition 218 notice.

Attachments:

- Proposed Resolution
- Attachment 1 - City of Benicia Balanced Operating Budgets Policy
- Attachment 2 - City of Benicia Fund Balance Reserve Policy

- Attachment 3 - Standard and Poor's Credit Rating Information
- Attachment 4 - Maze & Associates Memorandum on Internal Control
- Attachment 5 - Memorandum from Attorney regarding Proposition 218
Legal Opinion
- Attachment 6 - Informational Pamphlet
- Attachment 7 - Letter with FAQ's from City Manager and Public Works
Director
- Attachment 8 - Finance Committee's Comments
- Attachment 9 - Sewer Rate Study
- Attachment 10 - Letter from the Law Office of Jack Silver
- Attachment 11 - Water Rate Study
- Attachment 12 - Memorandum from Attorney regarding Proposition 218
Voting Requirements
- Attachment 13 - Draft Proposition 218 Notice

RESOLUTION NO. 12-114

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA SETTING THE PUBLIC HEARING DATE FOR DECEMBER 4, 2012 TO CONSIDER INCREASING RATES FOR WATER AND SEWER SERVICE BY AMENDING CHAPTER 13.12 OF THE BENICIA MUNICIPAL CODE RELATING TO WATER RATES AND CHARGES AND CHAPTER 13.52 RELATING TO SEWER RATES AND CHARGES, AND DIRECTING STAFF TO PROCEED WITH MAILING NOTICES TO ALL PROPERTY OWNERS WITHIN THE CITY OF BENICIA

WHEREAS, ensuring a clean, reliable water source and a safe wastewater disposal system is a responsibility the City takes seriously; and

WHEREAS, the City has completed Water and Sewer System Master Plans that examined condition, capacity and replacement schedules for major components of the water and sewer treatment plants and their related distribution and collection systems; and

WHEREAS, the City hired rate consultant, Bartle Wells Associates to review the water and sewer enterprise's finances, project revenues and expenses, and design rates and charges; and

WHEREAS, water and sewer rates were last raised in 2006; and

WHEREAS, City staff is recommending that water and sewer rates be increased over the next five years in an effort to meet the objectives of revenues covering expenses, meeting the debt service coverage targets, and meeting the 20% reserve target; and

WHEREAS, these rate changes will help ensure the health and safety of the community while protecting the City's financial health; and

WHEREAS, the City must comply with Proposition 218 notice and protest requirements prior to raising water and sewer rates.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council hereby sets a public hearing date for December 4, 2012 to consider increasing rates for water and sewer service by amending Chapter 13.12 of the Benicia Municipal Code relating to water rates and charges and Chapter 13.52 relating to sewer rates and charges, and directs staff to proceed with mailing notices to all property owners within the City of Benicia.

* * * * *

On motion of Council Member **Hughes**, seconded by Council Member **Schwartzman**, the above Resolution was introduced and passed by the City Council of the City of Benicia at a regular meeting of said Council held on the 25th day of September, 2012, and adopted by the following vote:

Ayes: **Council Members Campbell, Hughes, Schwartzman and Mayor Patterson**

Noes: **None**

Absent: **Council Member Strawbridge**

Elizabeth Patterson, Mayor

Attest:

Lisa Wolfe, City Clerk

NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO WATER AND SEWER RATES

DATE: December 4, 2012

TIME: 7:00 p.m.

PLACE: Council Chamber, City Hall, 250 East L Street, Benicia

After providing a 45-day public notice, the City Council of the City of Benicia will be considering a recommendation from City staff to increase water and sewer rates. The City Council will hold a public hearing to consider this matter as part of the City Council meeting on Tuesday, December 4, 2012, at the City Council Chamber, City Hall, 250 East L Street, Benicia. The hearing will start at 7:00 p.m. or later. The new rates, if adopted, will go into effect on or after January 1, 2013. Proposition 218 requires that property owners be given the right to protest increases in water and sewer rate charges. You are receiving this notice because you own property that is receiving City of Benicia water and/or sewer service.

BACKGROUND:

After well over a year of review by independent financial and technical experts, and after extensive public dialogue, the City of Benicia is recommending rate increases to ensure the health and safety of the community and to protect the City's financial health.

Our underground water and sewer infrastructure is old. It includes aging clay and asbestos cement pipes, and other deteriorating infrastructure. Benicia's plants have important monitoring equipment, pumps, and other infrastructure that cannot be easily repaired due to their age, and must be upgraded to:

- Ensure clean, safe drinking water for our residents and businesses;
- Provide a secure, adequate water supply in the event of an earthquake, fire, or catastrophic emergency;
- Prevent sewage spills that threaten public health, place the City at risk for regulatory fines and environmental lawsuits, and risk polluting the Carquinez Strait.

Rising waste disposal costs and evolving state and federal regulations also impact our aging water and sewer systems. Benicia must stay in compliance with all legal requirements or face costly fines or environmental lawsuits.

The last time water and sewer rates were increased was 6 years ago. Only the most essential projects required to ensure continued safe service were considered in calculating the proposed rate increases. If approved, the rates will be imposed to fund water and sewer service to City residents and property owners.

WHAT IS THE CITY DOING TO CONTROL SPENDING:

Controlling labor and benefit costs: In 2010 and 2011, all City of Benicia employees, including those positions funded by the water and sewer enterprise funds agreed to a combined reduction in pay and benefits of approximately 10%. These concessions helped the City in addressing budget shortfalls and achieving ongoing savings.

Reducing energy costs: Operating the Sewer and Water Treatment Plants is expensive. Every effort has been made to run systems off-peak times, and increase the efficiency of pumps and motors.

EXPLANATION OF RATE INCREASES:

If adopted, the proposed water and sewer increases will be phased in over the next five (5) years. The proposed water and sewer rates are presented in the tables on the following pages. The amount of both your water and sewer utility bill will depend on your customer class (residential rates are different from commercial rates, for example) and the amount of water you use.

The proposed increases will help the City provide reliable and safe water and sewer services. The City's water and sewer divisions rely almost entirely on customer revenues to provide these services. No local, state, or federal taxes offset the cost of these services. The proposed rate increases were calculated to recover only the estimated revenue needed to cover actual costs of continued safe water and sewer service.

HOW TO PROTEST THE RATE INCREASE:

If you wish to protest the proposed rate increases you must submit a written protest to be considered, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners (50% plus one), the proposed rate increases can not be imposed. Your written protest must be received (not postmarked) by the City Clerk prior to the close of the public hearing on December 4, 2012. Written protests may be filed by US Mail or hand-delivered to the City Clerk. **EMAIL AND FACSIMILE (FAX) PROTESTS WILL NOT BE ACCEPTED.** Written protests must contain (1) a description of the property, such as the address, utility account number (shown on your bills) or Solano County Assessor’s Parcel Number (APN); (2) the name(s) of the property owner(s); and (3) whether the protest is in opposition to the water rate increase, the sewer rate increase, or both. The protest must also be signed by either the property owner of record or the water/sewer service customer of record. A property owner or customer who is not of record may cast a valid protest only if he or she submits evidence satisfactory to the City Clerk that he or she is an owner or customer responsible for payment of the fees. Only one protest for each property will be counted even if a property owner and a customer both submit protests. Property owners receiving this notice will find their APN on the mailing label for this notice. Please send or deliver your written protest to the City Clerk at City Hall, 250 East L Street, Benicia.

Hearing Process: Any interested person, including persons owning or living on property served by the City’s water or sewer system, may present oral or written comment to the City Council on the proposed rate increases. Although the City Council will consider all comments, State law provides that only the written protests of property owners or customers may be counted to determine whether a majority protest to the proposed increases exists. If, at the conclusion of the public hearing, a majority protest does not exist, the City Council will consider adoption of the proposed increases. Please note that the actual rates and charges adopted by the City Council may be less than, but not more than, the proposed rate increases identified in this notice.

The proposed water and sewer rates for the next five (5) years are shown in the following tables:

Proposed Sewer Rates						
Fiscal Year	Current	Proposed				
	2012	2013	2014	2015	2016	2017
Monthly Rate per EDU (1 & 2)	\$41.33	\$45.88	\$50.01	\$53.26	\$55.39	\$56.49
Recommended Change	0.0%	11.0%	9.0%	6.5%	4.0%	2.0%
Dollar Increase per month		\$4.55	\$4.13	\$3.25	\$2.13	\$1.11

(1) EDU = equivalent dwelling unit (average household)
 (2) Customers are billed every 2 months. The rates above are per month.

Proposed Water Rates							
		Current	Proposed Rates (per month)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
			7%	12.9%	11.5%	6.8%	3.5%
Residential Rates							
Service Charge per meter	Single family	\$13.80	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
	Multi- family unit	\$10.36	\$11.09	\$12.52	\$13.96	\$14.91	\$15.43
Volume Charge per hcf (1 &2)	0 - 8 hcf	\$1.37	\$1.46	\$1.65	\$1.84	\$1.97	\$2.04
	8 - 30 hcf	\$2.15	\$2.30	\$2.60	\$2.90	\$3.10	\$3.21
	Over 30 hcf	\$2.30	\$2.46	\$2.78	\$3.10	\$3.31	\$3.43
Commercial / Industrial / Irrigation / Municipal Rates							
Service Charge per meter	5/8 - 3/4"	\$17.83	\$19.08	\$21.54	\$24.02	\$25.65	\$26.55
	1"	\$31.68	\$33.90	\$38.27	\$42.67	\$45.57	\$47.16
	1½"	\$71.25	\$76.24	\$86.07	\$95.97	\$102.50	\$106.09
	2"	\$126.64	\$135.50	\$152.98	\$170.57	\$182.17	\$188.55
	3"	\$284.90	\$304.85	\$344.18	\$383.76	\$409.86	\$424.21
	4"	\$506.48	\$541.93	\$611.84	\$682.20	\$728.59	\$754.09
	6"	\$1,139.56	\$1,219.32	\$1,376.61	\$1,534.92	\$1,639.29	\$1,696.67
Volume Charge per hcf (1 &2)	0 - 30 hcf	\$1.86	\$1.99	\$2.25	\$2.51	\$2.68	\$2.77
	Over 30 hcf	\$2.18	\$2.33	\$2.63	\$2.93	\$3.13	\$3.24

(1) Customers are billed every 2 months. The rates above are per month.
 (2) hcf = one hundred cubic feet = 748 gallons

Proposed Water Rates (continued)							
		Current	Proposed Rates (per month)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
			7%	12.9%	11.5%	6.8%	3.5%
Automatic Sprinkler & Private Fire Hydrant Rates							
Flat Rate per meter	2"	\$9.37	\$10.03	\$11.32	\$12.62	\$13.48	\$13.95
	4"	\$16.40	\$17.55	\$19.81	\$22.09	\$23.59	\$24.42
	6"	\$23.21	\$24.84	\$28.04	\$31.26	\$33.39	\$34.56
	8"	\$30.42	\$32.55	\$36.75	\$40.98	\$43.77	\$45.30
	10"	\$37.39	\$40.01	\$45.17	\$50.36	\$53.78	\$55.66
	12"	\$44.40	\$47.51	\$53.64	\$59.81	\$63.88	\$66.12
Fire Hydrants	Double outlet & steamer	\$11.71	\$12.53	\$14.15	\$15.78	\$16.85	\$17.44
	Single outlet & wharf	\$3.52	\$3.77	\$4.26	\$4.75	\$5.07	\$5.25
Untreated Water Rates							
Minimum Charge per meter	2"	\$23.38	\$25.02	\$28.25	\$31.50	\$33.64	\$34.82
	3"	\$46.75	\$50.03	\$56.48	\$62.98	\$67.26	\$69.61
	4"	\$70.10	\$75.00	\$84.68	\$94.42	\$100.84	\$104.37
	6"	\$140.17	\$149.98	\$169.33	\$188.80	\$201.64	\$208.70
Volume Charge per hcf	0 - 150 hcf	\$0.84	\$0.90	\$1.02	\$1.14	\$1.22	\$1.26
	Over 150 hcf	by agmt	by agmt	by agmt	by agmt	by agmt	by agmt
(1) Customers are billed every 2 months. The rates above are per month.							
(2) hcf = one hundred cubic feet = 748 gallons							

SAMPLE WATER CHARGES FOR CUSTOMERS:

Water - Residential Customers						
	Current	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017
Proposed Rate Adjustment	0%	7%	12.9%	11.5%	6.8%	3.5%
Average Residential Monthly Charge ¹	\$33.33	\$35.65	\$40.28	\$44.92	\$48.02	\$49.72
Monthly Increase	N/A	\$2.32	\$4.63	\$4.64	\$3.10	\$1.70

Water - Customers That Qualify for the Senior Low-Income Discount (based on PG&E's CARE Program)							
	Current Avg. Senior Bill/mo.	First 6 months 2013	Next 6 months 2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017
Average Residential Monthly Charge ¹		\$35.65	35.65	\$40.28	\$44.92	\$48.02	\$49.72
Discount Amount		\$11.52	\$9.60	\$8.34	\$9.30	\$9.93	\$10.28
Average Senior Low-Income Charge	\$16.89	\$24.13	\$26.05	\$31.94	\$35.62	\$38.09	\$39.44
Monthly Increase		\$7.24	\$1.92	\$5.89	\$3.68	\$2.47	\$1.35

Water - Customers That Do Not Qualify For the Senior Low-Income Discount (4 Year Discount Phase Out)							
	Current Avg. Senior Bill/mo.	First 6 months 2013	Next 6 months 2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017
Average Residential Monthly Charge ¹		\$35.65	35.65	\$40.28	\$44.92	\$48.02	\$49.72
Discount Amount		\$11.52	\$9.38	\$8.18	\$6.22	\$3.36	\$0.00
Average Senior Phase Out Charge	\$16.89	\$24.13	\$26.27	\$32.10	\$38.70	\$44.66	\$49.72
Monthly Increase		\$7.24	\$2.14	\$5.83	\$6.60	\$5.96	\$5.06

Footnote:

(1) Average bill is based on 12 billing units (hundred cubic feet)

At its September 25, 2012 meeting the City Council considered options on how to best protect the community's most vulnerable residents under the new rates. Under California law, a city cannot impose higher fees on one class of ratepayers to provide a discount to another class of ratepayers. Any discounts provided to customers must be funded from the City's General Fund (which is used for critical community service needs such as police and fire) rather than the water and sewer enterprise funds. The City Council therefore decided to transition to a low-income senior discount (in lieu of a discount for all seniors) effective July 1, 2013. The City Council also decided to phase out the discount for all other seniors who do not qualify for the low-income discount over four years to soften the transition to higher rates. This combined program continues the discount for currently enrolled seniors for the first six months of 2013. During this time, seniors who are low-income will have an opportunity to apply for the discount if they qualify for PG&E's CARE discount program. This option is estimated to cost the General Fund over \$1.1 million dollars for the first five and a half years and approximately \$105,000 per year after that.

FREQUENTLY ASKED QUESTIONS:

Q: What's the issue?

A: The quality, safety, and security of our local water supply and the proper maintenance of our sewer system is essential to our community's health, safety, and financial integrity. Our local water supply must be properly maintained and protected to ensure clean, safe drinking water and secure, adequate water capacity in the event of a major earthquake, fire, or catastrophic emergency. Our sewer system must be properly maintained in order to prevent sewage spills that present a health risk to residents and businesses and can damage the Carquinez Strait.

Q: How does this affect health and safety?

A: We must treat and purify our sewer and water. If raw sewage spills onto land or into water, it can create a health risk to our community and could damage the Strait. The City must also have a secure, adequate water supply, in the case of a fire or other emergency.

Q: Why don't existing rates provide enough money?

A: Federal and State Water Quality standards and requirements have continued to become more stringent to protect public health. Benicia has no legal option but to comply. Chemical costs to properly treat drinking water have risen substantially. Disposal of sewage sludge and solids at the landfill has risen 4-5 times in cost over the last 5 years, as has the required regulatory safety testing of those byproducts. Benicia's rates are currently at or below the rates of other cities in our region.

Q: Why now?

A: Our water and sewer reserve funds will be completely depleted by July 2014. Unless we act, the general fund used for other critical community services such as police protection will be impacted. Additionally, bond-rating agency Standard & Poor's has already downgraded the City's credit rating because the Water and Sewer Funds are not generating enough revenue. An independent auditor has informed the City that sewer and water rate increases are necessary to restore its credit rating.

Q: How does this impact businesses and economic development?

A: Access to reliable water is essential to many of Benicia's key businesses. One day without access to water could cause very significant economic impact – similar to the impact of a power outage. Additionally, an adequate water source is necessary to attract new businesses to Benicia's Industrial Park and other areas.

Q: What is the basis for your recommendations?

A: Only projects absolutely necessary for continued safe service have been used to calculate the proposed rate adjustments, which are on average approximately \$2.50 per month for water and approximately \$4.50 per month for sewer, beginning in January (for a single family residence).

Q: Where do I learn more?

A: Visit www.ci.benicia.ca.us, call 707-746-4380 or email WaterSewerQuestions@ci.benicia.ca.us.

CITY OF BENICIA

ORDINANCE NO. 12-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING CHAPTER 13.12 (WATER RATES AND CHARGES) OF TITLE 13 (PUBLIC SERVICES) OF THE BENICIA MUNICIPAL CODE BY REPLACING IT IN ITS ENTIRETY

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BENICIA DOES ORDAIN as follows:

Section 1.

Chapter 13.12 (Water Rates and Charges) of Title 13 (Public Services) of the Benicia Municipal Code relating to water rates is amended by replacing it in its entirety to read as follows:

Chapter 13.12

WATER RATES AND CHARGES

Sections:

- [13.12.010](#) General water service.
- [13.12.012](#) Drought penalty and drought surcharge.
- [13.12.014](#) Expiration of drought penalty and/or drought surcharge.
- [13.12.020](#) Fire hydrants and automatic fire sprinkler service.
- [13.12.030](#) Untreated water service.
- [13.12.040](#) Exemptions.
- [13.12.050](#) Water system capacity charges.
- [13.12.070](#) Meter installation charges.

13.12.010 General water service.

A. General Rate. The rates for general water service are as follows:

1. For service to residential users:

Service Charge (per unit, per month)	1/17/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/17
Single family dwelling	\$14.77	\$16.68	\$18.60	\$19.86	\$20.56
Multi family dwelling	\$11.09	\$12.52	\$13.96	\$14.91	\$15.43

Plus:

Volume Charge (per unit, per month)	1/17/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/17
0 - 8 hcf	\$1.46	\$1.65	\$1.84	\$1.97	\$2.04
8 - 30 hcf	\$2.30	\$2.60	\$2.90	\$3.10	\$3.21
Over 30 hcf	\$2.46	\$2.78	\$3.10	\$3.31	\$3.43

hcf = hundred cubic feet

The minimum monthly charge is the monthly service charge.

2. For service to users other than residential users:

Monthly Service Charge (per meter)	1/17/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/17
5/8- or 3/4-inch	\$19.08	\$21.54	\$24.02	\$25.65	\$26.55
1-inch	\$33.90	\$38.27	\$42.67	\$45.57	\$47.16
1 1/2- inch	\$76.24	\$86.07	\$95.97	\$102.50	\$106.09
2-inch	\$135.50	\$152.98	\$170.57	\$182.17	\$188.55
3-inch	\$304.85	\$344.18	\$383.76	\$409.86	\$424.21
4-inch	\$541.93	\$611.84	\$682.20	\$728.59	\$754.09
6-inch	\$1,219.32	\$1,376.61	\$1,534.92	\$1,639.29	\$1,696.67

Plus:

Volume Charge (per unit, per month)	1/17/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/17
0 - 30 hcf	\$1.99	\$2.25	\$2.51	\$2.68	\$2.77
Over 30 hcf	\$2.33	\$2.63	\$2.93	\$3.13	\$3.24

hcf = hundred cubic feet

The monthly minimum charge is the monthly service charge.

3. For construction hydrant meters

Monthly Service Charge (per meter)	1/17/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/17
Construction Hydrants	\$135.50	\$152.98	\$170.57	\$182.17	\$188.55

Plus:

Volume Charge (per month)	1/17/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/17
0 - 30 hcf	\$2.49	\$2.81	\$3.13	\$3.35	\$3.46
Over 30 hcf	\$2.91	\$3.29	\$3.66	\$3.91	\$4.05

hcf = hundred cubic feet

The monthly minimum charge is the monthly service charge.

B. Low-Income Senior Citizen Discount

The former Senior Citizen Rate will transition to the Low-Income Senior Citizen Discount effective July 1, 2013. The eligibility requirements for the discount include all of the below:

1. Head of household or spouse is age 60 or older: Provide identification that substantiates name, age and address; and
2. Low-Income Verification [provide a copy of recent PG&E bill noting participation in the PG&E CARE (California Alternate Rates for Energy) program. Current income guidelines can be found at www.PG&E.com/CARE]; and
3. Apply in person in the Finance Department or designated location (every two years).

The discount is applicable to residential water service only and is off the general water service (i.e. “water maintenance charge” on the utility bill) as outlined in the table below. Beginning January 17, 2013, the low income senior citizen customers will begin paying the full price of volume charge (i.e., “water consumption charge” on the utility bill) at the revised rates. The discount amount is based on the following:

1. First six months of 2013 – 78% discount off general rate

2. Next six months of 2013 – 65% discount off general rate
3. 2014 and thereafter – 50% discount off general rate

Low-Income Senior Discount (per unit, per month)	1/17/13 - 6/30/13	7/1/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/16
Single family dwelling discount amount	\$11.52	\$9.60	\$8.34	\$9.30	\$9.93	\$10.28
Multi family dwelling discount amount	\$8.65	\$7.21	\$6.26	\$6.98	\$7.46	\$7.72

Plus:

Volume Charge (per unit, per month)	1/17/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/17
0 - 8 hcf	\$1.46	\$1.65	\$1.84	\$1.97	\$2.04
8 - 30 hcf	\$2.30	\$2.60	\$2.90	\$3.10	\$3.21
Over 30 hcf	\$2.46	\$2.78	\$3.10	\$3.31	\$3.43

hcf = hundred cubic feet

The monthly minimum charge is the monthly service charge.

C. Four Year Phase Out For Senior Citizens Who Do Not Qualify For the Low-Income Senior Citizen Discount

There will be a four year phase out of the discount on the general water service (i.e. “water maintenance charge” on the utility bill) for all other seniors that are enrolled in the Senior Discount Rate by December 4, 2012 who do not qualify for the low-income senior discount to soften the transition to higher rates. The four year phase out discount amounts are shown in the table below. Beginning January 17, 2013, the senior citizen customers will begin paying the full price of volume charge (i.e., “water consumption charge” on the utility bill) at the revised rates. Only customers who meet the qualifications under section B above will be eligible to receive the Low-Income Senior

discount. All other senior citizens that are grandfathered in by December 4, 2012 will be eligible to receive the discounts shown in the table through December 31, 2016. The Senior Citizen Rate will end on January 1, 2017.

Phase Out of Senior Citizen Rate (per unit, per month)	1/17/13 - 6/30/13	7/1/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/16
Single family dwelling discount amount	\$11.52	\$9.38	\$8.18	\$6.22	\$3.36	\$0.00
Multi family dwelling discount amount	\$8.65	\$6.43	\$5.68	\$4.36	\$2.37	\$0.00

D. The public works director shall fix the minimum monthly charge for a meter larger than six inches.

E. Mobile Home Park Rate. The rates for general water service to mobile home parks are the same as for multi family (see subsection (A1) of this section). Each mobile home space is defined as one dwelling unit. Mobile Home Parks may apply for the Low-Income Senior Citizen Discount if at least 75 percent of the tenants qualify and the Mobile Home Park owner or designee applies in person in the Finance Department or designated location every two years.

13.12.012 Drought penalty and drought surcharge.

There shall be added to the general water service rates prescribed in BMC [13.12.010](#) a drought penalty and a drought surcharge as provided in Chapter [13.35](#) BMC. The drought penalty added herein shall be based upon the water used in excess of that permitted by the conservation stage in effect, as defined by and subject to the exceptions prescribed by Chapter [13.35](#) BMC. The drought penalty shall be at the rates set out by BMC [13.35.090](#)(C), and the drought surcharge shall be at the rates set out by BMC [13.35.100](#)(B). **13.12.014 Expiration of drought penalty and/or drought surcharge.**

The drought penalty and/or drought surcharge added to the general water service rates by BMC [13.12.012](#) and Chapter [13.35](#) BMC shall terminate upon resolution adopted by the city council. (Ord. 91-3 N.S. § 2, 1991).

13.12.020 Automatic fire sprinkler and Private Fire Hydrant Rates.

The monthly rate for service through automatic sprinkler connections and private fire hydrant are as follows:

Meter Size:	1/17/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/17
Automatic Sprinkler (flat rate per meter)					
2-inch connection	\$10.03	\$11.32	\$12.62	\$13.48	\$13.95
4-inch connection	\$17.55	\$19.81	\$22.09	\$23.59	\$24.42
6-inch connection	\$24.84	\$28.04	\$31.26	\$33.39	\$34.56
8-inch connection	\$32.55	\$36.75	\$40.98	\$43.77	\$45.30
10-inch connection	\$40.01	\$45.17	\$50.36	\$53.78	\$55.66
12-inch connection	\$47.51	\$53.64	\$59.81	\$63.88	\$66.12
Private Fire Hydrants					
Double outlet & steamer	\$12.53	\$14.15	\$15.78	\$16.85	\$17.44
Single outlet & wharf	\$3.77	\$4.26	\$4.75	\$5.07	\$5.25

13.12.030 Untreated water service.

The rate for untreated water is as follows:

Meter Size:	1/17/13 - 12/31/13	1/1/14 - 12/31/14	1/1/15 - 12/31/15	1/1/16 - 12/31/16	1/1/17 - 12/31/17
2-inch connection	\$25.02	\$28.25	\$31.50	\$33.64	\$34.82
3-inch connection	\$50.03	\$56.48	\$62.98	\$67.26	\$69.61
4-inch connection	\$75.00	\$84.68	\$94.42	\$100.84	\$104.37
6-inch connection	\$149.98	\$169.33	\$188.80	\$201.64	\$208.70
Plus Volume Charge:					
0 - 150 hcf	\$0.90	\$1.02	\$1.14	\$1.22	\$1.26
Over 150 hcf	by agmt	by agmt	by agmt	by agmt	by agmt

hcf = one hundred cubic feet

The minimum monthly charge is the monthly service charge.

13.12.040 Exemptions.

An applicant for water service shall pay each of the charges set forth in BMC [13.12.050](#) through [13.12.070](#) except where specifically exempt; however, no applicant is required to pay service installation charges, or meter installation charges if the applicant performs the work covered by these charges. (Prior code § 14-141).

13.12.050 Water system capacity fee.

An applicant for water service installation to serve a parcel not previously served shall pay a system capacity charge as follows:

A. Residential and Commercial/Industrial capacity fees are set by resolution of the city council. Residential capacity fees are based on dwellings/units or accessory dwellings. Commercial/Industrial capacity fees are based on meter size.

B. Capacity Fee – Automatic Annual Escalation. The base capacity fees stated above shall be increased annually by the 12-month percentage increase noted in the last reported construction cost index for the San Francisco Bay Area found in the Engineering News Record. For example, if the index is reported in December of each year, the increase by which the fee will be escalated each July 1st shall be equal to the cumulative 12-month percentage increase reported during the immediately preceding December. If the Engineering News Record ceases publication, a similar index chosen by the public works director shall be used.

C. The above automatic annual escalation will occur 60 days after adoption of the ordinance codified in this chapter and on July 1st of each year thereafter unless changed by a vote of the city council upon recommendation of the finance director that projected revenues and expenditures require a different charge for that fiscal year.

D. Increased Water Service. An applicant for water service installation of increased capacity over the existing service at a property shall pay a capacity fee in the amount specified in subsection (A) or (B) of this section, whichever is applicable, less any previously paid water capacity charge. An applicant adding a new meter, rather than replacing an existing meter with a larger meter, shall not receive credit for previously paid water service capacity fees.

F. Capacity Fee – Time for Payment.

1. Capacity charges for new or increased water service shall be paid at the time of application for such new or increased service, unless the applicant applies for, and is granted, a fee deferral as provided for in subsection (F)(2) of this section.

2. The person required by this chapter to pay a water capacity fee may apply for a fee deferral. The application shall be reviewed and considered by the public works director, and shall be granted if the applicant's project meets the criteria for fee deferral established by city council resolution, unless the director finds (a) that the fee is needed for improvements or facilities for which an account has been established and funds appropriated, and for which the city has adopted a construction schedule or plan, or (b) the fees are needed to reimburse the city for expenditures previously made. The city council resolution shall also establish conditions to be imposed upon the granting of a fee deferral.

13.12.070 Meter installation charges.

An applicant for water service installation shall pay a meter installation charge set by resolution of the city council.

A. The charge for a meter installation of three inches and larger is the estimated total cost of the installation. (Ord. 77-10 N.S. § 4, 1977; Ord. 76-8 N.S. § 4, 1976; prior code § 14-144).

Section 2.

Severability. If any section, subsection, phrase or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

On motion of Council Member _____, seconded by Council Member _____, the foregoing ordinance was introduced at a regular meeting of the City Council on the 4th day of December, 2012, and adopted at a regular meeting of the Council held on the day of _____, 2012, by the following vote:

Ayes:

Noes:

Absent:

Mayor

Elizabeth, Patterson,

ATTEST:

Lisa Wolfe, City Clerk

CITY OF BENICIA

ORDINANCE NO. 12-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING CHAPTER 13.52 (SEWER RATES AND CHARGES) OF TITLE 13 (PUBLIC SERVICES) OF THE BENICIA MUNICIPAL CODE BY REPLACING IT IN ITS ENTIRETY

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BENICIA DOES ORDAIN as follows:

Section 1.

Chapter 13.52 (Sewer Rates and Charges) of Title 13 (Public Services) of the Benicia Municipal Code relating to water rates is amended by replacing it in its entirety to read as follows:

Chapter 13.52

SEWER RATES AND CHARGES

Sections:

- [13.52.010](#) Applicant – Payment of charges – Exception.
- [13.52.020](#) Special sewerage service.
- [13.52.030](#) General sewerage service.
- [13.52.040](#) Sewer capacity fees.
- [13.52.045](#) Decision by public works director – Appeal.
- [13.52.050](#) Lateral sewer installation charges.

13.52.010 Applicant – Payment of charges – Exception.

An applicant for sewerage service shall pay the charges imposed by BMC [13.52.040](#) and [13.52.050](#), except where specifically exempt; however, no applicant is required to pay lateral sewer installation charges or frontage charges if the applicant performs the work covered by these charges. (Prior code § 7-623).

13.52.020 Special sewerage service.

The charges for sewerage service covered by the special contract for discharge of waste as defined in BMC [13.50.340](#), and for any service not specifically covered by BMC [13.52.010](#) through [13.52.050](#) shall be fixed in an applicable agreement for service. (Ord. 91-14 N.S. § 1, 1991; prior code § 7-622).

13.52.030 General sewerage service.

The basis of sewer service charges prescribed in this chapter is the establishment of a unit cost, hereinafter referred to as an EDU (equivalent dwelling unit), computed to collect for the costs of operating, maintaining, repairing and replacing the collection, treatment and disposal system of the city for a residential dwelling unit. A residential dwelling unit is defined as discharging 200 gallons per day (gpd) of sewage flow (or 250 gpd of water consumed) over a one-year period with strengths for BOD (biochemical oxygen demand) of 200 milligrams per liter (mg/l) and SS (suspended solids) of 200 mg/l. The strength factor of a residential dwelling unit is equal to 1.00.

The calculation of EDUs to be assigned to individual users on the sewerage system is based on the EPA-approved formula, and for purposes of this chapter is as follows:

$$EDU = \frac{gdp}{200} \times [Strength\ Factor]$$
$$= \frac{gdp}{200} \left(0.65 + (.17) \frac{BOD\ mg/l}{200} + (.18) \frac{SS\ mg/l}{200} \right)$$

Assignment of EDUs to individual sewerage system users shall be made as follows:

A. Minimum EDU Assignment. All residential (single- and multifamily) users connected to the city sewerage system shall be assigned a minimum of 1.00 EDU per dwelling unit. All commercial/industrial users, excluding hotels/motels, shall be assigned a minimum number of EDUs depending on the water meter size. The minimum EDU assigned shall be as follows:

Water Meter Size	Minimum EDU Assignment
3/4-inch	1.00
1-inch	1.33
1 1/2-inch	2.00
2-inch	2.67
3-inch	3.99
4-inch	5.33
6-inch	8.00

B. Residential Dwelling Units.

1. Single-Family Units. 1.00 EDU shall be assigned to each dwelling unit identified by the city as single-family.

2. Multifamily Units. This category includes condominiums, duplex, triplex, four-plex, apartment or other residential dwelling units. Each dwelling unit will be assigned 1.00 EDU. For premises with mixed uses (e.g., dwelling units and clubhouses), users will be assigned EDUs according to the residential category (see subsection (A) of this section) or commercial category (see subsection (E) of this section), depending on the major sewer use, as determined by the public works director. Other facilities on the premises that are nondwelling units but have a sewer hookup shall be assigned EDUs as stated in subsection (E) of this section.

C. Mobile Home or Trailer Court Units. 1.00 EDU shall be assigned to each rental space provided in the mobile home park or trailer court. Other facilities on the premises that require a sewer hookup shall be assigned EDUs as stated in subsection (E) of this section.

D. Hotel or Motel. A hotel or motel shall be assigned a minimum of 0.60 EDU per room without kitchen facilities and 1.0 EDU per room with kitchen facilities. Other facilities on the premises that have a sewer hookup shall be assigned EDUs as stated in subsection (E) of this section. Notwithstanding the minimum EDU assignment of this subsection, users are assigned EDUs as stated in subsection (E) of this section.

E. Commercial/Industrial Premises (Standard Strength Sewage). Notwithstanding the minimum EDU assignment of subsection (A) of this section, users are assigned 1.00 EDU for each 250 gallons per day (gpd), or 2,100 cubic feet per 60-day billing cycle, of water usage. (The 250 gpd water usage basis accounts for some landscaping and the fact that not all the water that is used by the premises enters the sewer system.)

1. Mixed Uses. This category includes units such as “live-work” quarters and other units with mixed residential/commercial uses. For purposes of this chapter, users in this category are classified as commercial/industrial users.

F. Commercial/Industrial Users (High Strength or Low Strength Pretreated Sewage). Notwithstanding the minimum EDU assignment of subsection (A) of this section, for certain nonresidential premises which discharge sewage having significantly greater or lower strength characteristics as measured by concentration of BOD and SS (or other appropriate constituents) than residential sewage, the number of EDUs shall be determined by multiplying the units determined in subsection (E) of this section by the strength factor shown as follows:

1. High Strength Sewage.

User	Strength Factor
Medical clinics, professional buildings	1.1
Restaurants	1.9
Markets with disposal	1.9
Mortuaries with process	1.9
Auto steam cleaning	1.9

For other high strength users not listed above, strength factor and EDUs shall be assigned by the director of public works in accordance with the EPA formula stated in this section. In some cases, strength factor shall be determined by the director of public works based on the chemical oxygen demand or other appropriate constituents of the user's sewer discharge where the constituent selected would more accurately measure the strength of the discharge.

2. Low Strength Pretreated Sewage. For certain industrial users who pretreat their process water discharge to a level close to or better than drinking water, the strength factor, which may be less than 1.0, shall be determined by the director of public works based on an analysis of the appropriate constituents in the wastewater.

3. Reduction Ratio (RR). Is an adjustment applied to commercial/industrial users' sewer capacity fees to account for consumed water that is not discharged to the sanitary sewer e.g. irrigation, evaporation, or certain production processes. The RR for commercial/industrial users estimates 80 percent of water consumed enters the sewer system for treatment. Businesses may apply for a variance to the standard RR. The RR for specific commercial/industrial users shall be determined at the discretion of the director of public works.

G. Inquiry Regarding Assignment of EDUs. Inquiries regarding the assignment of EDUs must be submitted to the city in writing before changes in EDU assignment will be considered. The director of public works shall have the authority to make appropriate adjustments in EDUs assigned based on the State of California Revenue Program Guidelines, and changes in use for the premises affected.

H. Sewer Service Charge.

1. For the period January 17, 2013 through June 30, 2017, the monthly charge per EDU for general sewage service and the public housing complex known as Casa de Vilarrasa shall be as prescribed below:

	General	Casa de Vilarrasa
January 17, 2013 - June 30, 2013	\$45.88	\$22.94
July 1, 2013 - June 30, 2014	\$50.01	\$25.01
July 1, 2014 - June 30, 2015	\$53.26	\$26.63
July 1, 2015 - June 30, 2016	\$55.39	\$27.70
July 1, 2016 - June 30, 2017	\$56.49	\$28.25

A decision to change the sewer service charge shall be based upon a determination of the revenue required to provide for budgeted or projected expenditures for operating, maintaining, repairing and replacing parts of the sewerage system and other obligations which may include providing adequate debt service coverage or payment of annual debt service obligations. The public works director shall be required to present to the city council this information at a council meeting.

2. The following special conditions apply to each sewer service:

a. The sewer service charge is levied for all connected premises for which utility services are provided. No allowance is made for unoccupied premises or portions of premises unless water service for the user has been discontinued.

b. Upon application and submission of proof from a sewerage system user requiring extraordinary landscaping or other unusual nonsewered water use, the public works director may make adjustments to assigned EDUs for the premises.

3. For sewage and liquid galley wastes from vessels, groundwater, and other one-time sewage discharges, the public works director shall determine the sewer charge; provided, that the discharge meets the conditions of Chapter [13.50](#) BMC, Pretreatment and Source Control of Waste Disposal or Discharge. For special one-time discharges meeting the pretreatment requirements as defined in

Chapter [13.50](#) BMC, the wastewater treatment charge shall be set according to the following schedule:

Volume Charges	Strength Charge	Cents/Gal.	Cents/Gal.	Cents/Gal.
Gallons	Classification	1/1/13 to 6/30/13	7/1/13 to 6/30/14	7/1/14 to 6/30/15
0 – 100,000	Standard*	3.08	3.17	3.27
	Nonstandard**	5.08	5.23	5.39
100,001 – 500,000	Standard	10.07	10.37	10.68
	Nonstandard	11.99	12.35	12.72
500,001 and over	Standard	14.3	14.73	15.17
	Nonstandard	16.53	17.03	17.54

* BOD or SS of 200 mg/l.

** BOD or SS greater than 200 mg/l but less than 1,000 mg/l for BOD and 800 mg/l for SS (see subsection (H)(3)(a) of this section).

Volume Charges	Strength Charge	Cents/Gal.	Cents/Gal.
Gallons	Classification	7/1/15 to 6/30/16	7/1/16 to 6/30/17
0 – 100,000	Standard*	3.37	3.47
	Nonstandard**	5.55	5.72
100,001 – 500,000	Standard	11	11.33
	Nonstandard	13.1	13.49
500,001 and over	Standard	15.63	16.1
	Nonstandard	18.07	18.61

* BOD or SS of 200 mg/l.

** BOD or SS greater than 200 mg/l but less than 1,000 mg/l for BOD and 800 mg/l for SS (see subsection (H)(3)(a) of this section).

Any direct charges such as laboratory analysis and site inspection/monitoring are in addition to the charges shown in the schedule above. The following conditions shall also apply with respect to user's requests for service:

- a. The charges determined for special discharges may be based on actual measurement of flows and strengths, or based on strengths as reported in the State of California's Revenue Program Guidelines for sewer utilities. If the strengths contained in the discharge exceed 1,000 mg/l for BOD and 800 mg/l for SS, the volume charges may be determined by the public works director based on an extrapolation of the volume charges stated above.
- b. The strength measurements of special discharges may be adjusted if strengths other than BOD or SS (such as COD or oil and grease, for example) are contained in the user's special discharge.
- c. The public works director shall have the right to determine the appropriate daily or other schedule for accepting, in total or in part, the quantity of wastewater to be specially discharged to the sewerage system. (Ord. 03-11 §§ 1, 2; Ord. 99-15; Ord. 99-8; Ord. 95-12 N.S.; Ord. 95-8 N.S.; Ord. 95-1 N.S.; Ord. 93-16 N.S. § 1, 1993; Ord. 91-14 N.S. § 2, 1991; Ord. 91-8 N.S. § 1, 1991; Ord. 90-8 N.S. § 1, 1990; Ord. 89-13 N.S. § 1, 1989; Ord. 89-5 N.S. § 1, 1989; Ord. 88-11 N.S. § 1, 1988; Ord. 86-5 N.S. § 1, 1986; Ord. 85-13 N.S. § 1, 1985; Ord. 80-10 N.S. § 1, 1980; Ord. 80-1 § 2, 1980; Ord. 76-9 N.S. § 1, 1976; prior code § 7-621).

13.52.040 Sewer capacity fees.

An applicant for sewerage service shall pay a capacity fee (formerly called connection fee) based on equivalent dwelling units (EDUs) as defined in BMC [13.52.030](#). The purpose of levying the capacity fee is for new connections to buy into existing capacity. The fee recovers costs for future projects and replacements or upgrades to existing facilities to serve both existing and new customers.

A. The base sewer capacity fee for residential dwelling units, residential accessory dwelling, and nonresidential dwelling units are set by resolution of the city council per EDU. The minimum sewer capacity fee for a commercial/industrial building is a fee set by resolution of the city council. For dwelling units, mobile homes, and hotels or motels, the EDU assignment shall be as stated in BMC [13.52.030](#). For accessory dwelling units, as defined by BMC [17.70.060](#), the EDU assignment shall be 0.5. For nonresidential premises, the capacity fee, based on the EPA-approved formula, is determined by multiplying the assigned EDUs per 1,000 square feet shown on the table that follows, by the size of the facility (in 1,000 square foot units), by the base sewer capacity fee. For user categories not listed on the table, the number of EDUs will be determined by the

director of public works in accordance with the EPA-approved formula described in BMC [13.52.030](#).

User Category	EDUs/1,000 sq.ft.
Office	0.5633
Warehouse	0.0442
Store, Dry Light Industrial	0.3571
Restaurant	1.9407
Bars, Night Clubs	1.0214
Church, Hall	0.1786
Private School	0.5633
Delicatessen (No Cooking)	0.7857
Medical Clinic, Hospital	1.1477
Market with garbage disposal	1.3339
Auto steam cleaning	0.6743

B. The following conditions apply to the application for sewerage system service:

1. Minimum Sewer Capacity Fee. For each building, or building unit within a multiple-unit residential, commercial, industrial, or other complex, for which a building permit or permits is/are to be issued, the minimum sewer capacity fee shall be the base sewer capacity fee as stated in subsection (A) of this section.
2. Classification of shell structures which have no determined use when connecting to the sewer system shall be classified at the discretion of the director of public works based upon building permit data, applicable zoning, and plans of the developer. Subsequent modifications to such structures or changes in the usage or operations of any existing structure will result in reclassification and the assessment of an additional incremental capacity fee. No refunding of previously paid sewer capacity fees will be made where modifications are made to any structure which places it in a classification with a lower capacity fee rate.
3. Prescribed capacity fees apply only to the particular uses listed; where mixed uses are contained in the same structure, the director of public works will calculate a composite capacity fee based on the pro rata proportion of building square footage assigned to each user classification.

C. Capacity Fee – Automatic Annual Escalation. The base capacity fees stated above shall be increased annually by the 12-month percentage increase noted in the last reported construction cost index for the San Francisco Bay Area found in the Engineering News Record. For example, if the index is reported in December of each year, the increase by which the fee will be escalated each July 1st shall be equal to the cumulative 12-month percentage increase reported during the immediately preceding December. If the Engineering News Record ceases publication, a similar index chosen by the public works director shall be used.

D. Sewer capacity fees levied and collected shall be placed in the sewer capacity fund.

E. Capacity Fee – Time for Payment.

1. Capacity charges for new or increased sewer service shall be paid at the time of application for such new or increased service, unless the applicant applies for, and is granted, a fee deferral as provided for in subsection (E)(2) of this section.

2. An applicant for new or increased sewer service required to pay a capacity charge by this chapter may apply for a deferral of the capacity charge. The application shall be reviewed and considered by the public works director, and shall be granted if the applicant's project meets the criteria for fee deferrals established by city council resolution unless the director finds (a) that the fee is needed for improvements or facilities for which an account has been established and funds appropriated, and for which the city has adopted a construction schedule or plan, or (b) the fee is needed to reimburse the city for expenditures previously made. The city council resolution shall also establish conditions to be imposed upon the granting of a fee deferral. (Ord. 99-14; Ord. 97-12 N.S.; Ord. 96-11 N.S.; Ord. 95-12 N.S.; Ord. 95-6 N.S.; Ord. 94-5 N.S. § 1, 1994; Ord. 94-3 N.S. § 2, 1994; Ord. 91-13 N.S. § 1; Ord. 90-9 N.S. §§ 1, 2, 1990; Ord. 88-10 N.S. § 1, 1988; Ord. 85-14 N.S. § 1, 1985; Ord. 80-1 N.S. § 3, 1980; prior code § 7-624).

13.52.045 Decision by public works director – Appeal.

Decisions of the public works director may be appealed to the city manager in accordance with Chapter [1.44](#) BMC. (Ord. 07-46 § 1; Ord. 80-1 N.S. § 5, 1980).

Section 2.

Severability. If any section, subsection, phrase or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more

sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

On motion of Council Member _____, seconded by Council Member _____, the foregoing ordinance was introduced at a regular meeting of the City Council on the 4th day of December, 2012, and adopted at a regular meeting of the Council held on the day of _____, 2012, by the following vote:

Ayes:

Noes:

Absent:

Elizabeth, Patterson, Mayor

ATTEST:

Lisa Wolfe, City Clerk

CITY OF BENICIA

ORDINANCE NO. 12-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING SECTIONS 13.56.030 (PAYMENT-RETURNED CHECKS), 13.56.050 (DELINQUENT ACCOUNTS), 13.56.070 (DELINQUENCY OF SERVICE-DISCONTINUATION OF SERVICE) AND 13.56.080 (DISCONTINUATION OF SERVICE-UNAUTHORIZED USE) OF CHAPTER 13.56 (SEWER BILLING REQUIREMENTS) OF TITLE 13 (PUBLIC SERVICES) OF THE BENICIA MUNICIPAL CODE

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BENICIA DOES ORDAIN as follows:

Section 1.

Sections 13.56.030 (Payment-returned checks), 13.56.050 (Delinquent Accounts), 13.56.070 (Delinquency of service-Discontinuation of service), and 13.56.080 (Tampering-Unauthorized Use) of Chapter 13.56 (Sewer Billing Requirements) of Title 13 (Public Services) of the Benicia Municipal Code are amended as follows:

Chapter 13.56

SEWER BILLING REQUIREMENTS

Sections:

- 13.56.010 Generally.
- 13.56.020 Separate services.
- 13.56.030 Payment – Returned checks.
- 13.56.040 Disputed bills.
- 13.56.050 Delinquent accounts.
- 13.56.060 Multiple account – Delinquency at one service location.
- 13.56.070 Delinquency – Discontinuation of service.

13.56.010 Generally.

A bill for general sewerage service is rendered bimonthly. A bill for sewerage services rendered under special contract may be rendered monthly or at any less frequency which the city chooses. An opening and closing bill for less than the regular billing period shall be prorated on a daily basis so that the charge to the customer shall reflect the actual number of days of service during said billing period. (Ord. 90-7 N.S., 1990; prior code § 7-631).

13.56.020 Separate services.

Each sewer connection to a customer's premises shall be billed separately unless the city, for its own operating convenience or necessity, installs two or more laterals in place of one. (Prior code § 7-632).

13.56.030 Payment – Returned checks.

A bill is due and payable on presentation. The customer shall make payment at the place designated by the city. When payment is made by a check which is returned to the city dishonored by the drawee, a returned check fee set by resolution of the city council which returned check charge shall be in addition to any other charges due.

13.56.040 Disputed bills.

In case of dispute as to payment of a bill previously delivered, the customer shall present the receipted bill, canceled check or other satisfactory evidence of payment before the city may make an adjustment or correction. (Prior code § 7-638).

13.56.050 Delinquent accounts.

A bill is delinquent 30 days after the date of presentation of the bill. When a bill is delinquent there shall be added a delinquent charge set by resolution of the city council. If the bill and the delinquent charge are not paid within five days after the delinquent date, the city may discontinue service. (Ord. 90-7 N.S., 1990; prior code § 7-634).

13.56.060 Multiple account – Delinquency at one service location.

If a customer receives service at more than one service location, and the bill for any one of that customer's accounts becomes delinquent and service is discontinued, the city may discontinue service at all other locations. (Prior code § 7-635).

13.56.070 Delinquency – Discontinuation of service.

When service is discontinued because of delinquency in payment of a utility bill, the city may not restore the service until all charges including the delinquent charge as provided in BMC [13.56.050](#) and a turn off service fee set by resolution of the city council are paid, and a cash deposit is made to reestablish credit in an amount fixed by the director. The deposit shall be treated as an application deposit.

Section 2.

Severability. If any section, subsection, phrase or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or

more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

On motion of Council Member _____, seconded by Council Member _____, the foregoing ordinance was introduced at a regular meeting of the City Council on the 4th day of December, 2012, and adopted at a regular meeting of the Council held on the _____ day of _____, 2012, by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

ATTEST:

Lisa Wolfe

CITY OF BENICIA

ORDINANCE No. 12-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING SECTIONS 13.08.040 (WATER USE WITHOUT APPLICATION) AND 13.08.050 (DEPOSIT) OF CHAPTER 13.08 (WATER SERVICE) OF TITLE 13 (PUBLIC SERVICES) OF THE BENICIA MUNICIPAL CODE

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BENICIA DOES ORDAIN as follows:

Section 1.

Sections 13.08.040 (Water Use Without Application) and 13.08.050 (Deposit) of Chapter 13.08 (Water Service) of Title 13 (Public Services) of the Benicia Municipal Code are amended as follows:

Chapter 13.08

WATER SERVICE

Sections:

Article I. Generally

- 13.08.010 Water supply – Source and specifications.
- 13.08.020 Types of service.

Article II. General Water Service

- 13.08.030 Application – Contents.
- 13.08.040 Water use without application.
- 13.08.050 Deposit.
- 13.08.060 Continuity of service.
- 13.08.070 Water pressure.
- 13.08.080 Refusal or limitation of service.
- 13.08.090 Resale of water.
- 13.08.100 Discontinuance and restoration of service.

Article III. Special Water Service

- 13.08.110 Compliance.

- 13.08.120 Public fire hydrants – Inside city.
- 13.08.130 Public fire hydrants – Outside city.
- 13.08.140 Public fire hydrants – Private use.
- 13.08.150 Private fire hydrants.
- 13.08.160 Automatic fire sprinkler systems.
- 13.08.170 Low pressure service.
- 13.08.180 Temporary service.
- 13.08.190 Untreated water service.
- 13.08.200 Special contract service.
- 13.08.210 Service outside city.

Article I. Generally

13.08.010 Water supply – Source and specifications.

The water served will be water from various sources including the municipal reservoir, the Putah South Canal of the Solano Project, and the North Bay Aqueduct of the State Water Project. Mineral quality of water will vary from time to time and place to place depending upon the source being used. Information on the average mineral quality is available from the director. Water delivered from the potable water system will be water treated by facilities operated under permit from the California Department of Public Health. (Prior code § 14-111).

13.08.020 Types of service.

Water service from the city water system is either general water service or special water service. (Prior code § 14-114).

Article II. General Water Service

13.08.030 Application – Contents.

A. A person desiring service from the water system shall apply for it. The director shall prescribe the form of the application. The application shall set forth:

1. The signature of the applicant or his authorized representative;
2. The address and location of the premises to be served;
3. The address to which bills are to be mailed;
4. The purpose and use of the water to be consumed, if other than residential;
5. The date upon which the applicant will be ready for service;
6. An estimate of the maximum instantaneous water demand;

7. The applicant's agreement to comply with this article and all the rules and regulations governing the system;

8. Such other information considered proper by the director.

B. The city is not obligated to provide water service until the application is approved by the director. The applicant is not obligated to take service for any period of time in excess of that upon which the minimum charges for the account are based. (Amended during 2004 republication; prior code § 14-118).

13.08.040 Water use without application.

A person who takes possession of a premises and uses water without applying for water service is liable for the water delivered from the date of the last recorded meter reading. If proper application for service is not made within 24 hours after notification to do so by the director or if accumulated bills for water service are not paid upon presentation, the director may discontinue water service without further notice. Additionally, a tampering fee will be assessed in accordance with section 13.16.090.

13.08.050 Deposit.

Every applicant for water service who rents or leases the premises to be served shall make a cash deposit as a condition of service. The deposit which shall be paid up front is a fee set by resolution of the city council however, the director may fix a larger cash deposit if, based upon the city's prior experience with the applicant, the director feels in the reasonable exercise of his discretion that a larger cash deposit is necessary to protect the city from loss which may result from the nonpayment of billings. When service to a customer is discontinued, the deposit for that customer shall be refunded after deducting unpaid charges. Deposit funds in a discontinued account may, at the option of the customer, be applied to deposit requirements of a new account for the same customer.

13.08.060 Continuity of service.

The city will exercise reasonable diligence and care to deliver a continuous supply of water; however, the city is not liable for interruptions, shortage, or insufficient supply or for loss, inconvenience, or damage occasioned thereby. (Prior code § 14-113).

13.08.070 Water pressure.

In general, water will be delivered from the distribution system at gauge pressures ranging from approximately 20 to 100 pounds per square inch; however, the city does not guarantee to maintain a specific pressure or range of pressures. The city is not responsible for inconvenience, loss or damage resulting from variations of pressure. Service to an area where pressure is less than 20 pounds per square inch is considered

special service and each such service shall be covered by an agreement. (Prior code § 14-112).

13.08.080 Refusal or limitation of service.

A. The director may refuse to furnish water or may discontinue water service to a premises for one or more of the following reasons:

1. To protect the city or the water system or both from fraud and abuse;
2. The requested water services demand may be detrimental or injurious to the water service of other customers;
3. The distribution facilities are inadequate to supply the requested water service demand.

B. The director may limit the total quantity of water furnished to a premises or may establish the time and the demand rates at which water may be taken or will be furnished to a premises, even though a limit or maximum use may not appear on the application or permit for the water service. (Prior code § 14-116).

13.08.090 Resale of water.

No person may resell or remeter for the purpose of cost proration or sell water purchased from the city without specific authorization, except for service to temporarily moored vessels for their own use. The resale cost may not exceed the cost of purchase from the city plus the cost of delivery. (Prior code § 14-115).

13.08.100 Discontinuance and restoration of service.

A. The city may discontinue water service for nonpayment of a bill 30 days after presentation. The city shall give written notice of its intention to discontinue service for nonpayment at least five days in advance of actual disconnection.

B. The city may discontinue water service without notice:

1. Where evidence of tampering or misuse of water system facilities is found or where apparatus, appliances or conditions are, in the opinion of the director or public health agency, found to be dangerous or injurious. Service may be restored after corrective measures have been taken;
2. When service was obtained by fraudulent means or water is used through an unauthorized connection. Service will be restored when the requirements of the city are complied with and full payment is made to the city for services rendered;
3. For failure to comply with the requirements of these regulations, this article or the rules and regulations governing the system.

C. Water service may be disconnected at the request of the customer, effective not less than two days after receipt by the city of a request for discontinuance. When the request is not received, the customer is required to pay for water service until such time that the city receives the notice or evidence which justifies discontinuance of water service at some other date.

D. Service which is disconnected may be restored upon correction to the satisfaction of the director of the condition causing discontinuance of service, and upon payment of all applicable fees and charges. (Prior code § 14-120).

Article III. Special Water Service

13.08.110 Compliance.

Each applicant for special water service is subject to all the requirements of applicants for general water service, unless otherwise prescribed by the director, and to all special requirements set forth in this article. (Prior code § 14-191).

13.08.120 Public fire hydrants – Inside city.

A. The director shall have hydrants for public fire protection installed within the city. Hydrants are a part of local distribution facilities, and their construction is governed by all requirements applicable to local distribution facilities.

B. No person may open or use a public fire hydrant without authorization to do so. A hydrant may be operated only with an approved spanner wrench or special tool. Each hydrant outlet shall be capped when not in use. (Prior code § 14-192).

13.08.130 Public fire hydrants – Outside city.

The director shall have hydrants installed for public fire protection on water system extensions outside the city boundaries. Insofar as practicable, such hydrant installation shall be designed to provide the same degree of fire protection as a new system extension inside the city. The director shall require as a condition of approval of the outside fire hydrant installation an agreement from the public fire protection agency within whose jurisdiction the hydrant is located. The agreement shall provide for the location and design of the hydrant installation and provide for the payment of appropriate hydrant fees levied by the city. (Prior code § 14-193).

13.08.140 Public fire hydrants – Private use.

A. The director may permit the private use of a public fire hydrant on a temporary basis upon issuance of a permit.

B. The permit shall be exhibited upon the work while water is taken. The permit shall state the period during which water may be taken, and the location of the hydrant which

may be used. If the hydrant is outside the city limits, the applicant shall obtain written approval of the fire protection agency having jurisdiction over it.

C. Water taken from a hydrant shall be metered, unless otherwise permitted by the director. Water used from a hydrant shall be billed and paid for at the same rates as for general water service plus 25 percent of the commercial rate. The minimum charge is the same as those applicable to a two-inch meter. (Prior code § 14-194).

13.08.150 Private fire hydrants.

A fire hydrant located on private premises and constructed and maintained by the applicant may be connected to the water system upon approval of the director. A connection to a private fire hydrant installation is subject to all requirements governing connections to automatic fire sprinkler systems. A new connection to a private fire hydrant shall be used only for that purpose. An existing connection which serves a fire hydrant and an automatic fire sprinkler installation together may continue in service with the approval of the director. (Prior code § 14-195).

13.08.160 Automatic fire sprinkler systems.

A. The city may offer a connection for service to an automatic fire sprinkler system subject to limitations of the ability of the water distribution system to provide the desired service. Unless otherwise ordered by the director, a fire sprinkler connection shall be constructed by the city at the expense of the applicant. The sprinkler connection shall be of at least two-inch diameter. Each sprinkler connection shall have an approved detector check valve furnished by the applicant and a bypass meter installed by the city at the expense of the applicant. Wherever possible, the detector check valve installation shall be located adjacent to the front boundary of the parcel being served.

B. Water furnished through a fire sprinkler connection shall be used only for firefighting purposes and for authorized testing of fire protection facilities. Fire system testing shall be conducted during normal business hours. The water department shall be notified at least one day prior to testing. There is no charge for water taken through the detector check valve and used for extinguishing accidental fire. All water taken through the bypass meter on a fire sprinkler connection shall be charged for at a rate equal to twice the rate for general water service through a meter of the same size as the bypass meter, except that the minimum monthly charge does not apply. (Prior code § 14-196).

13.08.170 Low pressure service.

A. Premises located where distribution system pressure corrected to the highest elevation of regular water use or water-using appliances is normally or frequently less than 20 pounds per square inch cannot be adequately served. Such service is considered low pressure service. Low pressure service will be provided only upon approval by the director and upon agreement by the applicant to:

1. Accept substandard service;
2. Make no protest of assessment district or other proceedings whose objective is improvement of the water system; and
3. Make any reapplication or alterations of equipment necessary to utilize an alternative water service connection upon request by the director.

B. The rates and charges for low pressure service are the same as those for general water service. (Prior code § 14-199).

13.08.180 Temporary service.

A. The city may provide temporary water service upon approval of the director. Rates and charges for temporary service are the same as those for general service except as otherwise provided. Whenever practical, water furnished through a temporary service connection shall be metered. A permit for a temporary service connection is valid for a period of not more than 120 days after installation. The city may extend the permit upon request. The temporary service shall be discontinued and dismantled or removed upon termination of the permit period or completion of use.

B. The applicant for temporary service shall make a cash deposit before issuance of a permit for a temporary service connection. The cash deposit shall equal the estimated cost of water to be used during the entire period of service.

C. After discontinuance of the temporary service and when the connection is dismantled, the remainder of deposited funds shall be refunded upon request without interest after deduction of unpaid water and construction charges. (Prior code § 14-197).

13.08.190 Untreated water service.

The city will provide untreated water from certain water system facilities to the extent that such service has no deleterious effect on operation of the remainder of the water system. Untreated water shall not be used for drinking or other domestic purposes. Untreated water service inside the city shall be provided only to premises which are served by an active potable water service. (Prior code § 14-198).

13.08.200 Special contract service.

The city may provide special water service when it is in the public interest to do so. When special service cannot appropriately be provided under this article, the city may provide water as a special contract service. The director shall recommend the terms and conditions of each contract for special contract service to the city council for approval. (Prior code § 14-200).

13.08.210 Service outside city.

A. Except as provided in BMC [13.08.200](#), the city may provide water service to premises outside the city boundaries only upon approval of the director and written agreement by the applicant to make no written protest of annexation proceedings. Service provided outside the city is subject to all rules and regulations applicable to the same service provided inside the city.

B. The rates and charges for service provided outside the city are the rates and charges for similar service inside the city, plus 25 percent of the rates and charges.

C. All other conditions of service outside the city are the same as for service inside the city. (Prior code § 14-201).

Section 2.

Severability. If any section, subsection, phrase or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

On motion of Council Member _____, seconded by Council Member _____, the foregoing ordinance was introduced at a regular meeting of the City Council on the _____ 4th day of December, 2012, and adopted at the regular meeting of the Council held on the _____ day of _____, 2012, by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

ATTEST:

Lisa Wolfe

CITY OF BENICIA

ORDINANCE NO. 12-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENICIA AMENDING SECTIONS 13.16.040 (PAYMENT-RETURNED CHECKS), 3.16.060 (DELINQUENT ACCOUNTS), 13.16.080 (DELINQUENCY-DISCONTINUATION OF SERVICE), 13.16.090 (TAMPERING-UNAUTHORIZED USE), AND 13.16.110 (INSPECTIONS) OF CHAPTER 13.16 (WATER BILLING REQUIREMENTS) OF TITLE 13 (PUBLIC SERVICES) OF THE BENICIA MUNICIPAL CODE

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BENICIA DOES ORDAIN as follows:

Section 1.

Sections 13.16.040 (Payment-Returned Checks), 13.16.060 (Delinquent Accounts), 13.16.080 (Delinquency-Discontinuation of Service), 13.16.090 (Tampering-Unauthorized use) and 13.16.110 (Inspections) of Chapter 13.16 (Water Billing Requirements) of Title 13 (Public Services) of the Benicia Municipal Code are amended as follows:

Chapter 13.16

WATER BILLING REQUIREMENTS

Sections:

- 13.16.010 Generally.
- 13.16.020 Separate meters.
- 13.16.030 Limited service – Determination of charge.
- 13.16.040 Payment – Returned checks.
- 13.16.050 Disputed bills.
- 13.16.060 Delinquent accounts.
- 13.16.070 Multiple account – Delinquency at one service location.
- 13.16.080 Delinquency – Discontinuation of service.
- 13.16.090 Tampering– Unauthorized use.
- 13.16.100 Adjustments.
- 13.16.110 Inspections.
- 13.16.120 Back billing.

13.16.010 Generally.

A bill for general water service will be rendered bimonthly. A bill for special water service may be rendered monthly or at any lesser frequency which the city

chooses. The city shall have the meter read at approximately equal intervals, with meter reading frequency the same as billing frequency. The city shall have special meter readings made for opening or closing billing purposes. (Prior code § 14-151).

13.16.020 Separate meters.

Each meter on a customer's premises is billed separately. The readings of two or more meters may not be combined unless the water department installs two or more meters in place of one for operating convenience or necessity. (Prior code § 14-152).

13.16.030 Limited service – Determination of charge.

An opening and closing bill for less than the regular billing period shall be prorated on a daily basis so that the charge to the customer shall reflect the actual number of days of service during the billing period. (Ord. 90-7 N.S., 1990; prior code § 14-154).

13.16.040 Payment – Returned checks.

A bill is due and payable on presentation. The customer shall make payment at the place designated by the city. When payment is made by a check which is returned to the city dishonored by the drawee, a returned check fee set by resolution of the city council which returned check charge shall be in addition to any other charges due.

13.16.050 Disputed bills.

In case of dispute as to payment of a bill previously delivered, the customer shall present the receipted bill, canceled check, or other satisfactory evidence of payment before the city may make an adjustment or correction. (Prior code § 14-160).

13.16.060 Delinquent accounts.

A bill is delinquent 30 days after the date of presentation of the bill. When a bill is delinquent, there shall be added a delinquent charge in set by resolution of the city council. If the bill and the delinquent charge are not paid within five days after the delinquent date, the city may discontinue service as provided in BMC [13.08.080](#). (Ord. 90-7 N.S., 1990; prior code § 14-156).

13.16.070 Multiple account – Delinquency at one service location.

If a customer receives service at more than one service location and the bill for any one of that customer's accounts becomes delinquent and the city discontinues service, the city may discontinue service at all other locations. (Prior code § 14-157).

13.16.080 Delinquency – Discontinuation of service.

When water service is discontinued because of delinquency in payment of a utility bill, the city may not restore the service until all charges including the delinquent charge as provided in BMC [13.16.060](#) and a turn off service fee set by resolution of the city council are paid, and a cash deposit is made to reestablish credit in an amount to be fixed by the director. The deposit shall be treated as an application deposit.

13.16.090 Tampering– Unauthorized use.

The definition of “Tampering” for purposes of this chapter include the following: customer manually turning water service back on, customer cutting/removing lock, customer damaging meter, and/or customer re-plumbing around the meter. For each instance of tampering a penalty will be assessed, and depending on the severity of the issue, time and materials costs to repair the damage to the public property may also be assessed. If following discontinuance of service for delinquency in payment the service is resumed without authorization, the city may remove the meter. In the event that the city removes the meter because of an unauthorized resumption of service, there shall be a tampering fee set by resolution of the city council plus the cost of time and materials, required from the city to prevent the unauthorized use of the meter.. The tampering fee is in addition to all other charges and deposits and must be paid prior to resumption of service.

13.16.100 Adjustments.

A. A bill may be adjusted allowing for a leak or loss of water only when evidence clearly shows the excessive delivery is due to leaking pipes or fixtures and not wasteful use or the consumer’s acts, omissions, or negligence. The city may make an adjustment only after repairs are made and the city is satisfied that the leak or loss has been eliminated. No adjustment or allowance may be made covering more than two consecutive billing periods including the one in which the adjustment is requested. No more than one adjustment or allowance may be made to the same account for the same premises in any 12-month period.

B. The director shall determine the amount of excess delivery and shall subtract one-half of that amount from the total water delivered. The remaining amount for each billing period shall be charged at the regular rates applicable to the customer’s account. (Prior code § 14-161).

13.16.110 Inspections.

After an inspection of the customer’s premises on account of excessive water bills, or upon the request of the customer, or for any other reason, no further inspections may be made for a period of six months, except as ordered by the

public works director. Additional inspections will be charged on a per hour labor basis according to the fees set by resolution of the city council (Prior code § 14-162).

13.16.120 Back billing.

If a customer uses water for which no bill has been issued, the water department shall install a meter and determine an average bill for a period of 12 months last past or for as much of the past 12 months as the consumer has been occupying or in possession of the premises without paying bills. (Prior code § 14-153).

SECTION 2.

Severability. If any section, subsection, phrase or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

On motion of Council Member _____, seconded by Council Member _____, the foregoing ordinance was introduced at a regular meeting of the City Council on the 4th day of December, 2012, and adopted at the regular meeting of the Council held on the _____ day of _____, 2012, by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

ATTEST:

Lisa Wolfe

AGENDA ITEM
CITY COUNCIL MEETING DATE - DECEMBER 18, 2012
BUSINESS ITEMS

DATE : December 10, 2012

TO : City Manager

FROM : Finance Director

SUBJECT : **REVIEW AND UPDATE OF FINANCIAL POLICIES**

RECOMMENDATION:

Review proposed changes to financial policies, approve staff recommendations for administratively approved policies and provide direction on proposed changes to the Purchasing and Travel policies.

EXECUTIVE SUMMARY:

Over the past several months, City staff and the Finance Committee have reviewed and developed several financial policies to document and ensure consistent application of the City's financial processes. The Committee met on November 16, 2012 and recommended these updates be forwarded for City approval. The Committee supported staff's recommendation that the Debt, Interfund Transfers, Revenue and Financial Reporting policies be approved administratively. Changes to the Purchasing and Travel policies require City Council approval. If the City Council supports the proposed updates to the Purchasing and Travel policies, these changes will be brought back for City Council adoption at a subsequent meeting.

BUDGET INFORMATION:

There is no budget impact as a result of the adoption of these policies. These policies are intended to provide financial direction to staff and greater assurance to the City Council and the public on the processes and procedures taken to assure financial responsibility of the City.

STRATEGIC PLAN:

Relevant Strategic Plan Issues and Strategies:

- Strategic Issue #3: Strengthening Economic and Fiscal Conditions

BACKGROUND:

Consistent with its Work Plan, the Finance Committee has spent the past several months reviewing and developing financial policies to provide greater transparency and ensure consistent application of financial processes. At its November 16, 2012 meeting, the Committee recommended proposed policy

updates be forwarded for City approval. While changes to the City's Purchasing and Travel Policies require City Council action, staff is recommending several of the policies be approved administratively at the City Manager level. The policies recommended for administrative approval include: Debt; Interfund Transfers; Revenue; and Accounting, Auditing and Financial Reporting. The draft policies are attached for informational purposes and overviews of these policies are summarized in Attachment A.

Purchasing Policy:

The City's Purchasing Policy is codified in the City's Municipal Code in Chapter 3.08 and any changes require City Council approval. The proposed changes designate the City Manager or his designee as the Purchasing Officer, eliminate a centralized purchasing officer, and increase the threshold for informal bidding from \$1,000 to \$2,500.

Although the current policy calls for a central purchasing officer, the City has not implemented centralized purchasing. Centralized purchasing is generally utilized in larger organizations where the level of purchasing is sufficient to support full-time, credentialed staff dedicated to not only the procurement of all goods and services but also has the expertise to draft requests for proposals (RFPs) and provide input on the development of specifications. It is common for smaller organizations to decentralize the purchasing function, allowing numerous persons to be involved in the procurement process, but utilize a central purchasing policy with detailed procedures to establish efficient procedures for the purchase of supplies, services and equipment as well as for performing or contracting public works projects consistent with state law. The proposed policy does not make any changes to the current purchasing approval authorities and includes thresholds in which informal and formal bidding is required.

Proposed changes to this policy are summarized on Attachment B. If the proposed updates are endorsed by City Council, staff will bring back the Municipal Code changes at a subsequent meeting.

Travel Policy

In addition to the policies reviewed and updated by the Finance Committee, staff has proposed updates to the City's Travel Policy. This policy was last approved by the City Council on June 20, 2000. Proposed changes are primarily procedural updates and clarify allowable expenses. The changes are detailed in Attachment C.

Attachments:

- ❑ A - Draft Polices Proposed to be Adopted Administratively
- ❑ B - Proposed Purchasing Policy Changes
- ❑ C - Proposed Travel Policy Updates

ATTACHMENT A
Proposed Financial Policies for Administrative Approval

Policy	Overview
Debt Policy	Establishes appropriate types of debt financing, the maximum amount of allowable debt as well as define parameters for short-term and long-term debt.
Revenue Policy	Defines overall goal to maintain a diversified revenue base, requires revenue estimates be developed utilizing an objective, analytical process, user fees will be reviewed annually, and one-time revenues will be used for one-time expenditures.
Accounting, Auditing and Financial Reporting Policy	States financial systems are maintained in conformance with generally accepted accounting principles, provides quarterly financial reporting to the City Council, and requires an annual, independent audit be conducted with a subsequent issuance of a Comprehensive Annual Financial Report (CAFR).
Interfund and Inter-agency Loan and Advance Policy	Defines and sets parameters for advances and loans of monies between funds; requires all loans and any subsequent write-off of loans be approved by City Council; and requires review by the Finance Director at least annually.



CITY MANAGER ADMINISTRATIVE INSTRUCTIONS
Instruction Number *[Place # here]*

Debt

PURPOSE:

Establishes a policy for debt in order to document and ensure consistent application of City's financial processes.

POLICY:

The use of municipal debt can be a valuable financing tool for use by the City Council to fund necessary capital infrastructure projects and to finance temporary cash shortfalls.

The Mayor and City Council of Benicia have established continued fiscal responsibility as a key objective in its budget process. The cornerstone to continued fiscal responsibility is to establish what types of debt financing are appropriate to fund and to establish a maximum amount of allowable debt based on a percentage of the City's assessable base and also based on the City's ability to maintain the annual debt service.

I. Short Term Debt Policy

The expenses associated with day-to-day operations of the City will be covered by current revenues. However, because the City receives large portions of its tax revenues at various times of the year, from sources beyond its control, the City may experience temporary cash shortfalls. In order to finance these temporary cash shortfalls, the City may incur short-term operating debt. The amount of the short-term operating debt will be based on cash flow projections. Operating revenues will be pledged to repay the debt, which will generally be repaid in one year or less.

II. Long Term Debt Policy

The long-term capital debt policy sets the parameters for issuing debt and provides guidance in the timing and structuring of long-term debt commitments. The City will use debt financing only for real property purchases, capital improvement projects, or equipment purchases, and only under the following circumstances:

1. When the project is included in the City's five-year capital improvement Program.
2. When the project is not included in the City's five-year capital improvement program, but it is an emerging critical need whose timing was not anticipated, or it is a project mandated immediately by state or federal requirements.

Debt

3. When the project's useful life or the projected service life of the equipment will be equal to or exceed the term of the financing, except when consolidating to achieve a more favorable interest rate (i.e. debt refinancing)
4. When there are designated revenues sufficient to service the debt, whether from project revenues or other specified and/or reserved resources.
5. Debt financing is not considered appropriate for any recurring purpose such as current operating and maintenance expenditures (except as noted in the Short Term Debt Policy).

The City will strive to thoroughly research the availability of federal, state, and/or county grants for purchases outlined above prior to seeking debt financing.

The City will strive to maintain and/or improve its bond and/or credit rating in order to minimize borrowing costs and preserve access to credit. The City will comply with bond covenants and develop systems to monitor compliance. Budget adjustments will be analyzed to ensure compliance with financial bond covenants (i.e., net revenue coverage and reserve requirements); adjustments that result in non-compliance with financial covenants will be approved by the City Council.

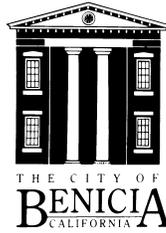
Bond issue proposals are to be accompanied by an analysis defining how the new issue, combined with current debt, impacts the City's debt capacity and conformance with City debt policies. Such analysis shall include identification of the funding source; an assessment of the ability to repay the obligation; the impact on the current budget, commitments to future budgets, maintenance and operational impact of the facility or asset; and the impact on the City's credit rating, if any.

The Mayor and City Council must review such analysis, including existing debt level, ability to pay debt service, impact on City services, and make a finding that use of debt is appropriate.

Annual Debt service costs should not exceed 8% of the City's operating expenditures in the fund responsible for the debt service costs at the time the obligation is incurred.

Total outstanding balances of long term debt obligations should not exceed 1.5% of the City's net assessable base at the time the obligation is incurred.

The City shall continually review outstanding obligations for opportunities to achieve debt service savings through refunding and shall pursue refinancing when economically feasible and advantageous.



CITY MANAGER ADMINISTRATIVE INSTRUCTIONS
Instruction Number *[Place # here]*

Revenue

PURPOSE:

Establishes a policy for revenue in order to document and ensure consistent application of City's financial processes.

POLICY:

The City will strive to maintain a diversified and stable revenue base to shelter it from short-term fluctuations in any one revenue source.

I. **Annual Revenues**

The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental and statistical analysis as appropriate. Revenue estimates presented to the City Council will be conservative in nature.

II. **User Fees**

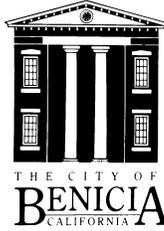
User fees will be reviewed and adjusted annually to recover the full cost of services provided, except when the City Council determines that a subsidy (the difference between the cost of services provided and revenue generated) is in the public interest.

III. **Non-Recurring Revenues**

Non-recurring revenues will be used for non-recurring or one-time expenditures and will not be factored into the general budget budgeting process.

IV. **Fund Balance Reserve**

The City shall maintain minimum fund or working capital balances in the General Fund and enterprise funds which shall be established with the goal of maintaining a total amount equal to 20 percent of each funds annual operating budget for the purpose of stabilizing the delivery of City services during periods of operational budget deficits. Reserves shall be calculated based upon the current year's revenue. (See Fund Balance Reserve Policy for additional detail).



CITY MANAGER ADMINISTRATIVE INSTRUCTIONS
Instruction Number *[Place # here]*

Accounting, Auditing and Financial Reporting

PURPOSE:

Establishes a policy for accounting, auditing and financial reporting in order to document and ensure consistent application of City's financial processes.

POLICY:

I. Systems

- The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles and standards of the Governmental Accounting Standards Board.

II. Reports

- Quarterly financial reports comparing revenues and expenditures to the adopted budget will be presented to the City Council at a regular Council meeting on the following schedule:

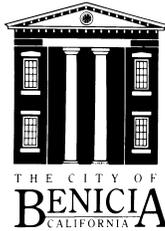
	<u>Report to City Council</u>
Quarter ending September 30 th	November
Quarter ending December 31 st	February
Quarter ending March 31 st	May
Quarter ending June 30 th	October*

*preliminary figures

- Monthly Financial Reports – Full and continuing disclosure will be provided in the general financial statements reviewed by the Finance Committee on a monthly basis. Copies are available to the public on or after the 4th Friday of each month.

III. Audit

- An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report (CAFR), including an audit opinion.
 - Typically an audit begins with a meeting with the Finance Committee, the audit is conducted, a final report is presented to the Finance Committee who in turn will make a recommendation to the City Council. The City Council is the final authority regarding the disposition of any audit.



CITY MANAGER ADMINISTRATIVE INSTRUCTIONS
Instruction Number *[Place # here]*

Interfund and Inter-Agency Transfers

PURPOSE:

Establishes a policy for interfund and inter-agency advances and loans in order to document and ensure consistent application of City's financial processes.

POLICY:

The City of Benicia uses fund accounting as required under generally accepted accounting principles for government agencies as promulgated by the Government Accounting Standards Board (GASB). Generally accepted accounting principles for government agencies permit, and provide accounting conventions for loans and advances between funds of a local agency and between a local agency and an outside entity.

Unless otherwise prohibited by law or sound fiscal management practices, the City will from time to time enter into transactions requiring inter-fund and inter-agency movement of funds through fund advances and loans in accordance with the following policy:

- I. INTER-FUND ADVANCE POLICY
 - a. Advances between City funds for short-term cash flow needs (generally expected to be repaid within one fiscal year) and must be approved in advance in writing by the City Manager.

- II. INTER-AGENCY AND INTER-FUND LOAN POLICY
 - a. Loans between City funds must be approved in advance by the City Council.
 - b. Any adjustment to the terms of an inter-fund loan which will result in the inter-fund loan extending beyond the current fiscal year or which increases the repayment amount of the loan must be approved, in advance, by the City Council.
 - c. All loans between the City of Benicia and another public or private agency must be approved in advance by the City Council.

- III. WRITE OFF POLICY
 - a. The write-off or cancellation of all inter-fund and inter-agency advances or loans must be approved in advance by the City Council.

Interfund and Inter-Agency Transfers

- b. Requests for authorization to write-off or adjust a loan or advance will be supported by a written report detailing the rationale for proposing the write-off or adjustment and a summary of the due diligence performed,

IV. LOAN DOCUMENTATION

- a. Each inter-agency or inter-fund loan will be documented in writing and will provide the following information:
 - i. the purpose for which the loan is being made, and
 - ii. the identification of both the borrowing and lending fund or funds, and
 - iii. the dollar amount of the loan and
 - iv. the interest rate, and
 - v. the terms for repayment of the loan including the dates for installment payments and maturity date on which all principal and unpaid interest will be due and payable, and
 - vi. the source from which the borrowing fund or agency is expected to repay the loan, and
 - vii. demonstrated ability to repay the loan and any associated interest within the allotted time period without causing a negative impact (deficit spending) to the finances of the requesting or receiving party.
- b. All of the above conditions must be met in order to qualify for a loan.
- c. This policy applies to all City funds
- d. The Finance Director will maintain a current listing of all City funds and fund groups.

V. REVIEW

- a. All outstanding inter-fund and inter-agency fund advances and loans will be reviewed by the Finance Director at least annually to determine compliance with the agreed upon terms and the recoverability of the funds due. It is expected that all fund advances and loans will be repaid according to the established payment schedule.
- b. In accordance with the provisions of generally accepted accounting principles (GAAP) any fund advance or loan which is not expected to be repaid within a reasonable time will be recorded in the City's financial records as a fund transfer.

VI. DEFINITION

- a. **FUND:** According to the National Council on Governmental Accounting Statement No.1, entitled *Governmental Accounting and Financial Reporting Principles*, a fund is defined as :
 - i. " ... a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations."

Interfund and Inter-Agency Transfers

- ii. See Attachment A for a list of funds as of November 5, 2012.
- b. **LOAN:** A loan is funds committed to an entity that has demonstrated an ability to repay the loan within an allotted period of time including reasonable and customary interest as prescribed by law.
- c. **INTER-AGENCY:** Between the City of Benicia and another governmental or non-profit organization.
- d. **ADVANCE:** An advance is movement of money between City funds, generally for temporary cash flow reasons and short-term in nature where reimbursement is expected within one year. The revenue stream from which the advance is repaid is identifiable and expected to be received in the near term (i.e. reimbursable grant funds).
- e. **WRITE-OFF:** To forgive any debt regardless of whether it is an advance or loan.
- f. **REASONABLE:** Within one year of the expected payment period i.e., Payment due Feb 2011 that is not paid by Jan 2012 would be outside the spirit and intent of a reasonable period of time.

VII. **LOAN ELIGIBILITY**

- a. Without exception, the party (fund or outside agency) requesting or recipient of a loan must demonstrate the ability to repay the loan and any associated interest within the allotted loan period without causing a negative impact (deficit spending) to the finances of the requesting or receiving party. Failure to meet this standard will result in a denial of any loan.

Interfund and Inter-Agency Transfers

ATTACHMENT A

Fund Number	Fund Name	Fund Type
010, 011	General Fund	General
054	BUSD Ball Field Maintenance	General
084	Century Cable	General
222	Arts & Culture Commission	General
017	Gas Tax	Special Revenue
018	Tourtlot Mitigation	Special Revenue
021	Human Services	Special Revenue
024	Rehabilitation Program	Special Revenue
028, 036, 039, 041, 081	Police and Fire Safety Grants	Special Revenue
032	Community Service Programs	Special Revenue
033, 087, 088, 089	Library Programs	Special Revenue
038	Southern Pacific Depot	Special Revenue
052, 056, 071, 072, 073	Landscape and Lighting Districts (each a discrete fund)	Special Revenue
083	Library Measure B	Special Revenue
215, 229	Miscellaneous Grants	Special Revenue
217	Valero – GNSC	Special Revenue
225	Neighborhood Stabilization Program	Special Revenue
086	Developer Deposits	Special Revenue
034	Traffic Mitigation	Capital Projects
035	Street Projects	Capital Projects
042	Police Station Construction	Capital Projects
044	Wastewater Projects	Capital Projects
045	Water Connection	Capital Projects
046	Capital License	Capital Projects
047	Park Dedication	Capital Projects
048	Intermodal Transportation	Capital Projects
049	Community Center	Capital Projects
050	Library Basement Project	Capital Projects
080	Storm Drain Improvements	Capital Projects
085	Donation Funded Projects	Capital Projects
162	Casa De Vilarassa	Capital Projects
169	McAllister Area Construction	Capital Projects
325	Energy conservation Capital Project	Capital Projects
058	1997 General Obligation Bonds	Debt Service
425	Energy Conservation Debt Service	Debt Service
029	Affordable Housing	Fiduciary
066, 067, 068, 069	Assessment Districts (each a discrete fund)	Agency

Interfund and Inter-Agency Transfers

Fund Number	Fund Name	Fund Type
110	Insurance	Internal Service
111	Administrative Services	Internal Service
112, 115	Equipment Replacement and Services	Internal Service
113	Facility Maintenance	Internal Service
114	Vehicle Replacement	Internal Service
090	Water Operations	Enterprise
014	Wastewater Operations	Enterprise
060	Marina	Enterprise
019	Transit	Enterprise
515	Wastewater Equipment/Vehicle Replacement	Enterprise
516	Wastewater System Replacement	Enterprise
517	Major Wastewater Vehicle/Equipment	Enterprise
518	Major Wastewater Capital Project	Enterprise
591	Emergency Water/Rate Stabilization	Enterprise
592	Water Equipment/Vehicle Replacement	Enterprise
593	Water Filter Replacement	Enterprise
594	Water System Replacement	Enterprise
595	Major Water Vehicle/Equipment Replacement	Enterprise
596	Major Water Capital Project	Enterprise

ATTACHMENT B
Proposed Updates to Purchasing Policy

<u>Current Code</u>	<u>Proposed</u>
<p><u>Approval Authority</u></p> <p>Cost to \$5,000 -Department Head Approval</p> <p>Cost to \$25,000 Materials -City Manager/Finance Director</p> <p>Cost over \$25,000 Materials -Requires City Council Approval</p> <p>Cost to \$50,000 Services -City Manager/Finance Director</p> <p>Cost over \$50,000 Services -Requires City Council Authority</p>	<p><u>Approval Authority</u></p> <p>Cost to \$5,000 -Department Head Approval</p> <p>Cost to \$25,000 Materials -City Manager/Finance Director</p> <p>Cost over \$25,000 Materials -Requires City Council Approval</p> <p>Cost to \$50,000 Services -City Manager/Finance Director</p> <p>Cost over \$50,000 Services -Requires City Council Authority</p>
<p><u>Supplies and Equipment (3.08)</u></p> <p>“Centralized purchasing division created that has authority for the purchase of supplies and equipment”</p> <p>Purchasing Officer position appointed by the City Manager – general supervision of purchasing program – may be combined with any other officer or position</p> <p><u>Cost less than \$1,000</u> - Purchase in open market</p> <p><u>Cost \$1,000 to \$4,999</u> - Obtain at least 3 informal/written bids - Notice Inviting Bids - written, telephone or public notice - Select lowest responsible bidder</p>	<p><u>Supplies and Equipment</u></p> <p>Purchasing Officer is City Manager or designee</p> <p><u>Cost less than \$2,500</u> - Purchase in open market</p> <p><u>Cost \$2,500 to \$4,999</u> - Obtain at least 3 informal/written bids - Notice Inviting Bids - written, telephone or public notice</p>

<ul style="list-style-type: none"> - No Purchase Order Required <p><u>Cost \$5,000 to \$25,000</u></p> <ul style="list-style-type: none"> - Informal Bid Process - Notice Inviting Bids <ul style="list-style-type: none"> -Set date for bid opening - Publish twice - at least 10 days prior to bid opening – 5 days apart – in newspaper - Solicit bids from vendors on bidders list - Post on City Hall bulletin board - Must have written contract - Select lowest responsive and responsible bidder - Award by City Manager and Finance Director <p><u>Cost over \$25,000 (Property)</u></p> <ul style="list-style-type: none"> - Formal Bid - Notice Inviting Bids <ul style="list-style-type: none"> -Set date for bid opening - Publish twice - at least 10 days prior to bid opening – 5 days apart – in newspaper - Solicit bids from vendors on bidders list - Post on City Hall bulletin board - Must have written contract - Select lowest responsive and responsible bidder - Written Sealed Bids submitted to Purchasing Dept - Bids opened and tabulated in public - Bidders Security may be required - Award by City Council 	<ul style="list-style-type: none"> - Select lowest responsible bidder - No Purchase Order Required <p><u>Cost \$5,000 to \$15,000</u></p> <ul style="list-style-type: none"> - Obtain at least 3 informal/written bids - Notice Inviting Bids <ul style="list-style-type: none"> - written, telephone or public notice - Select lowest responsible bidder - Purchase Order Required <p><u>Cost \$15,001 to \$25,000</u></p> <ul style="list-style-type: none"> - Informal Bid Process - Notice Inviting Bids <ul style="list-style-type: none"> -Set date for bid opening - Publish twice - at least 10 days prior to bid opening – 5 days apart – in newspaper - Solicit bids from vendors on bidders list - Post on City Hall bulletin board - Must have written contract - Select lowest responsive and responsible bidder - Purchase Order Required - Award by City Manager and Finance Director <p><u>Cost over \$25,000</u></p> <ul style="list-style-type: none"> - Formal Bid - Notice Inviting Bids <ul style="list-style-type: none"> -Set date for bid opening - Publish twice - at least 10 days prior to bid opening – 5 days apart – in newspaper - Solicit bids from vendors on bidders list - Post on City Hall bulletin board - Must have written contract - Select lowest responsive and responsible bidder - Written Sealed Bids submitted to Finance Director - Bids opened and tabulated in public - Bidders Security may be required - Purchase Order Required - Award by City Council
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Local Business Preference

Supplies and Equipment – not to exceed 10% (max \$500)

Services (3.10)

Cost less than \$5,000
-Contract required.

Cost \$5,000 to \$50,000 (or sole source)
-Verbal or written proposals from at least two firms
-From bidder's list for that type of service
- Professional services – City Mgr or Finance Director may award to most capable
- Legal services – City Attorney may award to most capable
-Purchase Order and Contract required

Cost \$50,000 or more (or sole source)
-Request for Proposal from at least three firms
-From bidder's list for that type of service
- Contract awarded by City Council
- Professional services – City Council award to most capable
-Purchase Order required

Surplus Supplies and Equipment

Less than \$5,000 – sold by purchasing officer
Greater than \$5,000 – sold by auctioneer

Less than \$25,000 – may be sold to another public agency or donated to non-profit organization by City Manager or Finance Director

Greater than \$25,000 – may be sold to another public agency or donated to non-profit organization by City Council

Local Business Preference

Supplies and Equipment – not to exceed 10% (max \$500)

Services

Cost less than \$5,000
-Contract required

Cost \$5,000 to \$50,000 (or sole source)
-Verbal or written proposals from at least two firms
-From bidder's list for that type of service
- Professional services – City Mgr or Finance Director may award to most capable
- Legal services – City Attorney may award to most capable
-Purchase Order and Contract required

Cost \$50,000 or more (or sole source)
-Request for Proposal from at least three firms
-From bidder's list for that type of service
- Contract awarded by City Council
- Professional services – City Council award to most capable
-Purchase Order required

Surplus Supplies, Materials and Equipment

Less than \$5,000 – sold by purchasing officer
Greater than \$5,000 – sold by auctioneer

Less than \$25,000 – may be sold to another public agency or donated to non-profit organization by City Manager or Finance Director

Greater than \$25,000 – may be sold to another public agency or donated to non-profit organization by City Council

ATTACHMENT C

City of Benicia
Policy and Procedures

Effective: March 1, 1995

Revised: July 1, 2000

~~September~~December

2012

POLICY FOR REIMBURSEMENT OF TRAVEL EXPENSES FOR OFFICERS AND
EMPLOYEES

PURPOSE

To document requirements and standards for officers and employees while traveling, training, or procuring meals while on City business with costs and to comply with Internal Revenue Service requirements for the reimbursement of travel expenses.

POLICY

Attendance at conferences, meetings, seminars, and training sessions is of importance and value in gaining knowledge and techniques in various facets of city operations. The expenses incurred during attendance at these conferences, meetings, seminars, and training sessions are reimbursable as business related expenses. Such expenses must be authorized in advance by the Department head or designee, and must be in accordance with the provisions of this Policy. City Manager approval is required for all out-of-state travel and for travel by Department Heads. The following is a description of reimbursable expenses:

Allowable Travel Expenses:

1. Registration Fees

- a. Fees for authorized travel or training may be paid directly by the City or reimbursed to the participating employee. A copy of the completed registration form must accompany requests for payment.

2. Meals

- a. Actual meal costs, ~~as well as normal~~including taxes and reasonable gratuities of up to 20% ~~and taxes~~, are ~~reimburseable~~reimbursable when incurred while on City business. Meals should be appropriate and consistent with the maintenance of a normal and reasonable living standard. Receipts are required for all reimbursable meal expenses. If a meal expense is incurred for other persons for a business related purpose, this should be reported as a business meeting expense as appropriate and the purpose and parties involved should be stated. If a meal is included in the price paid for registration, hotel stay or airplane ticket, the employee cannot seek additional reimbursement for that meal even if they choose not to participate in the provided meal. Reasonable travel time is allowed before and after the City business. Meal reimbursement is allowed while at events or while traveling in accordance with the following schedule:

ATTACHMENT C

<u>When Departing Time Is Before:</u>	<u>Or, Return Time is After:</u>	<u>Reimbursement is Allowed for:</u>
<u>7:00 am</u>	<u>8:00 am</u>	<u>Breakfast</u>
<u>12:00 pm</u>	<u>1:00 pm</u>	<u>Lunch</u>
<u>5:00 pm</u>	<u>7:00 pm</u>	<u>Dinner</u>

Reimbursement for alcoholic beverages is prohibited. In general, reimbursement shall not exceed:

1. For Council members, City Manager & City Attorney \$65/day
2. For All Others: \$50/day

3. Travel

The following policy shall govern reimbursements for travel to conferences, meetings, seminars and training sessions:

- a. ~~Airfare~~Commercial Travel – Air transportation is the preferred method of travel for trips exceeding 250 miles each way. Air travel shall be arranged in advance as much as possible to receive the lowest fare. The City will pay for commercial air transportation for a coach or economy class equivalent between Oakland, San Francisco or Sacramento airports and the closest available airport to the final travel destination. If the employee chooses to use a private vehicle, they will only be reimbursed at the lowest round trip coach or economy airfare from Oakland, San Francisco or Sacramento airports or the mileage reimbursement, whichever is less. ~~reimburse all justified travel costs for air or rail travel upon presentation of an expense voucher. Air or rail travel shall be “coach” class, except in cases where rail travel exceeds eight (8) consecutive hours of travel from point of origin to destination, in which case sleeping accommodations may be authorized.~~
 - e.a. ~~City Vehicle~~ – ~~The City will reimburse gas and oil costs.~~
- b. Private Vehicle – If approved in advance by the City Manager, the City will reimburse the employee mileage at the current I.R.S. authorized federally established rate plus any tolls incurred during travel in the vehicle. Automobile travel is not the preferred method of travel for distances greater than 250 miles. Private vehicle reimbursement may not be claimed under the following circumstances:
 - i. City Vehicle – Employees may use a City owned vehicle for travel away from the designated place of business. Reimbursement is not allowed for travel conducted in a City owned vehicle, except for actual fuel and toll costs that are paid by the employee during the course of the travel event.
- c. Use of Private Vehicle In-Lieu of Airfare - If an employee elects to use a private vehicle in-lieu of airplane for travel over 250 miles, the employee will be reimbursed for expenses that would have been incurred (air fare, mileage to airport, parking, shuttle, etc) rather than mileage. The employee is responsible for documenting the expenses that would have occurred. The City will not reimburse the employee for

ATTACHMENT C

additional meals, lodging or other expenses associated with automobile travel in-lieu of air travel. In no event shall reimbursement for mileage driven exceed the cost of appropriate airfare or ground transportation.

d. Taxi – Bus – The City will reimburse for reasonable expenses based upon an expense voucher.

e. Car Rental – A rental car may be used when other local transportation options are not available or feasible for the destination of travel. An employee should inquire about all ground transportation options (shuttles, buses, etc.) and select the most economical and practical option. When traveling, compact or mid-size vehicles shall be rented. Employees may purchase CDW (Collision Damage Waiver) coverage and the City will reimburse for this cost. The City will not reimburse employees for purchasing additional liability, medical payments or uninsured motorist insurance offered by the rental agency. Employees are covered by Workers Compensation when traveling on City business.

3.f. Lodging - Lodging is permitted when travel distance is 50 miles or greater from the normal designated place of Actual business. Actual lodging expense for accommodations (not luxurious but in suitable quality facilities at the median price available) incurred for business purposes is reimbursable. Employees should take advantage of any available discounts and group rates. Receipts are required for all lodging expenses regardless of the amount to be reimbursed. Lodging is allowed from the night preceding the first day of City business at the travel location through the night preceding the close of City business at the travel location, unless otherwise approved in advance by the City Manager.

4.g. Tips - Reasonable non-meal tips are reimbursable.

5. Telephone/Telegraph/Fax - Employees who do not have a City issued cell phone and are traveling on City business which requires overnight lodging, may receive reimbursement for one long distance personal telephone call each night, up to a maximum of \$10 for the call documented on the lodging receipt, cell phone telephone statement or calling card statement. When an employee uses a personal cell phone, reimbursement is available only for the charges above and beyond what is included in the employee's basic contracted services (such as roaming or long distance charges). All reasonable business communications such as telephone, telegraph and fax are reimbursable. One personal call daily to home is reimbursable when an employee is traveling overnight on city business with the use of a City Telephone Calling Card.

Non-Allowable Travel Expenses

1. The following expenses are not considered City business expenses and are not reimbursable. This is not an exhaustive list of all non-reimbursable expenses. Guidance should be based upon fiscal prudence and expenses necessary for conducting City business.

a. Alcohol or related expenses such as corking fees

b. Business or First-class airfares

ATTACHMENT C

- c. Upgrades of hotel room or rental vehicle
- d. Books, magazines, newspapers for personal use
- e. Parking or traffic citations
- f. Loss of personal items during business travel
- g. Internet charges for personal use
- h. Entertainment/recreation expenses
- i. Fitness center/spa charges

~~ii. Travel Advances If travel advances are necessary, the travel advance shall not exceed the amount reasonably anticipated given the length of travel. Travel advances exceeding the amount of travel expenses shall be refunded to the City within seven (7) working days after the employee returns. Advances shall be made not more than seven (7) working days before the actual travel.~~

PROCEDURE

1. Travel Advances

- a. If travel advances are necessary, the travel advance shall not exceed the amount reasonably anticipated given the length of travel. Travel advances exceeding the amount of travel expenses shall be refunded to the City within seven (7) working days after the employee returns. Advances shall be made not more than seven (7) working days before the actual travel. When an employee cancels his/her attendance and non-refundable expenses are incurred by the City, the employee will be personally responsible for the non-refundable expense, except in those instances where cancellation is due to circumstances beyond the employee's control such as serious illness, death in the family or when it is determined that the employee's absence would create an unforeseen hardship on the City. All exceptions, including circumstances beyond the employee's control, must be documented in writing and approved by the Department Head.

2. Travel Expense Statement

- a. A Travel Expense Statement shall be completed and returned to Finance, with the appropriate signatures and receipts within ten (10) business days of return from authorized travel. The balance of any advance must be returned within that time. The Travel Expense Statement must:
 - i. Account for any advance issued, including any amounts paid by a City Cal Card.
 - ii. Include the actual costs incurred
 - iii. Include detailed original receipts for all costs, including meals for which payment is being requested.
- b. Failure to submit the Travel Expense Statement with required documentation within ten (10) thirty (30) business days of return may result in non-reimbursement of expenses. Furthermore, the expenses advances will be submitted as taxable income on IRS Form 1099.

ATTACHMENT C

c. Missing Receipts – In the case of missing receipts, the employee should seek to obtain a copy from the vendor. If that proves unsuccessful, the employee should complete the Missing Receipt report Form and submit that form with the Travel Expense Statement. The Missing Receipt Report will include the employee's certification regarding the missing receipt and will include the date, amount, vendor and purpose of expense.

3. Personal Travel

a. When personal travel is combined with City business travel, employees must separate business expenses from personal expenses when submitting the Travel Expense Statement. Only City business related expenses will be paid by the City. Travel requirements for the City supersede all personal travel requirements.

4. Food and Beverage Purchases – Unrelated to Travel

a. Departments/employees may purchase food, beverages and related supplies, unrelated to travel, at the discretion of the Department Head if the funds are budgeted for this purpose under the following circumstances:

- i. Officially sponsored City events
- ii. City sponsored training sessions
- iii. When employees must remain on site for business reasons at the convenience of the City
- iv. When it is required in the conduct of City business

b. City funds may not be expended for purchases of coffee, refreshments or related supplies for normal daily use of employees or social events such as department potlucks or birthday parties.

7

AGENDA ITEM
CITY COUNCIL MEETING DATE – DECEMBER 18, 2012
BUSINESS ITEM

DATE : December 10, 2012

TO : City Manager

FROM : Administrative Services Director

SUBJECT : **APPROVE THE 2012-2014 MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF BENICIA AND THE BENICIA FIREFIGHTERS ASSOCIATION (BFA)**

RECOMMENDATION:

Adopt the resolution approving the 2012-2014 MOU with the BFA and authorize the City Manager to take the necessary actions appropriate to effectuate the purpose and intent of this action.

EXECUTIVE SUMMARY:

Not unlike most jurisdictions in California, the City of Benicia has identified a structural deficit due to the unprecedented downturn of the economy over the last several years. In response, in 2010 and 2011, City employees took a combined reduction in compensation of approximately 10%. The salary and benefit reductions for BFA recommended in this City Council agenda item are consistent with the types of salary and benefit concessions that have been agreed to via negotiations with the majority of other employee associations representing City employees.

STRATEGIC PLAN:

Relevant Strategic Plan Issues and Strategies:

Strategic Issue #3: Strengthening Economic and Fiscal Conditions

BUDGET:

This action achieves the necessary total savings of approximately \$503,000 over the term of the contract to the City's general fund. This savings is critical since revenues to the City have been on the decline since 2010 and recovery is expected to be slow.

BACKGROUND:

In 2010, the majority of City employee bargaining units, including BFA, agreed to a 3.16% reduction in order to assist in addressing the City's structural deficit, as well as agreeing to a second tier retirement formula and a cap on the City's contribution toward health care. In 2011, due to declining sales and property

tax revenues, the City's 2010-12 contracts with various bargaining units were reopened and an additional 6.86% in compensation reductions were agreed to by the majority of the City's employee groups. At that time, BFA and the City were unable to come to agreement on reductions, and so the City Council unilaterally implemented terms and conditions for BFA on September 26, 2011 in order to achieve the necessary savings from that unit.

The City and BFA returned to the table in May of 2012 to begin successor MOU negotiations. Following several months of negotiations, the parties tentatively agreed to the following contract amendments:

- Health and Welfare: The City's contribution toward health care shall continue to be fixed at a maximum \$622.00 for employee only; \$1,244.00 for employee plus one; and \$1,655.20 for employee plus family. Continuation of this flat dollar cap will greatly assist the City in managing health care related costs.
- Health and Welfare: Employees will continue to contribute an additional amount each month, on a pretax basis, towards health care costs, which is estimated to produce a \$14,000 savings. (This additional amount is above and beyond the amount the employee may be paying for health care costs that exceed the City's cap.)
- Retirement: All BFA employees shall pay 5.41% of the employer's share of retirement with CalPERS through a pre-tax payroll deduction. This is an increase to the imposed 4% contribution in 2011, and results in a total annual savings of \$146,000.
- Leave: BFA employees agreed to eliminate one (1) personal day (i.e., 24 hours) of leave. This results in approximately \$24,000/year in estimated overtime cost savings per year.
- Physical Fitness Program: BFA employees agreed to eliminate the MOU provision regarding the annual testing and associated cost of the Physical Fitness Program, which results in annual savings of approximately \$15,000/year.
- Linen Contract: BFA employees agreed to eliminate the MOU provision regarding the City paying for linen services and BFA members will be responsible for cleaning their own linens, achieving approximately \$9,000/year in savings.
- Association Business: The parties agree that the not to exceed amount of hours currently allowed in the MOU will be increased from 180 to 240 hours. There is no cost to the City associated with this change, as BFA members contribute leave to a bank of hours for association business.
- 48/96 Work Schedule: The parties agree to eliminate reference to this schedule as a "pilot" and to make it the status quo going forward.

Since BFA elected to shift a fairly significant portion of their compensation

reductions to a 5.41% cost-share of the employer's share of retirement, as well as agreed to other additional reductions as described above, the City agreed to restore some of the previously imposed conditions, i.e., the salary reduction of 1.46%, one of BFA's holiday payments in each fiscal year of the term (one in December 2012 and one in June 2014) as well as restore uniform pay in 2013-14. Overall, the proposed agreement with BFA achieves continued savings in compensations reductions, which equate to approximately \$503,000 over the term of the contract.

Additionally, the parties agree to a term of July 1, 2012 – June 30, 2014, with an effective of date of January 1, 2013 for implementation of the majority of changes from the imposed terms and conditions to the recently agreed upon terms conditions. (The 5.41% cost-share will be effective January 1, and converted to a pre-tax contribution as soon as administratively practicable.) Further, the parties agree that this agreement resolves BFA's grievance over imposed terms in 2011, which was scheduled to go to arbitration in January, 2013.

A copy of the tentative agreement with the proposed modifications to the MOU in strike-through format is attached. A majority of BFA members ratified this tentative agreement on Friday, December 7, 2012, and the next step is to present to the City Council for approval on December 18, 2012.

The economic downturn on a national, state and local level has had a tremendous effect on both the residents of the City of Benicia and the City's dedicated employees. The City recognizes that reductions in compensation have a significant impact on employees and their families, and appreciates BFA's willingness to agree to continue compensation reductions in order to preserve the mission of the City to provide quality services to the community.

Attachments:

- Resolution
- City of Benicia and BFA Tentative Agreement

RESOLUTION NO. 12-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENICIA APPROVING THE JULY 1, 2012 TO JUNE 30, 2014 AMENDMENTS TO THE LABOR AGREEMENT WITH BENICIA FIREFIGHTERS ASSOCIATION (BFA)

WHEREAS, the City of Benicia unilaterally implemented terms and conditions for BFA in September 2011; and

WHEREAS, the City and BFA began negotiations on a successor Memorandum of Understanding (MOU) in May 2012; and

WHEREAS, the City has concluded negotiations with BFA relative to amendments to the Agreement for the term covering July 1, 2012 to June 30, 2014; and

WHEREAS, the City and BFA have tentatively agreed on amendments to the MOU that maintain the necessary ongoing savings to the City's general fund; and

WHEREAS, BFA has accepted the terms of the July 1, 2012 to June 30, 2014 amendments to the Agreement on December 7, 2012.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Benicia hereby approves changes to the following sections in the July 1, 2012 through June 30, 2014 Agreement with BFA (a copy of the Tentative Agreement with the specified amendment language is attached to the staff report), and the City Council authorizes the City Manager to execute the Agreement as amended:

1. Section 5.6 – Association Business
2. Section 11.8 – Personal Leave
3. Section 14.2 – Work Performed on Holidays
4. Section 15.1 – Salaries
5. Section 15.2 - Surveys
6. Section 18.1 & 18.3 – Uniform Allowance
7. Section 21.6 – 48/96 Work Schedule
8. Section 23.1 – Health and Welfare
9. Section 12.5 – Bereavement Leave
10. Section 17 – Salary Plan
11. Section 24.5 – Employee Pickup of Employer's Share of Retirement
12. Section 26 – Physical Fitness Program
13. Section 28 – Closing Clause

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT this agreement resolves BFA's grievance over imposed terms.

On motion of Council Member _____, seconded by Council Member _____, the above resolution was introduced and passed by the Council of the City of Benicia at a regular meeting of said Council on the 18th day of December, 2012, and adopted by the following vote:

Ayes:

Noes:

Absent:

Elizabeth Patterson, Mayor

ATTEST:

Lisa Wolfe, City Clerk

**City of Benicia
and
Benicia Firefighters Association, IAFF Local 1186**

**Tentative Agreement on All Outstanding Issues
December 10, 2012**

1. Association Business

Revise Section 5.6 as follows (remaining provisions status quo):

5.6 Association Business

A. Officers, stewards and other members of the BFA, as designated by the Association President, shall be granted leave from duty with regular straight time pay for Association business such as attending training session, conferences, etc. of benefit to the bargaining unit, provided that the total leave provided by the City for such purpose shall not exceed ~~180~~ **240** hours in any fiscal year. At least two (2), but preferably five (5) days notice to the Fire Chief is required, unless waived by the Fire Chief.

B. On July 1, of each year, the City shall deduct up to six (6) hours from the vacation and/or compensatory time leave accruals for each bargaining unit member to create the bank of hours to be used pursuant to paragraph (A) above. The BFA shall notify the City by May 1 of each year as to the amount of leave to be deducted from the coming fiscal year. In the event no notification is given, the amount of the deduction shall remain the same as the previous year.

Any portion of the bank unused in any fiscal year shall be carried over to the following year and the bank accumulation shall be unlimited.

C. One (1) hour will be deducted from the leave bank for each hour an employee is excused for Union leave. If an overtime assignment is necessary to accommodate the leave request, one and one-half (1 ½) hours will be deducted from the leave bank for each hour the employee is excused for Union leave.

2. Personal Leave Day

Delete Section 11.8

(Note: City will deduct 24 hours from each employee's personal leave bank. If the employee has less than 24 hours in his or her personal leave bank, the balance will be deducted from his or her vacation bank.)

(Note: Other sections in MOU that reference Personal Leave Day will be modified to eliminate the reference.)

**City of Benicia
and
Benicia Firefighters Association, IAFF Local 1186**

3. Holiday Pay

Revise Section 14.2.1 as follows (remaining provisions status quo):

SECTION 14. HOLIDAYS

14.2 Work Performed on Holidays

14.2.1 The City and the BFA agree that public safety employees are scheduled to work on the aforementioned holidays as a matter of health and safety of the community. Prior to September of 2011, the City paid In lieu of the aforementioned holidays, the City agrees to pay sworn employees represented by the BFA a Holiday in lieu payment, 1.642% of base salary per month, twelve (12) months a year in lieu of being off on the holidays. . Payment will be made twice a year on December 15th and June 15th of each City fiscal year. Effective July 1, 2011, the City ceased paying holiday in lieu.

The parties have agreed to reinstate the Holiday in lieu program as follows. For fiscal year 2012-13, sworn employees represented by the BFA shall be paid the equivalent of 1.642% of base salary schedule wages earned for the months of July-December 2012 (six months). This payment shall be made on December 15th, 2012 (or as soon thereafter as this agreement is adopted by the City Council). For fiscal year 2013-14, sworn employees represented by the BFA shall be paid the equivalent of 0.821% of base salary schedule wages earned for the months of July 2013 through June 2014 (12 months). This payment shall be made on June 15th, 2014.

4. Salaries

Revise Section 15 as follows:

SECTION 15. SALARY ADMINISTRATION

15.1 Salaries

There will be no salary increases during the term of this MOU. Effective October 1, 2011, each step of each salary range in the unit was reduced by 1.46%. In addition, effective October 1, 2011 through the last pay period of the 2011-12 fiscal year, each step of each salary range in the unit was reduced an additional 1.835% in order to capture retroactive savings from the period of July – September 2011.

Effective January 1, 2013, the 1.46% reduction will be eliminated and each step of each salary range in the unit will be restored to its September 30, 2011 level.

**City of Benicia
and
Benicia Firefighters Association, IAFF Local 1186**

15.2 Surveys

It is the intent of the City to remain competitive in the labor market and provide equitable salaries for its employees. Effective on the following dates, base salaries shall be adjusted by the percentage listed in Section 15.2.1 below. (See Attachment B - Salary Schedule)

A. Effective July 1, 2005 the following agencies shall be used for the purposes of salary surveys:

City of Davis, City of Dixon, City of Fairfield, City of Folsom, City of El Cerrito, City of Napa, City of Pinole, City of Richmond, City of Vacaville, City of Vallejo and Contra Costa Fire District.

B. The following components will be surveyed to determine the mean average of total compensation:

Base Salary, Education Incentive at the Bachelor's Degree rate, Holiday pay, Uniform allowance, EMT pay, PERS Retirement, and combined Insurance Costs (i.e. Medical, Dental, Vision, Life).

15.2.1 Effective July 1, 2010 in lieu holiday pay ~~shall be was~~ reduced by 3.358% which ~~would reduced~~ the current rate ~~of from~~ 5% to 1.642%. **Holiday pay was subsequently eliminated and has now been restored per Section 14.2.**

15.2.2 The salary for Administrative Fire Captain shall be set at an amount equal to five percent (**50.821%**) above that of Fire Captain.

(Note: the Fire Admin Captain differential is based on the annualized value of holiday pay for shift captains)

15.2.3 Effective July 1, 2005 the salary for Paramedic Firefighter shall be set at an amount equal to ten percent (10%) above that of Firefighter.

15.2.4 Effective July 1, 2005 the salary for Fire Engineer shall be set at an amount equal to ten percent (10%) above that of Firefighter.

15.2.5 Effective July 1, 2005 the salary for Fire Captain shall be set at an amount equal to ten percent (10%) above that of Fire Engineer.

(Section 15 to be renumbered accordingly...)

**City of Benicia
and
Benicia Firefighters Association, IAFF Local 1186**

5. Uniform Allowance

Revise Section 18.1 and 18.3 as follows (remaining provisions status quo):

SECTION 18. UNIFORM ALLOWANCE

18.1 The Uniform Allowance was eliminated effective October 1, 2011. Effective the July 2013 paycheck, the uniform allowance shall will be reinstated at a rate of \$50.00 per month.

. . .

18.3 Effective January 1, 2013, the City agrees to will no longer supply and maintain all linens such as blankets, sheets, pillows, pillowcases, and towels. Bargaining unit members will be responsible for their own linens.

6. 48/96 Schedule

Revise Section 21.6 as follows (remaining provisions status quo):

SECTION 21. HOURS OF WORK

21.6 48/96 Work Schedule Pilot

21.6.1 Effective This pilot program shall commence July 1, 2006, the City transitioned to a 48/96 work schedule for suppression employees. after the Union and the Department reach agreement on the elements of the 48/96 schedule, and run for 12 months unless section 21.6.3a is used. During this period. Under this schedule, employees who, by nature of the work, are required to work twenty-four (24) hour shifts, shall be required to work a schedule, on average, of not more than fifty-six (56) hours per workweek. This schedule shall consist of forty eight (48) hours on and ninety-six (96) hours off (XX 0000 XX 0000 XX 0000). ~~During this pilot program the suppression division may need to modify their work schedule, as identified in Section 21.2.~~

21.6.2 ~~During the period of the pilot project, the parties shall assess the merits of the new schedule based upon criteria including, but not limited to:~~

- ~~• Employee productivity~~
- ~~• Fatigue factors~~
- ~~• Employee use of sick leave~~
- ~~• Employees' desire to continue with the work schedule~~

21.6.3 ~~The parties shall meet, starting in April 2007, to discuss whether or not to continue with the 48/96 schedule or revert to the prior work schedule. If the parties do not agree in writing by June 1, 2007 to continue the 48/96 schedule, employees~~

**City of Benicia
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~~shall revert to the schedule that was in effect prior to implementation of the pilot 48/96 schedule, effective July 1, 2007.~~

~~21.6.4 This pilot may be terminated upon mutual agreement.~~

21.6.~~52~~ Whenever a shift falls on both December 24th and 25th the shift will change to December 23rd and 25th and the shift that is scheduled to work December 22nd and 23rd will change to December 22nd and 24th.

21.6.~~63~~ The maximum number of consecutive hours worked shall not exceed 96 except in case of emergency.

7. Health Insurance

Revise Section 23.1 as follows (remaining provisions status quo):

SECTION 23. INSURANCE

23.1 Health and Welfare

The City shall continue to offer hospital-medical, dental and vision plans as those plans are currently structured or as the plans may be amended from time to time by the plan providers. The City may substitute plans currently offered with plans of substantially similar benefits.

Effective ~~first full pay period after the ratification by the Union and approval by the City Council on its agenda July 1, 2011~~, the City's contribution towards medical premiums for the term of the contract shall be a maximum up to the following contributions for any plan:

<u>Employee:</u>	<u>\$622.00/Month</u>
<u>Employee plus One:</u>	<u>\$1,244.00/Month</u>
<u>Employee plus Family:</u>	<u>\$1,655.20/Month</u>

During the term of the MOU, the parties agree to participate with the other bargaining units to determine whether or not any medical plan design changes would assist in reduction of costs to the City and/or reduction of premiums for employees. The parties recognize that any such changes in plan design require agreement by all City bargaining units.

~~For fiscal year 2011-2012 the parties agree to the following cost sharing approach to premium increases in 2011 and 2012 only. Specifically, the City will share evenly any amount that exceeds the current FY 2010-2011 Kaiser contribution levels, up to a capped maximum City contribution amount of \$29.63/month for single, \$59.25 for employee + 1, and \$79.49 for employee + family.~~

**City of Benicia
and
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~~In order to allow employees in Health Net time to transition to the City's new capped contribution to any plan, the City will continue the existing City dollar contributions for Health Net participants in effect on September 30, 2010, until June 30, 2011 only. At that time this extra contribution shall expire and the City's contribution for all participants shall be as described above.~~

~~The City shall contribute the full premium required by the providers of the dental and vision care plans provided herein for the term of this Memorandum of Understanding.~~

The City shall allow employees who have dual coverage on their health plan to receive the equivalent amount of the single contribution rate as describe above; this amount is to be added to the employee's paycheck.

Additional Medical Contribution and Plan Design Changes: Effective July 1, 2011, a pre-tax deduction equivalent to the anticipated reduction of costs for this unit to move from a zero co pay plan to a \$ 15.00 co-pay plan for the 2011-12 plan year. As of July 1, 2011, that deduction is:

<u>In lieu or Employee:</u>	<u>\$19.54/month</u>
<u>Employee + 1:</u>	<u>\$39.07/month</u>
<u>Employee plus Family:</u>	<u>\$52.64/month</u>

Given that health care plan design change did not occur in 2011-12 to achieve the savings of the \$15 co-pay plan, employees continue to make a pre-tax deduction toward health in order to achieve the equivalent amount of savings.

8. Retirement

Add Section 24.5 as follows (remaining provisions status quo):

SECTION 24. RETIREMENT

24.5 Employee Pickup of Employers Share of Retirement

Effective October 1, 2011, bargaining unit employees began contributing an additional 4% of pensionable compensation towards the employer's share of retirement via a post-tax payroll contribution. Effective January 1, 2013, this contribution will increase to 5.41%. As soon as practicable, the City will convert this contribution to a pre-tax contribution.

**City of Benicia
and
Benicia Firefighters Association, IAFF Local 1186**

9. Physical Fitness Program

SECTION 26. PHYSICAL FITNESS PROGRAM

In order to further the City's effort to improve and maintain employees' health and safety when performing the many physically demanding essential duties required of a Firefighter, the City and the Benicia Firefighters' Association agree to the following:

26.1 The Benicia Firefighters' Association agrees to continue the existing mandatory physical fitness program which affords represented members time on duty for the purpose of maintaining and increasing each individual's level of fitness.

26.2 The Benicia Firefighters' Association agrees that and the City will may continue the existing annual testing of individual fitness.

~~26.3 The City and BFA will continue to meet and confer on further implementation of a comprehensive Physical Fitness and Performance Testing Program. This meet and confer process is subject to all City impasse procedures.~~

10. Term

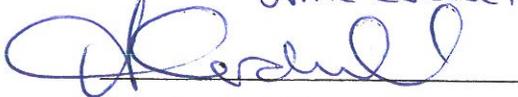
SECTION 28. CLOSING CLAUSES

28.1 The effective date of this agreement shall be July 1, ~~2012~~ 2010, and the agreement shall remain in effect until June 30, ~~2014~~ 2012. ~~Side letters previously agreed to during the 2005 to 2010 MOU will remain in effect for the term of this MOU unless otherwise agreed to.~~

11. Grievance Over Imposed Terms

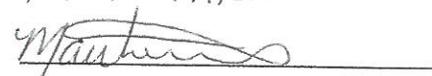
This agreement resolves the grievance over imposed terms currently scheduled for arbitration on January 7, 2013.

For the City:

Anne Cordwell


December 10, 2012

For the BFA:

TODD MATTHEWS


December 10, 2012

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 10, 2012
TO : Mayor Patterson
FROM : City Manager
SUBJECT : **MAYORS' COMMITTEE MEETING**

The following information is provided for your committee report at the December 18, 2012 City Council meeting.

The Mayors' Committee meetings are held on the third Wednesday of every other month at 6:30 pm. The next meeting is scheduled for December 19, 2012 and the agenda for that meeting is not currently available.

AGENDA ITEM
CITY COUNCIL MEETING: December 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 10, 2012

TO : Mayor Patterson
Council Member Strawbridge

FROM : City Attorney 

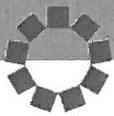
SUBJECT : **ABAG COMMITTEE MEETING**

The following information is provided for your committee report at the December 18, 2012 council meeting:

- The Fall Assembly was held on Thursday, October 18, 2012 at the Hyatt Regency Embarcadero in San Francisco.
- The summary from the conference has not been published yet.

Attachment:

- Service Matters November-December 2012 Edition



Service Matters

“Creating a Resilient Region— Protecting Our Investments” The Interconnection of Economic Resilience with Long Term Disaster Recovery Planning



Exploring why economically resilient cities, towns, counties, and long-term disaster recovery planning are interconnected was the focus of ABAG’s Fall General Assembly on Thursday, October 18th in San Francisco. Keynote speaker Enrico Moretti, Professor of Economics at the University of California, Berkeley, and Director of the Infrastructure and Urbanization Program at the International Growth Centre-London School of Economics and Oxford University, helped frame the economic resilience discussions with his perspective on today’s labor and urban economic vitality as described in his newly released book, *The New Geography of Jobs*.



Resilient Region cont. on page 2



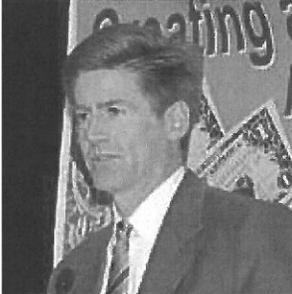
Photos clockwise from left to right: Supervisor David Chiu, President, San Francisco Board of Supervisors; Dr. Enrico Moretti, Economics Professor, UC Berkeley, and author of *The New Geography of Jobs*; ABAG President Mark Luce, Napa County Supervisor; attendees —165 Bay Area elected officials and business and community leaders.

In This Issue

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Regional Economic Assessment of the
San Francisco Bay Area
ABAG Recovery Toolkit

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Fall GA Luncheon Speaker Pg. 3
Pg. 3 The 7th Biennial Bay-Delta Science Conference Pg. 4
Pg. 3 Calendar of Events & Notable Numbers Pg. 4

Resilient Region cont. from page 1



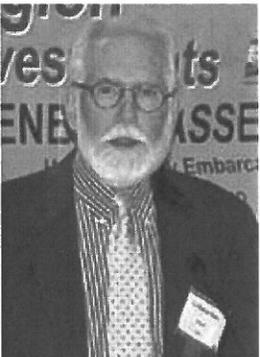
This set the stage for the Bay Area Council Economic Institute’s first release and presentation of *A Regional Economic Assessment of the San Francisco Bay Area*, a comprehensive analysis of the Bay Area as a business and economic center quantifying the Bay Area’s economic resilience and vitality. Jon Haveman, Bay Area Council Economic Institute’s Chief Economist, presented the report, and a panel of business leaders and elected officials moderated by Bay Area Council Economic Institute’s President and CEO Sean Randolph, discussed its regional economic assessment, regional economic investments, issues and priorities, and public-private partnership recommendations. This discussion of the region’s economic resilience was a bridge to the importance of planning for long-term disaster resilience and recovery.

Region-Wide Decision-Making for Long-Term Disaster Recovery Planning

A panel of local government leaders closely examined Disaster Recovery Planning Resilience issues and challenges. They singled out vulnerabilities related to recovery in the months after a catastrophic disaster. Discussion findings included the critical need for cross-sector and multi-jurisdiction collaboration, the fact that holistic community recovery is integral to a successful regional rebound, and that regional situational awareness during recovery is essential for local decision-making. It was suggested that the Regional Planning Committee and Joint Policy Committee serve as conduits to mobilize ABAG cities on disaster and climate resilience.

In the hands-on practical work session for local governments, the focus was how to make post-disaster land use planning and policy-making a practical reality. There was a wide range discussion of the following issues: regulatory issues, multiple hazards, seismic resilience, time compression, and the geographic scale of a disaster from neighborhood to community to region-wide. Other issues identified included the tension between rebuilding quickly and rebuilding

well; the fact that multiple recoveries happen at the same time; the pressure to rebuild what was (the “first plan”); information needed to make decisions not readily available; and financing since money fuels disaster recovery. A flashdrive distributed to attendees provided detailed follow-up to these many issues (see inset for kinds of materials provided on page 3). *The GA opened the door to many collaborative discussions about*



President Julie Director, California

Engineering Research Moderator; Laurel

Stora, Contra Costa County; Assemblymember Richard Gordon, 21st District. Local government panelists: Moderator-ABAG vice P Pierce, City of Clayton Councilmember; Mayor Yiaway Yeh, City of Palo Alto; Vice Mayor Peter Ohtaki, Menlo Park, and Executive B Resiliency Alliance; and Supervisor Diane Dillon, Napa County.

Scenario presenters: Chris Poland, Chairman and Senior Principal, Degenkolb Engineers; Tom Tobin, President, Earthquake Engineering Institute. Hands on workshop panel: Charles Eadie, Principal, Hamilton Swift Land Use; Sarah Karlinsky, Deputy Director, SPUR, n Preveti, Deputy Director of Planning, City of San Jose, and Laurie Johnson, Principal, Laurie Johnson Consulting + Research.

A Regional Economic Assessment of the San Francisco Bay Area

The Bay Area Council Economic Institute recently released in October *A Regional Economic Assessment of the San Francisco Bay Area*. This report highlights significant economic indicators, underscores the strong competitive position of the region in comparison to the rest of the nation, and makes recommendations for the region. The report suggests that the economic decisions of cities, towns, and counties directly impact neighboring jurisdictions and emphasizes that overall collaboration on economic strategy is critical, because more than 50 percent of Bay Area workers commute to jobs beyond their county of residence.

According to the report, the growth of the economy will continue to center on technology and innovation. The region has significant demand for skilled, highly educated workers and the highest median income (\$76,000) in the U.S. The Bay Area unemployment rate remains above 8 percent, but should eventually return to levels between 4 and 6 percent, which are more characteristic of the region. An estimated 700,000 jobs are projected between 2010 and 2020, although nearly 300,000 of these jobs represent recovery of jobs lost during the recession. The high number of retiring baby boomers is also one of several trends that will impact the economy.

The region has a larger share of jobs in high value added sectors, such as computer and mathematical occupations, architecture and engineering, business and financial operations, and management, than elsewhere in the U.S. It will be necessary to identify how the region will fill jobs, with baby boomers retiring, and how schools and training will prepare students for jobs in innovation.

Recent trends also demonstrate the need for closer collaboration between businesses and governments to further strengthen the region's economic competitiveness and foster a positive environment for economic growth and job creation. *For the full report, go to www.bayeconfor.org.*

Luncheon keynoter
Lauren Alexander Augustine,
Director, Disasters Roundtable,
National Academies, commended
ABAG for taking the lead
nationwide in spearheading Disaster
Recovery Resilience, during her
discussion of the seminal federal
publication *Disaster Resilience:
A National Imperative*.



ABAG Recovery Toolkit for Elected Officials:

A suite of topical handouts (more than 20 in-depth reports) was distributed to each attendee at General Assembly on a flashdrive. This resource provides a sampling of some of the work done by ABAG, other local, state, and federal partners, other local governments, and academics on the topic of long-term disaster recovery. It includes some conceptual and theoretical work as well as practical, usable tools such as model ordinances. While the toolkit aims to provide tools that are useful to individual jurisdictions, content that explores the role of jurisdictions within their larger region during the recovery phase has also been included. The tool kit, **which can also be accessed at quake.abag.ca.gov/recovery/toolkit**, includes the following:

- 1. Checklists and Plans:** top resources designed to assist local governments in navigating disaster recovery. They provide concise directions for actions to take to expedite and streamline the recovery process.
- 2. Recovery Ordinances and Tools:** practical, usable tools for cities to adopt ordinances and pieces of policy that can speed recovery. Pieces in this section include policy guidance, recommended actions with explicit instructions, planner tools for post disaster recovery, and model ordinances.
- 3. Funding and Economic Issues:** resources providing case studies from other disaster events on how they managed money flows and economic impacts during their own recovery to address key question surrounding recovery, e.g. how money will flow, both to fund recovery and to maintain a strong economy.
- 4. Recovery Concepts and Frameworks:** section featuring fundamental theories and concepts of long-term recovery as distinct from disaster response, with unique players, skills, and implications.
- 5. Twelve Case Studies and Additional Thinking, from San Francisco to Oakland to Katrina and more**

From the Keynote Speaker: The New Geography of Jobs

In *The New Geography of Jobs*, Dr. Enrico Moretti, UC Berkeley Economics Professor, explores the economic map of America today and cites how America has become three increasingly different countries. There are cities like Seattle, San Francisco, Raleigh-Durham or Austin, with a strong innovation-based economy and workers who are among the most creative and best paid on the planet. At the other extreme are former manufacturing centers like Detroit, Flint or Cleveland, where jobs and salaries are plummeting. In the middle, there is the rest of America, apparently undecided on which direction to take. The difference between the three Americas was small in the 1980s and has been growing ever since, with education and location affecting job creation and economic vitality. This book explores this "new geography of jobs," and especially its root causes and what it means for the country.

Mark Your Calendar!

NOVEMBER 2012

November 14
San Francisco Restoration Authority Governing Board 12:00 PM
MetroCenter, Room 171

November 15
Legislation & Governmental Organization Committee 3:30 PM
ABAG Conference Room B

Finance & Personnel Committee 5:00 PM
ABAG Conference Room B

ABAG Executive Board 7:00 PM
MetroCenter, Auditorium

November 16
ABAG/BAAQMD/MTC Joint Policy Committee 10:00 AM
MetroCenter, Auditorium

November 28
San Francisco Estuary Partnership Implementation Committee 9:30 AM
Elihu M. Harris State Building
1515 Clay Street, Room 10, Oakland

DECEMBER 2012

December 5
Regional Planning Committee Meeting 1:00 PM
MetroCenter, Auditorium

PLAN Executive Committee 10:00 AM
ABAG Conference Room B

December 12
ABAG POWER Executive Committee 12 NOON
ABAG Conference Room B

December 13
Bay Trail Steering Committee 1:30 PM
ABAG Conference Room B

Notable Numbers

A Regional Economic Assessment of the San Francisco Bay Area

415,000
Bay Area jobs, the equivalent of 12.5 percent of Bay Area employment, were in the high technology sector in 2011.

51 percent
Of Bay Area employees reside in the county that they work in, according to 2010 estimates.

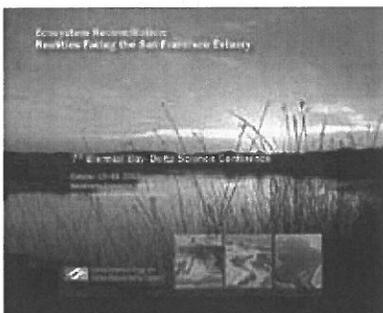
40 percent
Of all U.S. venture capital investment occurred in the Bay Area.

\$76,000
Was the 2010 median Bay Area household income.

101,800
Jobs, the equivalent of 3.3 percent employment growth, occurred between July 2011 and July 2012.

700,000
Jobs are projected between 2010 and 2020, although nearly 300,000 of these jobs represent recovery of jobs lost during the recession.

Bay Area Economic Institute Report, October 2012



The 7th Biennial Bay-Delta Science Conference 2012, in October, "Ecosystem Reconciliation: Realities Facing the San Francisco Estuary," brought together more than a thousand scientists, managers, and policymakers in Sacramento to discuss technical analyses and results for improving the health of the Delta. ABAG San Francisco Estuary Partnership, as part of Delta Science Program and Delta Stewardship Council, coordinated the three day conference. Links to oral and poster presentations showcasing the latest advances in scientific information and ideas on resources and ecosystem functions in the California Bay-Delta, can be accessed at <http://scienceconf.deltacouncil.ca.gov/>.

Mark Luce
ABAG President
Supervisor, Napa County

Julie Pierce
ABAG Vice President
Councilmember, City of Clayton

Mark Green
ABAG Immediate Past President
Mayor, City of Union City

Ezra Rapport
Secretary/Treasurer
Executive Director

Patricia M. Jones **Kathleen Cha**
Managing Editor Editor/Writer

Halimah Anderson **Leah Zippert**
Writer Writer

Vicki Rutherford - Design and Production

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 3, 2012

TO : Council Member Campbell
Council Member Strawbridge

FROM : Finance Director

SUBJECT : **FINANCE COMMITTEE REPORT**

The following information is provided for your committee report at the December 18, 2012 Council meeting.

The Finance Committee held its Regular Meeting on November 16, 2012. The draft minutes from that meeting are attached for your review. The next meeting will be held on Friday January 25, 2013 at 8:00 am; the December 21, 2012 meeting has been cancelled.

Attachment:

- November 16, 20123 Finance Committee Meeting Draft minutes

FINANCE COMMITTEE
****DRAFT** REGULAR MEETING MINUTES**
NOVEMBER 16, 2012 – 8:00 AM

1. Call to Order at 8:05 AM

2. Roll Call

Attended by Chairperson Dennis Lowry; Committee Members: Chris Carvalho, Michael Clarke and Larry Grossman; Council Members Tom Campbell and Christina Strawbridge; and Treasurer H.R. Autz. Absent: Vice Chairperson Lee Wines. Staff present: Karan Reid and Anne Cardwell.

3. Pledge of Allegiance

4. Notice to the Public

Advised by Chairperson Lowry

5. Action Items

A. Approval of Agenda

On motion of Committee Member Gross, seconded by Committee Member Carvalho, the Committee approved the Agenda on roll call by the following vote:

Ayes: Carvalho, Clarke, Grossman, Lowry
Noes: (None)

B. Approval of Minutes from the meeting held on October 26, 2012

On motion of Committee Member Carvalho, seconded by Committee Member Grossman, the Committee approved the minutes of the October 26, 2012 on roll call by the following vote:

Ayes: Carvalho, Clarke, Grossman, Lowry
Noes: (None)

C. Additional Items: None

6. Discussion Items

A. Review Quarterly Financial Update

Karan Reid presented a quarterly financial update for the quarter ending September 30, 2012. It was reported General Fund revenues are anticipated to fall short of budget by approximately \$1.0 million, primarily a result of lower property tax estimates. The discussion focused on the projected property tax shortfall and staff committed to provide regular updates on requests to the County Assessor and Auditor-Controller to provide more frequent information. The Committee inquired about the impact on reserves of the final loan repayment for the Community Center from the Valero Good Neighborhood Steering Committee (VGNSC) funds in 2013. The repayment will not impact

the reserve balance as the funds loaned to fund the Community Center are reported as a receivable in the General Fund from the VGNSC fund with an offsetting payable to the Community Center project fund. The anticipated payment in 2013 will eliminate these two accounts.

B. Review of Financial Report for the Month of October 2012

The Committee reviewed the financial report for the month of October 2012.

C. Review Draft Policies

The Committee reviewed the draft Inter-fund Loan and Advance financial policy as well as proposed changes to the City's Purchasing Policy. The recommended policies will be presented to City Council in December. Chairperson Lowry requested the policy be updated such that advances are defined as those expected to be repaid within a fiscal year versus one year. Committee Member Grossman requested a listing of the top five advances.

On motion of Committee Member Clarke, seconded by Committee Member Grossman, the Committee approved the proposed changes to the City's Purchasing Policy on roll call by the following vote:

Ayes: Carvalho, Clarke, Grossman, Lowry

Noes: (None)

On motion of Committee Member Grossman, seconded by Committee Member Clarke, the Committee approved the Inter-fund Loan and Advance Policy, as amended above, on roll call by the following vote:

Ayes: Carvalho, Clarke, Grossman, Lowry

Noes: (None)

D. Review Warrant Register for Month of October 2012

The Committee reviewed the warrant register for October 2012.

E. Review Listing of Outstanding Debt

The Committee reviewed the listing of Outstanding Debt.

F. Review Meeting Schedule

The Committee reviewed the meeting schedule for 2013 and canceled the December 21, 2012 meeting.

G. Update on Status of Reformatting Monthly Financial Report

Karan Reid provided an update on the Sungard software upgrade project and shared the project has been delayed to provide for additional training and testing and now anticipates an implementation date of late summer 2013.

H. Update on Status of Updating Long Range Budget Model Projections

It was reported that the model was reviewed with the City Manager in October and staff will review the model with the Department Heads to further refine future projections. The model will then be brought back to the Finance Sub-Committee before discussion with the full Finance Committee. Staff anticipates incorporating the model into the upcoming two-year budget process in spring 2013.

7. Public Comment

H.R. Autz commented on the difficulty of understanding the flow of funds in the City budget as it relates to reimbursable grant funds.

8. Adjournment

There being no further business, the meeting was adjourned at 10:30 AM.

The FIN... helping to steady the course through challenging financial waters

**AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : December 10, 2012

TO : Mayor Patterson
Vice Mayor Campbell

FROM : City Manager

SUBJECT : **LEAGUE OF CALIFORNIA CITIES**

The following information is provided for your committee report at the December 18, 2012 City Council meeting.

There are no meetings or events scheduled for the Northbay Division.

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 10, 2012

TO : Council Member Strawbridge
Council Member Hughes

FROM : City Manager

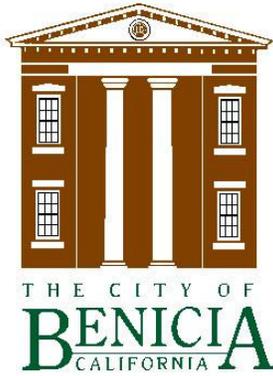
SUBJECT : **CITY COUNCIL/SCHOOL BOARD LIAISON COMMITTEE**

The following information is provided for your committee report at the December 18, 2012 City Council meeting.

This committee meets quarterly at the Benicia Community Center located at 370 East L Street. The most recent meeting was held on December 6, 2012 at 8:30 am at the Community Center and the agenda for that meeting and the minutes from the previous meeting are attached.

Attachments:

- December 6, 2012 Agenda
- April 5, 2012 Meeting Minutes
- September 13, 2012 Meeting Minutes



BENICIA CITY COUNCIL/SCHOOL BOARD LIAISON COMMITTEE

AGENDA

Benicia Community Center, Program Room 2

370 East L Street

December 6, 2012 8:30-10:00am

- I. Call to Order and Pledge of Allegiance**
- II. Reference to the Fundamental Rights of the Public and Public Comment**
- III. Consent Calendar**
 - A. Approval of Minutes of the Regular Meeting April 5, 2012 and September 13, 2012**
- IV. Business Items**
 - A. Benicia High School (BHS) Campus Closure**

The committee will discuss possible closure of BHS campus.
 - B. Update on Copper Wire Theft Enforcement**

The committee will hear an update on how the Benicia Police Department is working with BUSD and local businesses to address the on-going problem of copper thefts.
 - C. School Suspension Drug Diversion Program**

The committee will hear a report from the Benicia Police Department on the School Suspension Drug Diversion Program.
 - D. Set Meeting Calendar and Location for 2013**

The committee will discuss and set the meeting calendar and location for 2013.
- V. Future Agenda Items**
- VI. Adjournment**

BENICIA CITY COUNCIL/SCHOOL BOARD LIAISON COMMITTEE

AGENDA

Benicia Community Center, Program Room 2
370 East L Street

Public Participation

The City Council/School Board Liaison Committee welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The City Council/School Board Liaison Committee allows speakers to speak on matters under public comment. Comments are limited to no more than 5 minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the City Council/School Board Liaison Committee.

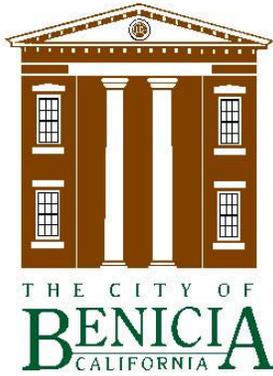
Should you have material you wish to enter into the record, please submit it to the City Manager.

Disabled Access

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact Anne Cardwell, the ADA Coordinator, at (707) 746-4200. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Meeting Procedures

All items listed on this agenda are for City Council/School Board Liaison Committee discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the City Council/School Board Liaison Committee.



**BENICIA CITY COUNCIL/SCHOOL BOARD LIAISON COMMITTEE
MINUTES**

Benicia Community Center, Program Room 2
April 5, 2012, 8:30-10:00am

I. Call to Order and Pledge of Allegiance: Brad Kilger, City Manager of the City of Benicia, called the meeting to order at 8:32 a.m.

A. Present:

Brad Kilger – City Manager
Mark Hughes – City Council Member
Mike Dodson – Parks and Community Services Director
Ann Dunleavy – Parks and Community Services
Andrew Bidou – Chief of Police
Mike Greene – Police Lieutenant
Mike Roberts – Public Works
Janice Adams – Superintendent of Schools
Dana Dean – School Board Member
Ron Wheat – Benicia High School
Tim Rahill – BUSD Chief Business Officer
Roy Owens – Supervisor of Maintenance and Facilities, BUSD

II. Reference to the Fundamental Rights of the Public and Public Comment

Kilger noted the fundamental rights of the public. There was no public comment.

III. Consent Calendar

A. Approval of Minutes of the Regular Meeting January 12, 2012

On a motion by Mark Hughes, seconded by Ron Wheat, the minutes were approved as submitted.

IV. Business Items

A. Report on BUSD Strategic Planning Workshop

Adams advised the Workshop is scheduled for Saturday, April 28 at the Yacht Club. the BUSD Board, Site Councils, PTAs, Council Members, city staff and citizens will provide input to begin setting priorities then write the action plan. She noted that in community interviews, a trend is emerging expressing the need for updated technology in the District.

Minutes

Benicia City Council / School Board Liaison Committee

B. Report on Every 15 Minutes

Wheat advised the Every 15 Minutes event would take place on Tuesday, April 17, followed by assemblies for the students and an evening assembly for parents and community on the 18th. Neighborhood residents and parents will be notified beforehand as there will be parking issues in the area. Hughes confirmed that statistics have reduced to every 20-25 minutes. Rahill noted the event occurs just prior to Prom on the 21st. Wheat noted that the Rotary Club would be providing free rides for students, no questions asked. Adams thanked the City for their support of the program and noted that each school in the district will be doing Code Red drills this month. They will notify the Police Department of the dates.

C. Report on Benicia Community Sports Complex

Rahill advised the District architect did sketches of what the project might look like. The project is broken down to the all-weather field, the bleachers, and support facilities at \$2M each for a total of \$6-7M. In looking for funding, using volunteer grant writers has not worked. District staff will meet with professional grant writers to see what might be out there. The group discussed prioritizing the three phases of the project and perhaps spreading them out over time, and applying for sustainability funds. Kilger encouraged the District to include Parks & Community Services staff and Public Works and Community Development staff be included in those discussions.

The group discussed the majority of use of the facilities being by the school and the community, especially on weekends. Hughes asked that the use be quantified in preparation for asking for funding. Dotson advised he could provide that information to the District.

D. Discussion of Proposed SolTrans Short Range Transportation Plan (SRTP)

Roberts discussed the merge of Benicia and Vallejo Transit into SolTrans and the meeting on April 19 to solicit public input on the SRTP. The group discussed maintaining routes to schools and reduction in other routes with low ridership. Kilger noted that Roberts will be the District's primary contact on this issue. Adams advised the District will work to get input from the families of the student ridership.

V. Future Agenda Items

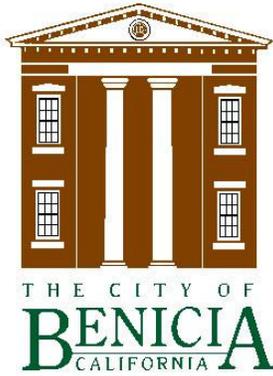
Kilger noted Council voted to approve the maintenance agreement with State on the State Capitol and thanked Dotson and staff for their work. He advised the City will be caretakers of the property until the State can get its house in order and take it back with the goal being to keep it from being a blight and maintaining a public restroom mid-street. Dotson advised he is still working with the State on the State Recreation Area.

Rahill noted the Run for Education will be Sunday, April 15 and noted the Benicia Education Foundation is working closely with the City.

Brad thanked District staff and City staff for working together and addressing issues.

VI. Adjournment

The meeting was adjourned at 9:13 a.m.



**BENICIA CITY COUNCIL/SCHOOL BOARD LIAISON COMMITTEE
MINUTES**

Benicia Community Center, Program Room 2
September 13, 2012, 8:30-10:00am

I. Call to Order and Pledge of Allegiance: Brad Kilger, City Manager of the City of Benicia, called the meeting to order at 8:32 a.m.

A. Present:

Brad Kilger – City Manager
Christina Strawbridge – City Council Member
Mike Dodson – Parks and Community Services Director
Andrew Bidou – Chief of Police
Mike Greene – Police Lieutenant
Melissa Morton – Public Works
Steve Vucurevich, Fire Chief
Teri Davena, City Manager’s Office
Janice Adams – Superintendent of Schools
Dana Dean – School Board Member
Ron Wheat – Benicia High School
Tim Rahill – BUSD Chief Business Officer
Roy Owens – Supervisor of Maintenance and Facilities, BUSD
June Regis, BUSD Director of Child Care Services
Betty Jensen – BUSD Superintendent’s Office

II. Reference to the Fundamental Rights of the Public and Public Comment

Kilger noted the fundamental rights of the public. There was no public comment.

III. Consent Calendar

A. Approval of Minutes of the Regular Meeting April 05, 2012

Carried over to next meeting.

IV. Consent Calendar

A. Presentation of Proposed Water/Sewer Rate Adjustments

The committee received a presentation from Melissa Morton, Interim Director of Public Work, and Fire Chief Steve Vucurevich on the proposed water/sewer rate adjustments and the impact on BUSD utility costs.

Minutes

Benicia City Council / School Board Liaison Committee

Committee members discussed making the presentation to the Benicia High School ECH₂O Academy, the top 5-10 water users, Valero water usage, water savings at the School District through metering, and review of BUSD fire sprinkler and irrigation accounts.

B. Copper Wire Theft Enforcement

Bidou advised the cost of base metal is up 500% and discussed national instance of theft, the local increase in activity, and the uptake in proactive efforts. The Committee discussed the recent theft at Mary Farmar School, the School District's prevention efforts, tougher recycler legislation in January and the current requirements to gather identifying information from sellers. Dotson advised security measures are in place at the Middle School and Community Park. Bidou advised the FBI has formed a task force to deal with international theft.

C. Report on Benicia Middle STEM (Science Technology Engineering and Math) Before and After School Program

Adams introduced June Regis, Director of Child Care Services. Regis discussed the robust extended day program for Middle School students, which will be divided into two areas; robotics two days a week and science and technology the other three. The program runs from 6:30 am-6:30 pm and may run through spring break and summer. The Committee discussed coordination with Solano Community College. Strawbridge suggested bringing this before Council for information.

D. Southampton Shopping Center and BUSD Student Conduct

Kilger discussed changes at the center, which is a meeting place for Middle School students, and advised the city is working with tenants who have expressed frustration with the tenant mix in the center. Adams advised the highest use time by students is Friday afternoon. They have assigned a campus supervisor at that time and taken other measures. Bidou advised they have seen a decrease in problems with students and have assigned the School Resource Officer to pay attention to it also. The Committee discussed tenant mix, zoning regulations, and clustering like businesses.

E. Field Maintenance

No discussion.

V. Future Agenda Items

Wheat advised they are forming a committee to continue to discuss closing the campus at the High School and may agendize for a future meeting. Also, the High School is looking for a warehouse to build Homecoming floats.

Dean advised Solano County was named one of the 100 Best Communities in the U.S. for youth for the sixth year, recognizing the School District/City support system for at-risk youth, First Five program, Youth Action Coalition, and our wellness component.

VI. Adjournment

The meeting was adjourned at 9:51 a.m.

AGENDA ITEM
CITY COUNCIL MEETING: December 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 10, 2012

TO : Vice Mayor Campbell
Council Member Schwartzman

FROM : City Manager

SUBJECT : **SKY VALLEY OPEN SPACE COMMITTEE**

The following information is provided for your committee report at the December 18, 2012 Council meeting.

The Sky Valley Open Space Committee meets quarterly. The first meeting of 2012 (Feb 1) was cancelled due to a lack of agenda items. The second, third, and fourth meetings of 2012 (May 2, August 1, November 7) were also cancelled due to a lack of agenda items.

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 5, 2012

TO : Mayor Patterson
Council Member Strawbridge

FROM : City Manager

SUBJECT : **SOLANO EDC BOARD OF DIRECTORS**

The following information is provided for your committee report at the December 18, 2012 Council meeting.

The last Board of Directors meeting was held on Wednesday, November 14, 2012. The agenda for that meeting is attached; the minutes are not yet available.

The next Board of Directors meeting is scheduled for Wednesday, January 24, 2013 at 9:00 am at Jelly Belly Candy Company. The agenda for that meeting is not yet available.

Attachment:

- Agenda for November 14, 2012



Solano EDC
 Board of Directors Meeting
 Wednesday, November 14, 2012
 Jelly Belly Candy Company (Corporate Offices)

AGENDA

- | | | | |
|-------------|----|---|-----------------------|
| 9:00 am | 1. | Call to Order | Scott Reynolds, Chair |
| Action Item | 2. | Consent Agenda <ul style="list-style-type: none"> o Approval of 09/19/12 Meeting Minutes o Financial Summary October 2012 | |
| Action Item | 3. | 2013 Board Nominations | Sandy Person |
| Action Item | 4. | 2013 Budget | Sandy Person |
| | 5. | Advocacy Committee Update | Steve Huddleston |
| | 6. | President's Report | Sandy Person |
| | 7. | Guest Speaker: Update on SCBI | Charles Rieger |
| | 8. | Items from Directors | |
| 10:00 am | 9. | Adjourn Meeting | |

2013 Board of Directors – 9:00 am, 2nd Thursday (odd months) (except Jan)
 Location: Jelly Belly Candy Company
 Jan 24*; Mar 14; May 09; July 11; Sept 12; Nov 14

Calendar of Events

- November 28, 2012 Solano EDC Breakfast at Hilton Garden Inn Fairfield
The Economic Impact of Solano's Hospitals
- December 6, 2012 Spirit of Solano luncheon at Hilton Garden Inn Fairfield
- January 24, 2012 Solano EDC Board of Directors meeting, 9 am Jelly Belly
- January 31, 2012 Solano EDC Annual Meeting luncheon at the Hilton

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 10, 2012

TO : Mayor Patterson
Council Member Schwartzman

FROM : Interim Director of Public Works

SUBJECT : **SOLANO TRANSPORTATION AUTHORITY**

The following information is provided for your committee report at the December 18, 2012 City Council meeting.

STA Board meetings are held in the Suisun City Hall Council Chambers.

The next meeting is scheduled for December 12, 2012 at Suisun City Hall and the agenda for that meeting is not currently available.

Attachments:

- July 11, 2012 Revised Minutes
- October 10, 2012 Minutes
- December 12, 2012 Agenda

REVISED

Agenda Item VIII.B was inadvertently excluded from the July 11, 2012 meeting minutes approved by the STA Board at their September 12, 2012 meeting, therefore, the meeting minutes will be brought back to the STA Board of Directors for approval at its next regularly scheduled Board meeting on December 12, 2012.

Note: A declaration statement from STA's Clerk of the Board, Johanna Masielat, is on the last page of the meeting minutes.



*Agenda Item VIII.A
December 12, 2012*

**SOLANO TRANSPORTATION AUTHORITY
Board Minutes for Meeting of
July 11, 2012**

I. CALL TO ORDER

Chair Batchelor called the regular meeting to order at 6:00 p.m. A quorum was confirmed.

MEMBERS

PRESENT:	Jack Batchelor, Chair	City of Dixon
	Steve Hardy, Vice-Chair	City of Vacaville
	Elizabeth Patterson	City of Benicia
	Harry Price	City of Fairfield
	Jan Vick	City of Rio Vista
	Pete Sanchez	City of Suisun City
	Osby Davis	City of Vallejo
	John Vasquez (Alternate Member)	County of Solano

MEMBERS ABSENT:	Jim Spering	County of Solano
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STAFF

PRESENT:	Daryl K. Halls	Executive Director
	Bernadette Curry	Legal Counsel
	Janet Adams	Deputy Executive Director/Director of Projects
	Robert Macaulay	Director of Planning
	Johanna Masielat	Clerk of the Board
	Susan Furtado	Accounting & Administrative Svc. Manager
	Liz Niedziela	Transit Manager
	Judy Leaks	Program Manager
	Robert Guerrero	Senior Planner
	Sam Shelton	Project Manager
	Judy Kowalsky	Accounting Technician
	Sara Woo	Associate Planner
	Jessica McCabe	Assistant Project Manager
	Danelle Carey	Commuter Consultant
	Sheila Jones	Administrative Assistant
	Teliyah Bush	High School Intern
	Hannah Vincent	High School Intern

ALSO

PRESENT:

In Alphabetical Order by Last Name:

Morrie Barr	City of Dixon
George Gwynn, Jr.	Resident, City of Suisun City
Dr. Robert Fountain	Economist, SR 12 Economic Study
Dan Kasperson	City of Suisun City
Rod Moresco	City of Vacaville
Sandy Person	President, Solano EDC
Dale Pfeiffer	Project Manager, SR 12 Economic Study
Mike Roberts	City of Benicia
Matt Tuggle	County of Solano

II. CONFIRM QUORUM/STATEMENT OF CONFLICT

A quorum was confirmed by the Clerk of the Board. There was no Statement of Conflict declared at this time.

III. APPROVAL OF AGENDA

On a motion by Board Member Patterson, and a second by Alternate Board Member Vasquez, the STA Board approved the agenda to include an urgency provision due to the timing of comments to submit to MTC under Agenda Item IX.B, OBAG Project Selection. MTC issued the Regional Transportation Plan (RTP) Notice of Preparation (NOP) in June and has requested comments back by July 11, 2012. Several of the Bay Area Congestion Management Agencies (CMAs) have prepared letters in response to the RTP NOP. Therefore, an additional attachment containing the draft comments were prepared by STA staff. Staff is recommending Board authorization for the STA Chair to forward the RTP NOP comment letter to MTC as specified in Attachment H.

Under Agenda Item IX.B, OBAG Project Selection, the recommendation was modified as shown below in *bold italics*:

Recommendation:

Approve the following:

1. Adopt Resolution No. 2012-12, provided as Attachment B, certifying that the Solano Existing OBAG Projects meet the requirements of the MTC OBAG Guidelines;
2. Issuance of a Unified Call for Projects for Solano OBAG projects as provided in Attachment F;
3. The programming of Cycle 2 OneBayArea Grant (OBAG) funds for the Dixon West B Street Undercrossing project as follows: \$1.141 M of Transportation Enhancements (TE) funds; and, \$1.394 M of Congestion Management and Air Quality (CMAQ) funds for a total of \$2.535 M;
4. Adopt Resolution No. 2012-13 of Local Support for Federal Funding provided as Attachment E, authorizing the filing of an application for federal funding and committing the necessary non-federal match and stating the assurance to complete the project;
5. Approve issuance of a Local Streets and Roads Call for Projects for Solano OBAG funds as provided in Attachment G; and
6. *Approve transmittal of the comments specified in Attachment H to MTC in response to the RTP Notice of Preparation.*

IV. OPPORTUNITY FOR PUBLIC COMMENT

George Gwynn, Jr. commented on various budget issues. He commented on STA funds and that the agency should cut its costs.

V. EXECUTIVE DIRECTOR’S REPORT

Daryl Halls provided an update on the following topics:

- State Route (SR) 12 Economic Study
- STA FY 2012-13 & FY 2013-14 Budgets
- OneBayArea Grant (OBAG) Implementation
- Priority Development Areas (PDAs) Investment Strategy
- Annual Report on STA’s Local Preference Policy

VI. COMMENTS FROM METROPOLITAN TRANSPORTATION COMMISSION (MTC), CALTRANS, AND STAFF:

A. MTC Report:

None presented.

B. Caltrans Report:

None presented.

C. STA Reports:

A. Draft State Route 12 Economic Study

Dale Pfeiffer summarized the SR 12 Economic Study. Dr. Fountain discussed some of the key economic findings.

B. Directors Report:

1. Planning
2. Projects
3. Transit/Rideshare

VII. CONSENT CALENDAR

On a motion by Board Member Price, and a second by Alternate Board Member Vasquez, the STA Board approved Consent Calendar Items A through F to include modifications to Item C, STA Purchasing System Policies and Manual (Protest and Appeals Procedure). At the request of Bernadette Curry, STA Legal Counsel, Section 800 of the Protest and Appeals Procedure was modified as shown below in *bold italics*.

A. Minutes of the STA Board Meeting of June 13, 2012

Recommendation:

Approve STA Board Meeting Minutes of June 13, 2012.

B. Draft Minutes of the TAC Meeting of June 27, 2012

Recommendation:

Approve Draft TAC Meeting Minutes of June 27, 2012.

C. STA Purchasing System Policies and Manual (Protest and Appeals Procedure)

Recommendation:

Adopt the attached Protest and Appeals Procedure included in Attachment A for incorporation in the STA Purchasing Systems Policies and Manual.

STA's Legal Counsel, Bernadette Curry requested to modify (shown in *bold italics*) Section 800. Appeal of Decision to read as follows:

800. Appeal of Decision

If requested, the Clerk of the Board shall schedule the appeal for hearing by an independent hearing officer, *selected by the STA Legal Counsel*, and provide written notice to the appellant by personal service not less than ten (10) calendar days from the date of the hearing.

D. Safe Routes to School (SR2S) Agreement Amendment #2 for Sub-Recipient Agreement with Solano County Public Health

Recommendation:

Authorize the Executive Director to enter into an agreement amendment retroactively to July 1, 2012 with Solano County Public Health to operate and deliver project and program tasks described in the SR2S 2-year Work Plan for Fiscal Years 2011-12 and 2012-13 as described in Attachment A.

E. Fiscal Year (FY) 2012-13 Transportation Development Act (TDA) Matrix – July 2012

Recommendation:

Approve the FY 2012-13 Solano TDA Matrix – July 2012 as shown in Attachment A.

F. Fiscal Year (FY) 2012-13 Transportation Development Act (TDA) Article 3 Project Resolutions

Recommendation:

Approve the following FY 2012-13 TDA Article 3:

1. Resolution No. 2012-10 as specified in Attachment A; and
2. Resolution No. 2012-11 as specified in Attachment B.

VIII. ACTION - FINANCIAL ITEMS

A. STA's Five (5) Year Estimated Operating Budget FY 2012-13 through FY 2016-17

Daryl Halls and Susan Furtado presented STA's five-year (FY 2012-13 through FY 2016-17) estimated expenditure projections for STA's operating budget. She cited that the report shows the estimated operating cost for programs and project activities over the next five years, which focuses on staffing cost and the general operating cost.

Public Comments:

George Gwynn, Jr. commented on the STA's projected budget increases.

Daryl Halls commented that the projected costs are estimates based on existing staff, insurance costs and the level of effort necessary for STA's programs and delivery of projects.

Board Comments

Board Member Patterson expressed her appreciation for staff’s good work in putting together STA’s five year budget projection, and she requested staff provide routine updates on the line-up of revenues with expenditures as well as assumptions that are used.

Daryl Halls commented that a five-year revenue projection will be provided as part of the mid-year budget update.

Recommendation:

Receive and file.

On a motion by Board Member Patterson, and a second by Board Member Price, the STA Board unanimously approved the recommendation.

B. STA’s Fiscal Year (FY) 2012-13 Budget Revision and FY 2013-14 Proposed Budget

Daryl Halls presented the FY 2012-13 Budget Revision and FY 2013-14 Proposed Budget. He cited that the FY 2012-13 Budget Revision is balanced at a budget total of \$42.73 million, an increase due to the list of work tasks and construction projects. He noted that there are currently four (4) limited term contract employees funded by the three (3) new grants and a modified and reorganized staff plan resulting in an annual savings of \$150,000. He also noted that the FY 2013-14 Budget is balanced for a total of \$31.55 million for the continuation of programs and delivery of projects and limited contract employees being on their second year of budget funding availability.

Public Comments:

None presented.

Board Comments:

None presented.

Recommendation:

Approve the following:

1. Adopt the STA’s FY 2012-13 Budget Revision as shown in Attachment A; and
2. Adopt the STA’s FY 2013-14 Proposed Budget as shown in Attachment B.
3. Adopt the modified Organizational Chart, staff plan, and salary schedule as specified in Attachments D and E.

On a motion by Board Member Patterson, and a second by Vice Chair Hardy, the STA Board unanimously approved the recommendation.

IX. ACTION – NON-FINANCIAL ITEMS

A. SolanoExpress Intercity Ridership Study

Liz Niedziela provided an overview of STA’s 2012 SolanoExpress Intercity Ridership Study. She summarized the purpose of the study and provided a brief summary of the survey results. She cited that the local ridership studies summaries would be provided to the STA Board in September 2012.

Public Comments:

None presented.

Board Comments

None presented.

Recommendation:

Approve the 2012 Intercity Transit Ridership Survey Reports as shown in Attachment A *with the revised Appendix II.*

On a motion by Board Member Sanchez, and a second by Board Member Patterson, the STA Board unanimously approved the recommendation as amended shown above in *bold italics.*

B. Amended - OneBayArea Grant (OBAG) Project Selection

Robert Macaulay presented the project selection process for the OneBayArea Grant (OBAG) for FY 2012-13 through FY 2015-16. He explained the OBAG funds available to STA and the certification of existing commitments. He reviewed the programming of Cycle 2 OneBayArea Grant (OBAG) funds for the Dixon West B Street Undercrossing project as follows: \$1.141 M of Transportation Enhancements (TE) funds; and, \$1.394 M of Congestion Management and Air Quality (CMAQ) funds for a total of \$2.535 M. He cited that a Board Workshop to discuss the OBAG Project Selection Criteria and Priorities will be scheduled in September 2012.

He stated that as a part of the RTP process, MTC is required to prepare an Environmental Impact Report (EIR). Prior to preparation of the Draft EIR (DEIR), MTC is required to issue a Notice of Preparation (NOP). An NOP is a notice to interested parties that a DEIR will be prepared, and a request that those interested parties comment on what the scope and content of the DEIR should be.

MTC issued the RTP NOP in June, and has requested comments back by July 11, 2012. Several of the Bay Area Congestion Management Agencies (CMAs) have prepared letters in response to the RTP NOP.

Attachment H contains the draft comments prepared by STA staff. This letter focuses on key areas of interest to STA and its member agencies. He noted staff is recommending Board authorization for the STA Chair to forward the RTP NOP comment letter to MTC.

Public Comments:

George Gwynn, Jr. expressed his opposition to further work on the train station in Dixon.

Board Comments

Board Member Patterson commented on the STA's response letter to MTC's NOP on Plan Bay Area. She stated that the existing RTP should also be analyzed using the current RTP environmental standards, and asked that wording to that effect be put in the STA's comment letter. She also noted that lack of funds to implement projects in Plan Bay Area is a serious issue, and the EIR should address the lack of funding. Finally, she concluded that sea level rise is occurring, and it may not make sense for the EIR to address what would happen if the sea level rise did not occur. She commented on flood concerns for coastal communities.

Steve Hardy commented that he doesn't support Agenda 21 and questioned if it related to this topic in any way.

Daryl Halls stated that staff is taking a regional approach to frame it so future transportation investment can take place. He stated there are different opinions on Agenda 21, but STA is focused on complying with state statutes.

Steve Hardy commented that he strongly opposes Agenda 21 and concluded with his appreciation to Mr. Halls and STA staff on their planning efforts.

Recommendation:

Approve the following:

1. Adopt Resolution No. 2012-12, provided as Attachment B, certifying that the Solano Existing OBAG Projects meet the requirements of the MTC OBAG Guidelines;
2. Issuance of a Unified Call for Projects for Solano OBAG projects as provided in Attachment F;
3. The programming of Cycle 2 OneBayArea Grant (OBAG) funds for the Dixon West B Street Undercrossing project as follows: \$1.141 M of Transportation Enhancements (TE) funds; and, \$1.394 M of Congestion Management and Air Quality (CMAQ) funds for a total of \$2.535 M;
4. Adopt Resolution No. 2012-13 of Local Support for Federal Funding provided as Attachment E, authorizing the filing of an application for federal funding and committing the necessary non-federal match and stating the assurance to complete the project;
5. Approve issuance of a Local Streets and Roads Call for Projects for Solano OBAG funds as provided in Attachment G; and
6. *Approve transmittal of the comments specified in Attachment H to MTC in response to the RTP Notice of Preparation.*

On a motion by Board Member Sanchez, and a second by Board Member Price, the STA Board unanimously approved the recommendation as amended shown above in *bold italics*.

C. Development of Priority Development Area (PDA) Investment Strategy and Schedule

Robert Guerrero reviewed the development of PDA Investment Strategy Plan. He cited that the purpose of the PDA Investment Strategy is to ensure that CMAs have a transportation priority-setting process for OBAG funding that supports and encourages development in the region's PDA. He cited that staff is recommending a four-year PDA Implementation Process and Schedule that includes reconvening participants from the Transportation of Sustainable Communities Plan Working Group to provide technical assistance in developing the PDA Investment Strategy.

Public Comments:

None presented.

Board Comments

None presented.

Recommendation:

Approve the process and schedule for the development of Solano's Priority Development Strategy as outlined in Attachment B.

On a motion by Vice Chair Hardy, and a second by Board Member Patterson, the STA Board unanimously approved the recommendation.

X. INFORMATIONAL

A. STA's Local Preference Policy FY 2011-12 Year-End Report

Judy Kowalsky provided a year-end report for STA's Local Preference Policy (LPP) for FY 2011-12. She reported the percent of local vendors and total contracts initiated that were subject to LPP based on the type of funding source used to fund the activity. She added that STA executed a total of fifteen (15) contracts in which two (2) were subject of the LPP requirement. She concluded by stating that the number of local vendors utilized in the delivery of various projects and programs increased from seventy (70) to eight-four (84) percent with total local dollars spent increased in the amount of \$518,228.

B. Highway Projects Status Report:

- 1. I-80/I-680/State Route (SR) 12 Interchange**
- 2. I-80 Eastbound Cordelia Truck Scales Relocation**
- 3. I-80 Express Lanes**
- 4. Redwood Pkwy -Fairgrounds Dr. Access Improvements**
- 5. Jepson Parkway**
- 6. State Route 12 (Jameson Canyon)**
- 7. State Route 12 East SHOPP**
- 8. I-80 SHOPP Rehabilitation**

Janet Adams provided an overview of the construction status of the I-80 Cordelia Truck Scales Relocation project, the State Route (SR) 12 Jameson Canyon, and SR 12 East SHOPP Rehabilitation.

NO DISCUSSION

C. Draft State Route (SR) 12 Economic Study

D. Legislative Update

E. Mapping of Local Streets and Roads Submitted Projects

F. Funding Opportunities Summary

G. STA Board and Advisory Committee Meeting Schedule for Calendar Year 2012

XI. BOARD MEMBER COMMENTS

XII. ADJOURNMENT

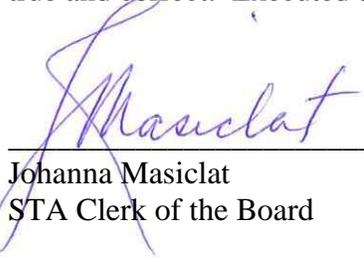
The meeting was adjourned at 7:40 p.m.

The next regular meeting of the STA Board is scheduled at **6:00 p.m., Wednesday, September 12, 2012, Suisun City Hall Council Chambers.**

I, Johanna Masiclat, declare:

I am the Clerk to the Solano Transportation Authority Board of Directors and am responsible for preparing the minutes of the Board's actions. I have reviewed the tape of the meeting of July 11, 2012 and have revised the minutes to accurately reflect the action of the Board taken. The revised minutes will be presented to the STA Board of Directors for approval at its next regularly scheduled Board meeting on December 12, 2012.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 17th day of October, 2012 in Suisun City, CA.



Johanna Masiclat
STA Clerk of the Board

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SOLANO TRANSPORTATION AUTHORITY
Board Minutes for Meeting of
October 10, 2012

I. CALL TO ORDER

Chair Batchelor called the regular meeting to order at 6:00 p.m. A quorum was confirmed.

MEMBERS

PRESENT: Jack Batchelor, Chair City of Dixon
Steve Hardy, Vice-Chair City of Vacaville
Elizabeth Patterson City of Benicia
Harry Price City of Fairfield
Jan Vick City of Rio Vista
Pete Sanchez City of Suisun City
Osby Davis City of Vallejo
John Vasquez (Alternate) County of Solano

MEMBERS Jim Sperring County of Solano
ABSENT:

STAFF

PRESENT: Daryl K. Halls Executive Director
Bernadette Curry Legal Counsel
Janet Adams Deputy Executive Director/Director of Projects
Robert Macaulay Director of Planning
Johanna Masiclat Clerk of the Board
Jayne Bauer Legislative & Marketing Program Manager
Susan Furtado Accounting & Administrative Svc. Manager
Liz Niedziela Transit Manager
Judy Leaks Program Manager
Robert Guerrero Senior Planner
Sam Shelton Project Manager
Sara Woo Associate Planner
Jessica McCabe Assistant Project Manager
Danelle Carey SR2S Assistant Program Manager

**ALSO
PRESENT:**

In Alphabetical Order by Last Name:

Morrie Barr	City of Dixon
Tony Bruzone	ARUP
Mitchell Conner	ArchiLOGIX
Jim Ducoing	Member of the Public
Bill Emlen	County of Solano
Dan Kasperson	City of Suisun City
Wayne Lewis	City of Fairfield
Phil McGuire	Innovative Paradigms
Brian McLean	Vacaville City Coach
Sandy Person	Solano EDC
Dale Pfeiffer	Solano EDC
Robert Powell	Member of the Public
Elizabeth Richards	Elizabeth Richards Consulting
Mike Roberts	City of Benicia
Alvina Sheeley	Member of the Public
Peter Stanley	ArchiLOGIX
Nancy Whelan	Nancy Whelan Consulting
Alan Zahradnick	ARUP

II. CONFIRM QUORUM/STATEMENT OF CONFLICT

A quorum was confirmed by the Clerk of the Board. There was no Statement of Conflict declared at this time.

III. APPROVAL OF AGENDA

On a motion by Board Member Vick, and a second by Board Member Sanchez, the STA Board approved the agenda.

IV. OPPORTUNITY FOR PUBLIC COMMENT

Robert Powell commented on reconstituting the bus service along the I-80 corridor to include more bike facilities throughout the intermodal transit facilities (i.e. more bike locks, lockers, etc.) in Solano County. He also commented regarding the White Slough Trail entrance at SR 37/Sacramento Street being gated and that it is not accessible to the public.

V. EXECUTIVE DIRECTOR'S REPORT

Daryl Halls provided an update on the following topics:

- STA's Draft Legislative Platform and Priorities for 2013
- OneBayAreaGrant (OBAG) Criteria for Project Selection
- Development of MOU with Yoche Dehe Wintun Nation for Tribal Consultations
- State Route 12/Church Road Funding Plan
- Suisun City Train Station Improvements
- State Route 12 Economic Study Wrap up
- Initiation of Solano Mobility Management Plan
- Kick-Off Countywide Coordinated Short Range Transit Plan
- STA Partnerships with Local Schools to Commemorate International Walk to School Day
- STA Staff Update

VI. COMMENTS FROM METROPOLITAN TRANSPORTATION COMMISSION (MTC), CALTRANS, AND STAFF:

MTC Report:

None presented.

Caltrans Report:

None presented.

STA Reports:

A. Announcement of Nominees for STA's 15th Annual Awards

B. Directors Report:

1. Planning

2. Projects

Janet Adams announced that the Redwood Parkway Public Meeting is scheduled on October 11th at Cooper Elementary School.

3. Transit/Rideshare

International Walk to School Day was presented by Danelle Carey.

VII. CONSENT CALENDAR

On a motion by Board Member Price, and a second by Board Member Vick, the STA Board approved Consent Calendar Items A through L.

A. Minutes of the STA Board Meeting of September 12, 2012

Recommendation:

Approve STA Board Meeting Minutes of September 12, 2012.

B. Minutes of the STA Board One Bay Area Grant (OBAG) Public Input Meeting of September 12, 2012

Recommendation:

Approve STA Board OBAG Public Input Meeting Minutes of September 12, 2012.

C. Draft Minutes of the TAC Meeting of September 26, 2012

Recommendation:

Approve Draft TAC Meeting Minutes of September 26, 2012.

D. STA's Proposed Fiscal Year (FY) 2011-12 Final-Year Budget Amendment

Recommendation:

Receive and file.

E. Fiscal Year (FY) 2011-12 Fourth Quarter Budget Report

Recommendation:

Receive and file.

F. Fiscal Year (FY) 2012-13 Transportation Fund for Clean Air (TFCA) 40% Program Manager Funds

Recommendation:

Approve the following for the FY 2012-13 TFCA Program:

1. Reduce Benicia's Smart Growth/Safe Routes to School Project on Rose Drive Project TFCA allocation to \$25,500; and
2. Increase SNCI Rideshare Program's TFCA allocation by \$34,328.

G. Jepson Parkway Concept Plan Update

Recommendation:

Approve the 2012 Jepson Parkway Concept Plan Update Overall Scope of Work and Community Workshop Format as shown in Attachment A.

H. Intercity Transit Funding Agreement for SolanoExpress Route for Fiscal Year (FY) 2012-13 and 2013-14

Recommendation:

Authorize the Executive Director to execute the FY 2012-13 and FY 2013-14 Intercity Transit Funding Agreement.

I. Greenhouse Gas Reduction Plan Contract Approval

Recommendation:

Authorize the Executive Director to:

1. Execute a contract with AECOM to deliver tasks in the scope of work included in Attachment A, for an amount not to exceed \$153,800;
2. Execute individual contracts with the participating jurisdictions for development and implementation of the tasks identified in Attachment A, for a total amount not to exceed \$44,180; and
3. Execute an amendment to the agreement with Solano County to allow STA to administer the steps needed to implement the tasks identified in the SGC grant.

J. Environmental Mitigation for the I-80/I-680/State Route (SR) 12 Interchange Phase 1 Project

Recommendation:

Authorize the Executive Director to enter into agreements to provide the environmental mitigation required by the I-80/I-680/SR 12 Interchange – Phase 1 project for a not-to-exceed amount of \$9.9 M.

K. I-80/I-680/State Route (SR) 12 Westbound (WB) I-80 to SR 12 (West) Connector and Green Valley Road Interchange Improvements Project

Recommendation:

Authorize the Executive Director to finalize and execute the utility relocation agreement between STA and PG&E for the I-80/I-680/State Route (SR) 12 Westbound (WB) I-80 to SR 12 (West) Connector and Green Valley Road Interchange Improvements Project.

L. I-80/I-680/State Route (SR)12 Interchange Project

Recommendation:

Approve the attached Resolution No. 2012-17 and Funding Allocation Request from the Metropolitan Transportation Commission (MTC) for \$5.98 million in bridge toll funds for the I-80/I-680/SR 12 Interchange Project for right-of-way phase.

VIII. ACTION – FINANCIAL ITEMS

A. Approval of OneBayArea Grant (OBAG) Local Streets and Roads (LS&R) Project Funding Swap for City of Vallejo

Sam Shelton reviewed the deliverability of both the City of Vallejo's OBAG LS&R project (Georgia Street) and requested OBAG CMAQ project (Maine Street). He noted that Vallejo Public Works staff originally requested to use the City of Vallejo's formula share of STP LS&R formula funds for a Georgia Street project and requested CMAQ competitive funds for a Maine Street project, the latter not being eligible for CMAQ

unding.

Mr. Shelton reviewed the City of Vallejo's fund swap request that would allow the City of Vallejo to completely fund their Georgia Street project with \$173,000 of STP LS&R funds for street rehabilitation and \$611,000 of swapped CMAQ funds for streetscape enhancement.

Public Comments:

None presented.

Board Comments

Board Member Patterson asked if the STA TAC has reviewed STA Staff's recommendation. Mr. Shelton answered that due to the timing of the City of Vallejo's request for the swap, comments from TAC members were not noted in the staff report. Daryl Halls clarified that while the STA TAC did not review the recommendation during their normal meeting, STA staff did circulate the recommendation by email to all TAC members prior to the STA Board meeting. Board Member Patterson requested that staff clearly note STA TAC comments for future reports and presentations.

Recommendation:

Approve the swap of \$611,000 of the City of Vallejo's One Bay Area Grant (OBAG) Local Streets and Roads Surface Transportation Program (STP) funding for \$611,000 OBAG Congestion Mitigation and Air Quality (CMAQ) for the City of Vallejo's Georgia Street Streetscape project.

On a motion by Board Member Patterson, and a second by Board Member Vick, the STA Board unanimously approved the recommendation.

IX. ACTION – NON-FINANCIAL ITEMS

A. OneBayArea Grant (OBAG) Funding Criteria

Robert Macaulay reviewed the recommended Solano OBAG CMAQ Project and Program Criteria, examples of project rating, and the revised STP/CMAQ funding. He noted that on September 28, 2012, MTC announced a shift in the balance of STP and CMAQ funds provided to each county resulting in additional STP funds of \$1.3 million and approximately \$6.3 million in CMAQ funding for OBAG-eligible projects. He added that at the November Technical Advisory Committee (TAC) and December Board, staff will present the final OBAG funding package, including STP formula distribution, and will recommend projects funding with the available OBAG CMAQ funds.

Public Comments:

None presented.

Board Comments

Board Member Price commented that the City of Fairfield's assumption of a disproportionate housing allowance with lack of a fair share of funds places a financial burden on the City of Fairfield as explained in his letter on the topic.

Board Member Patterson commented that the sample matrix did not reflect projects for Rio Vista and Benicia. She recommended dropping Criteria No. 13 because it is not a requirement and is based on qualification. She stated that the matrix should include potential goals for all cities thus creating a fair process. She explained that fewer projects listed on the matrix gives the opportunity to flush out projects that would not be competitive with the larger population. She recommended that staff come back to this item as it is not ready to be approved as presented.

Daryl Halls described the two level process for the funding criteria, the first is the screening criteria, if the project doesn't meet the criteria then it would not make it to level two, which is the ranking criteria. He stated that Criteria No. 13, as proposed, would not be a screening criteria, only a ranking criteria.

Board Member Patterson recommended to approve the recommendation to include direction to staff to come back with a methodology for implementing the criteria with a more "fair and equitable" approach.

Recommendation:

Adopt the Solano OBAG CMAQ Project and Program Criteria as shown in Attachment A.

On a motion by Board Member Patterson, and a second by Board Member Davis, the STA Board unanimously approved the recommendation to include direction to staff to come back with a methodology and approach for implementing the criteria.

B. Suisun City Train Station Improvements

Jessica McCabe reviewed preliminary discussions between the STA staff, City of Suisun City, and Capitol Corridor Joint Powers Authority (CCJPA) staff regarding the project and proposed improvements to facilities, signage and access to the adjacent area. She cited that based on the preliminary discussions, Suisun City developed a list of items to be upgraded at the Train Station and the surrounding grounds, and identified a recommended level of routine maintenance.

Public Comments:

None presented.

Board Comments

Board Member Patterson commended the City of Suisun City, noted she supports the partnership, and asked that staff consider looking into the PG&E Solar upgrade program

Recommendation:

Approve the following:

1. Authorize the Executive Director to develop a funding plan with City of Suisun City for Suisun Train Station improvements and way finding signage.

On a motion by Board Member Patterson, and a second by Board Member Sanchez, the STA Board unanimously approved the recommendation to authorize the Executive Director to develop a funding plan with City of Suisun City for Suisun Train Station improvements and way finding signage.

2. Authorize the STA Chair to appoint a Board subcommittee to review improvements to Suisun City Train Station and recommend a funding plan to the STA Board.

On a motion by Board Member Price, and a second by Board Member Sanchez, the STA Board approved the recommendation to authorize the STA Chair to appoint a Board subcommittee to review improvements to Suisun City Train Station and recommend a funding plan to the STA Board.

C. State Route (SR) 12/Church Road Assessment and Funding Plan

Janet Adams reviewed the assessment that will help STA determine if it is feasible to initiate the environmental documentation for the project. She cited that the STA is working with Solano Economic Development Corporation (EDC) and the City of Rio Vista on this assessment, and would need to develop a funding plan for all the work required to construct this project which would include the environmental document, the right-of-way acquisition /dedication and the construction funding.

Public Comments:

None presented.

Board Comments

None presented.

Recommendation:

Authorize the development of a funding plan with the City of Rio Vista for SR 12/Church project pending the results of the assessment currently underway by the Solano Economic Development Corporation.

On a motion by Board Member Vick, and a second by Board Member Price, the STA Board unanimously approved the recommendation.

D. STA's Draft 2013 Legislative Priorities and Platform

Jayne Bauer recommended distributing the draft document for a 30-day review and comment period. She identified the primary proposed changes (see PPT). She noted that the Final Legislative Priorities and Platform will be placed on the December 2012 STA Board agenda for consideration of adoption.

Public Comments:

None presented.

Board Comments

Board Member Patterson *requested language be inserted into the Draft 2013 Legislative Priorities and Platform to address the state cap and trade program.*

Recommendation:

Distribute the STA's Draft 2013 Legislative Priorities Platform for a 30-day review and comment period.

On a motion by Board Member Patterson, and a second by Board Member Price, the STA Board unanimously approved the recommendation with consideration to include Board Member Patterson's request as shown above in *bold italics*.

E. Guiding Principles for Development of Intergovernmental Memorandum of Agreement with Yocha Dehe Wintun Nation

Bernadette Curry reviewed the development of Guiding Principles for Development of Intergovernmental Memorandum of Agreement between the STA and Yocha Dehe Wintun Nation. She cited that Tribal Council approved the Guiding Principles and following approval, the STA and the Tribe will prepare a Memorandum of Agreement (“MOA”) that memorializes the parties’ expectations and obligations defined in the Guiding Principles.

Public Comments:

None presented.

Board Comments

None presented.

Recommendation:

Approve the following:

1. Guiding Principles for development of Intergovernmental Memorandum of Agreement with Yocha Dehe Wintun Nation; and
2. Authorize the STA Board Chair to execute the Memorandum of Agreement to be negotiated based on the Guiding Principles.

On a motion by Vice Chair Hardy, and a second by Board Member Patterson, the STA Board unanimously approved the recommendation.

F. State Route 12 Economic Study Wrap-Up

Peter Stanley and Mitchell Conner, ArchiLOGIX, reviewed the public outreach process that has been conducted and summarized the opinions provided by those who surveyed. He cited that the SR 12 Corridor Study, the Economic Study, and the Rio Vista Bridge Study will then form the foundational documents for local and regional action to improve the SR 12 corridor.

Public Comments:

None presented.

Board Comments

Board Members Price and Vick thanked the STA and Solano EDC and the project managers for initiating and supporting this process.

Recommendation:

Receive the SR 12 Economic Analysis.

X. INFORMATIONAL – DISCUSSION

A. Mobility Management Plan

Phil McGuire, Innovative Paradigms, presented the Mobility Management Plan. He reviewed the functions, benefits, and expectations being planned for Solano County. He provided status to the planning process and the role of the advisory committee.



STA BOARD MEETING AGENDA
6:00 p.m., Regular Meeting
Wednesday, December 12, 2012
Suisun City Hall Council Chambers
701 Civic Center Drive
Suisun City, CA 94585

Mission Statement: To improve the quality of life in Solano County by delivering transportation system projects to ensure mobility, travel safety, and economic vitality.

Public Comment: Pursuant to the Brown Act, the public has an opportunity to speak on any matter on the agenda or, for matters not on the agenda, issues within the subject matter jurisdiction of the agency. Comments are limited to no more than 3 minutes per speaker unless modified by the Board Chair, Gov't Code § 54954.3(a). By law, no action may be taken on any item raised during the public comment period (Agenda Item IV) although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the agency. **Speaker cards are required in order to provide public comment. Speaker cards are on the table at the entry in the meeting room and should be handed to the STA Clerk of the Board. Public comments are limited to 3 minutes or less.**

Americans with Disabilities Act (ADA): This agenda is available upon request in alternative formats to persons with a disability, as required by the ADA of 1990 (42 U.S.C. §12132) and the Ralph M. Brown Act (Cal. Govt. Code §54954.2). Persons requesting a disability related modification or accommodation should contact Johanna Masiclat, Clerk of the Board, at (707) 424-6008 during regular business hours at least 24 hours prior to the time of the meeting.

Staff Reports: Staff reports are available for inspection at the STA Offices, One Harbor Center, Suite 130, Suisun City during regular business hours, 8:00 a.m. to 5:00 p.m., Monday-Friday. You may also contact the Clerk of the Board via email at jmasiclat@sta-snci.com. **Supplemental Reports:** Any reports or other materials that are issued after the agenda has been distributed may be reviewed by contacting the STA Clerk of the Board and copies of any such supplemental materials will be available on the table at the entry to the meeting room.

Agenda Times: Times set forth on the agenda are estimates. Items may be heard before or after the times shown.

ITEM

BOARD/STAFF PERSON

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE
(6:00 – 6:05 p.m.)

Chair Batchelor

II. CONFIRM QUORUM/ STATEMENT OF CONFLICT

Chair Batchelor

An official who has a conflict must, prior to consideration of the decision; (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself/herself from discussing and voting on the matter; (3) leave the room until after the decision has been made. Cal. Gov't Code § 87200.

STA BOARD MEMBERS

Jack Batchelor, Jr. Chair City of Dixon	Steve Hardy Vice-Chair City of Vacaville	Elizabeth Patterson City of Benicia	Harry Price City of Fairfield	Jan Vick City of Rio Vista	Pete Sanchez City of Suisun City	Osby Davis City of Vallejo	Jim Spering County of Solano
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STA BOARD ALTERNATES

Rick Fuller	Ron Rowlett	Alan Schwartzman	Rick Vaccaro	Janith Norman	Mike Hudson	Erin Hannigan	John Vasquez
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III. APPROVAL OF AGENDA

**IV. SWEARING-IN OF NEW STA BOARD MEMBER/
BOARD ALTERNATES**

Johanna Masiclat

- **Norman Richardson**
Board Member representing the City of Rio Vista

V. OPPORTUNITY FOR PUBLIC COMMENT
(6:05 – 6:10 p.m.)

VI. EXECUTIVE DIRECTOR’S REPORT – Pg. 1
(6:10 – 6:15 p.m.)

Daryl K. Halls

**VII. COMMENTS FROM CALTRANS, THE METROPOLITAN TRANSPORTATION
COMMISSION (MTC), AND STA**
(6:15 – 6:35 p.m.)

A. Proclamation of Appreciation: Jan Vick

Chair Batchelor

B. State Legislative Update

Gus Khouri, Shaw/Yoder/Antwih, Inc.

C. Directors Report:

1. Planning

Robert Macaulay

2. Projects

Janet Adams

3. Transit/Rideshare

**a) 2012 Solano Employer Commute
Challenge Wrap-up**

Sorel Klein

**b) Paratransit Coordinating
Council (PCC) 2013 Work Plan**

Alicia Roundtree,
PCC Chair

VIII. CONSENT CALENDAR

Recommendation:

Approve the following consent items in one motion.

(Note: Items under consent calendar may be removed for separate discussion.)

(6:35 - 6:40 p.m.)

A. REVISED Minutes of the STA Board Meeting of July 11, 2012

Johanna Masiclat

Recommendation:

Approve STA Board REVISED Meeting Minutes of July 11 2012.

Pg. 7

B. Minutes of the STA Board Meeting of October 10, 2012

Johanna Masiclat

Recommendation:

Approve STA Board Meeting Minutes of October 10, 2012.

Pg. 17

C. Draft Minutes of the TAC Meeting of November 28, 2012

Johanna Masiclat

Recommendation:

Approve Draft TAC Meeting Minutes of November 28, 2012.

Pg. 27

- D. Fiscal Year (FY) 2012-13 First Quarter Budget Report** Daryl Halls/
Recommendation: Susan Furtado
Receive and file.
Pg. 33
- E. STA Employee 2013 Benefit Summary Update** Susan Furtado
Recommendation:
Receive and file.
Pg. 37
- F. Renewal of Membership with Solano Economic Development Corporation (EDC) for 2013** Daryl Halls
Recommendation:
Approve the renewal of STA’s membership with the Solano Economic Development Corporation (Solano EDC) at the Premier Member “Chairman’s Circle” level of \$7,500 for Calendar Year 2013.
Pg. 43
- G. Paratransit Coordinating Council (PCC) Member Reappointments** Sofia Recalde
Recommendation:
Reappoint Richard Burnett and James Williams to the Paratransit Coordinating Council for an additional three years.
Pg. 47
- H. Fiscal Year (FY) 2012-13 Transportation Development Act (TDA) Matrix – December 2012** Liz Niedziela/
Recommendation: Wayne Lewis,
Approve the FY 2012-13 TDA Matrix – December 2012 for the City of Fairfield as shown in Attachment A. FAST
Pg. 49
- I. Proposed SolanoExpress Route 78 Service Changes** Liz Niedziela/
Recommendation: Mona Babauta,
Approve the proposed route changes by SolTrans to SolanoExpress Route 78 as shown in Attachment C. SolTrans
Pg. 53
- J. Proposed SolanoExpress Route 85 Service Changes** Liz Niedziela/
Recommendation: Mona Babauta,
Approve adding the Sereno Transit Center as the final bus stop for Route 85’s last weekday trip as proposed by SolTrans. SolTrans
Pg. 63

- K. OneBayArea Grant (OBAG) Local Streets & Roads (LS&R) Project Delivery Schedules** Jessica McCabe
Recommendation:
Approve the project delivery schedules and milestones for OBAG LS&R projects as shown in Attachments B and C, as part of the STA Project Delivery policies.
Pg. 67
- L. STA Planning and Programming Agreement** Robert Macaulay
Recommendation:
Approve the following:
 1. *Authorize the STA Executive Director to execute the Interagency Agreement Between the Metropolitan Transportation Commission and the Solano Transportation Authority for Planning and Programming for Fiscal Years 2012-13, 2013-14, 2014-15 and 2015-16;*
 2. *Program the base amount of \$2,673,000 and augmented amount of \$333,000 for a total of \$3,006,000 of the STA's OneBayArea Grant (OBAG) Surface Transportation Program (STP) funds for STA Congestion Management Agency (CMA) Planning Activities as described in attachment A; and*
 3. *Advance \$75,000 of STP funds available from the October Vallejo fund swap action for development of the PDA Growth Strategy, and designate \$50,000 of future PDA Implementation Funds to back fill these advanced funds.***Pg. 83**
- M. I-80 Eastbound Cordelia Truck Scales Relocation Project Contract Amendment** Janet Adams
Recommendation:
Approve a contract amendment for HDR Engineering, Inc. for an amount not-to-exceed \$282,000, to cover engineering services during construction of the I-80 Eastbound Cordelia Truck Scales Relocation Project.
Pg. 87
- N. I-80/I-680/State Route (SR) 12 Interchange Project** Janet Adams
Recommendation:
Approve Resolution No. 2012-19 and Funding Allocation Request from Metropolitan Transportation Commission (MTC) for \$5.796 million in Regional Measure 2 or AB1171 funds for the I-80/I-680/SR 12 Interchange Project for right of way phase.
Pg. 89
- O. 2013 Paratransit Coordinating Council (PCC) Work and Outreach Plans** Sofia Recalde
Recommendation:
Approve the 2013 PCC Work Plan as shown in Attachment A and the 2013 PCC Outreach Plan as shown in Attachment B.
Pg. 115

IX. ACTION FINANCIAL ITEMS

- A. STA's Annual Audit Fiscal Year (FY) 2011-12** Daryl Halls/
Susan Furtado
Recommendation:
Receive and file.
(6:40 – 6:45 p.m.)
Pg. 119
- B. Mobility Management Plan Update** Sofia Recalde and
Phil McGuire,
Innovative
Paradigms
Recommendation:
Approve the following:
 1. *Authorize the Executive Director to release a Request for Proposals for services for the Countywide In-Person ADA Eligibility and Certification Process as shown in Attachment A; and*
 2. *Authorize the Executive Director to enter into a contract not-to-exceed \$289,343 for a Countywide In-Person Eligibility and Certification Process for Solano County for Fiscal Years (FY) 2013-14 and 2014-15.*
(6:45 – 7:00 p.m.)
Pg. 121
- C. Additional OneBayArea Grant (OBAG) Funds for Local Streets and Roads Projects** Sam Shelton
Recommendation:
Approve the programming of \$1.38 M of additional Surface Transportation Program (STP) funds for Local Streets and Roads projects as described in Attachments B and E.
(7:00 – 7:05 p.m.)
Pg. 131
- D. OneBayArea Grant (OBAG) Funding Criteria** Robert Macaulay
Recommendation:
Approve the following:
 1. *Adopt the Solano OBAG Project and Program Screening Criteria Assessment as shown in Attachment B; and*
 2. *Hold \$611,000 in STP funds for use to support future OBAG projects and programs, subject to allocation by the STA Board.*
(7:05 – 7:15 p.m.)
Pg. 143
- E. Solano County Priority Development Area Investment and Growth Strategy** Robert Guerrero
Recommendation:
Approve the following:
 1. *Dedicate \$75,000 of PDA planning funds to develop a Countywide Investment Study as shown in Attachment B;*

2. *Authorize the Executive Director to issue a Request for Proposals to assist the STA in completing the Solano County Priority Development Area Investment Study; and*
3. *Authorize the Executive Director to enter into a contract in an amount not-to-exceed \$75,000 for this work.*

(7:15 – 7:20 p.m.)

Pg. 161

X. ACTION NON-FINANCIAL ITEMS

A. STA’s 2013 Legislative Priorities and Platform

Jayne Bauer

Recommendation:

Approve the STA’s 2013 Legislative Priorities Platform as shown in Attachment A.

(7:20 – 7:25 p.m.)

Pg. 169

B. I-80/I-680/State Route (SR) 12 Interchange Project and Certification of the Final Environmental Impact Report

Janet Adams

Recommendation:

Based on the extensive evaluations of the alternatives conducted in the EIR/EIS, comments received from the public and agencies during the EIR/EIS review process, and considering the traffic, engineering and operational aspects of all the alternatives, approve the following actions:

1. **APPROVE** Resolution No. 2012-18 accepting the Environmental Impact Report prepared by Caltrans for the Project; and
2. **ACCEPT** the Caltrans prepared Project Report and **APPROVE** the Alternative C-1 for the I-80/I-680/SR 12 Interchange Project; and
3. **DIRECT** that upon approval of Resolution No. 2012-18, that the Executive Director to File a Notice of Determination with the County Clerk of Solano County and with the State Office of Planning and Research and Authorize payment of the filing fees, if necessary.

(7:25 – 7:35 p.m.)

Pg. 193

C. STA Recommendation to Request the Solano County Board of Supervisors to Include Transportation Projects as Part of the County’s Public Facility Fee Update

Sam Shelton

Recommendation:

Request that the Solano County Board of Supervisors consider the following actions:

1. *Add transportation facilities to the County of Solano’s Public Facility Fee Program;*

2. *Designate the Solano Transportation Authority to manage the portion of the County of Solano's Public Facility Fee dedicated for Transportation Projects; and*
3. *A transportation facility fee of \$1,500 per dwelling unit equivalent (contingent on the fee being less than the approved maximum nexus).*

(7:35 – 7:40 p.m.)

Pg. 219

D. Solano County Transit (SolTrans) Joint Powers Agreement (JPA) – Appointment of STA Ex-Officio Board Member

Bernadette Curry

Recommendation:

Appoint a STA Board Member to the Solano County Transit (SolTrans) JPA Board as an Ex-Officio member for a two-year term expiring December 2014.

(7:40 – 7:45) p.m.

Pg. 225

XI. INFORMATION – NO DISCUSSION

A. Project Initiation Document (PID) Reimbursement and Program Update

Jessica McCabe

Pg. 227

B. Climate Action Plan (CAP) Update

Robert Macaulay

Pg. 235

C. Solano Employer Commute Challenge 2012 – Final Results

Judy Leaks

Pg. 237

D. Funding Opportunities Summary

Sara Woo

Pg. 241

E. STA Board and Advisory Committee Meeting Schedule for Calendar Year 2013

Johanna Masiclat

Pg. 247

XI. BOARD MEMBERS COMMENTS

XII. ADJOURNMENT

The next regular meeting of the STA Board is scheduled at **6:00 p.m., Wednesday, January 9, 2013, Suisun City Hall Council Chambers.**

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 10, 2012

TO : Mayor Patterson

FROM : Director of Public Works

SUBJECT : **SOLANO COUNTY WATER AGENCY**

The following information is provided for your committee report at the December 18, 2012 City Council meeting.

The draft minutes of the November 8, 2012 meeting are attached along with the agenda for the December 13, 2012 meeting. The SCWA also has a Delta Committee that typically meets each month directly before the regular SCWA meeting. The next meeting date is January 10, 2013 and the agenda for that meeting is not currently available.

Attachments:

- ❑ SCWA Minutes for November 8, 2012
- ❑ Agenda for December 13, 2012 SCWA meeting

SOLANO COUNTY WATER AGENCY



BOARD OF DIRECTORS:

Chair:

Director Bob Bishop
Solano Irrigation District

Vice Chair:

Supervisor Jim Spering
Solano County District 3

Mayor Jack Batchelor
City of Dixon

Director Dale Crossley
Reclamation District No. 2068

Mayor Osby Davis
City of Vallejo

Mayor Steve Hardy
City of Vacaville

Manager Don Holdener
Maine Prairie Water District

Supervisor Barbra Kondylis
Solano County District 1

Mayor Elizabeth Patterson
City of Benicia

Mayor Harry Price
City of Fairfield

Supervisor Mike Reagan
Solano County District 5

Mayor Norm Richardson
City of Rio Vista

Mayor Pete Sanchez
City of Suisun

Supervisor Linda Seifert
Solano County District 2

Supervisor John Vasquez
Solano County District 4

GENERAL MANAGER:

David Okita, PE
Solano County Water Agency

BOARD OF DIRECTORS MEETING

DATE: Thursday, December 13, 2012

TIME: 6:30 p.m. (Note: There is a CCCC meeting this month)

PLACE: Berryessa Room
Solano County Water Agency Office
810 Vaca Valley Parkway, Suite 203
Vacaville

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **APPROVAL OF AGENDA**

4. **PUBLIC COMMENT**

Limited to 5 minutes for any one item not scheduled on the Agenda.

5. **CONSENT ITEMS**

(A) **Minutes:** Approval of the Minutes of the Board of Directors meeting of November 8, 2012 is recommended.

(B) **Expenditure Approvals:** Approval of the November checking account register is recommended.

(C) **Flood Control Advisory Committee Re-Appointments:** Reappoint of public members Paul Lum and Charles Karnopp to two year terms on the Flood Control Advisory Committee is recommended.

(D) **Lower Putah Creek Coordinating Committee Appointments:** Re-Appointment of the Solano representatives on the Lower Putah Creek Coordinating Committee for calendar year 2013 is recommended.

810 Vaca Valley Parkway, Suite 203
Vacaville, California 95688
Phone (707) 451-6090 • FAX (707) 451-6099
www.scwa2.com



VIII.D.9.3

(E) Lower Putah Creek Coordinating Committee - Environmental Enhancement and Mitigation Grant Applications: Approval of Resolution 2012-6 in support of Environmental Enhancement and Mitigation Grant Applications to the California Natural Resources Agency is recommended.

6. BOARD MEMBER REPORTS

RECOMMENDATION: For information only.

7. GENERAL MANAGER'S REPORT

RECOMMENDATION: For information only.

8. AGREEMENT FOR GOVERNMENT RELATIONS REPRESENTATION BY CLEAN TECH ADVOCATES:

RECOMMENDATIONS:

1. Hear report from Patrick Leathers, Legislative Advocate, on the past and upcoming State Legislative Session.
2. Authorize Chairman to execute an agreement with Clean Tech Advocates to provide government relations representation for the Solano County Water Agency for the 2012 – 2013 State Legislative Session.

9. SCWA RESERVE FUNDS

RECOMMENDATION: Hear report from General Manager on SCWA reserve funds and approve updated detailed reserve fund – fiscal year 2012-2013.

10. TIME AND PLACE OF NEXT MEETING

Thursday, January 10, 2013 at 6:30-7:00 pm at the SCWA offices.

The Full Board of Directors packet with background materials for each agenda item can be viewed on the Agency's website at www.scwa2.com.

Any materials related to items on this agenda distributed to the Board of Directors of Solano County Water Agency less than 72 hours before the public meeting are available for public inspection at the Agency's offices located at the following address: 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688. Upon request, these materials may be made available in an alternative format to persons with disabilities.

**SOLANO COUNTY WATER AGENCY
BOARD OF DIRECTORS MEETING MINUTES**

MEETING DATE: November 8, 2012

The Solano County Water Agency Board of Directors met this evening at the Solano County Water Agency. Present were:

Mayor Jack Batchelor, City of Dixon
Mayor Harry Price, City of Fairfield
Mayor Pete Sanchez, City of Suisun
Mayor Steve Hardy, City of Vacaville
Mayor Elizabeth Patterson, City of Benicia
Mayor Osby Davis, City of Vallejo
Supervisor Linda Seifert, Solano County District 2
Supervisor Jim Spering, Solano County District 3
Supervisor John Vasquez, Solano County District 4
Supervisor Mike Reagan, Solano County District 5
Director Bob Bishop, Solano Irrigation District
Manager Don Holdener, Maine Prairie Water District
Director Dale Crossley, Reclamation District No. 2068

CALL TO ORDER

The meeting was called to order at 7:00 P.M. by Chairman Bishop.

APPROVAL OF AGENDA

On a motion by Mayor Batchelor and a second Manager Holdener the Board unanimously approved the agenda.

PUBLIC COMMENT

There were no public comments.

CONSENT ITEMS

On a motion by Supervisor Vasquez and a second Mayor Price the Board unanimously approved the following consent items:

- (A) Minutes
- (B) Expenditure Approvals

BOARD MEMBER REPORTS

There were no Board Member reports.

GENERAL MANAGER'S REPORT

There were no additions to the Manager's report.

**INTEGRATED REGIONAL WATER MANAGEMENT PLANS BAY AREA
IRWMP/WESTSIDE IRWMP-UPDATE**

Solano County participants in two Integrated Regional Water Management Plans (IRWMP), the Bay Area IRWMP and the Westside IRWMP. Portions of Solano County are included in the North sub region of the Bay Area IRWMP. The Board signed a letter of Mutual Understanding to participate in the Bay Area IRWMP in May 2004. The Bay Area IRWMP is governed by a Coordinating Committee that consists of staff from multiple agencies which run the day-to-day operation of the IRWMP from planning through the implementation of the IRWMP. The Bay Area IRWMP is being updated to meet the standards of Proposition 84. The Bay Area has received IRWMP implementation grants and SCWA staff is taking the lead for the Bay Area in the Water

Conservation part of the grant, which includes water efficient appliances and landscapes. The eastern portion of Solano County, including the Putah Creek and Cache Creek watersheds, are included in the Westside IRWMP. The Board signed a Memorandum of Understanding in April, 2009 for Agency staff to participate in a Westside IRWMP Coordinating Committee which works with a consultant to develop the IRWMP. A draft IRWMP is anticipated to be completed by March, 2013. The Westside Coordinating Committee has agreed to suggest to their Boards that the Coordinating Committee continue to be delegated authority to implement the IRWMP. This aspect of governance must be included in the draft IRWMP. The Board provided guidance that the Westside Coordinating Committee should continue as the delegated authority for the implementation of the Westside IRWMP.

TIME AND PLACE OF NEXT MEETING

The next regularly scheduled meeting will be Thursday, December 13, 2012 from 6:30 – 7:00 P.M. at the Solano County Water Agency offices. The City County Coordinating Committee is scheduled to meet at 7:00 P.M.

ADJOURNMENT

This meeting of the Solano County Water Agency Board of Directors was adjourned at 6:50 P.M.

David B. Okita, General Manager
and Secretary to the Board of Directors of the
Solano County Water Agency

Nov..2012.BOD.min

A-16

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 5, 2012

TO : Vice Mayor Campbell
Council Member Schwartzman

FROM : Director of Public Works

SUBJECT : **TRAFFIC, PEDESTRIAN AND BICYCLE SAFETY (TPBS) COMMITTEE**

The following is provided for your committee report at the December 18, 2012 Council meeting.

The last TPBS Committee meeting was held on October 18, 2012 (agenda attached) -- meeting minutes are in process.

The next regularly scheduled TPBS Committee meeting is set for Thursday, January 17, 2013 at 7:00 pm in the Commission Room.

Attachment:

- TPBS Agenda October 18, 2012



City of Benicia
**TRAFFIC PEDESTRIAN &
BICYCLE SAFETY (TPBS) COMMITTEE**
Regular Meeting

7:00 pm
Thursday, October 18, 2012
COMMISSION ROOM

AGENDA

I. Call To Order

- A. Roll Call
- B. Pledge of Allegiance
- C. Fundamental rights statement

II. Approval of Minutes

- A. Draft July 19, 2012 Meeting Minutes

III. Public Comments

IV. Verbal Update

1. Traffic Safety Improvements

V. Citizen Requests *(verbal staff reports)*

1. East 5th/Viewmont crosswalk
2. Military East/East 3rd Street crosswalk pedestrian signs
3. West K/West 7th Street crosswalk

VI. Action Items

1. **First/F Street All-Way Stop Request** *(written staff report)*

The Committee will receive a staff report, hear public comments and consider installation of an all-way stop at this intersection.

VII. Adjournment

Public Participation

The Traffic Pedestrian and Bicycle Safety (TPBS) Committee welcomes public participation.

Pursuant to the Brown Act, each public agency must provide the public with an opportunity to speak on any matter within the subject matter jurisdiction of the agency and which is not on the agency's agenda for that meeting. The TPBS Committee allows speakers to speak on agendized and non-agendized matters under public comment. Comments are limited to no more than 5 minutes per speaker. By law, no action may be taken on any item raised during the public comment period although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the TPBS Committee.

Disabled Access

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact Anne Cardwell, the ADA Coordinator at (707) 746-4200. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Meeting Procedures

All items listed on this agenda are for the TPBS Committee discussion and/or action. In accordance with the Brown Act, each item is listed and includes, where appropriate, further description of the item and/or a recommended action. The posting of a recommended action does not limit, or necessarily indicate, what action may be taken by the TPBS Committee.

Public Records

The agenda packet for this meeting is available at the Public Works Department, City Clerk's Office and the Benicia Public Library during regular work hours. To the extent feasible, the packet is also available on the City's web page at www.ci.benicia.ca.us under the heading "Agendas and Minutes." ***If you wish to submit written information on an agenda item, please submit to Kathy Trinque, Administrative Secretary, by 5:00 pm, Wednesday, October 17, 2012 for distribution to Committee Members.***

AGENDA ITEM
CITY COUNCIL MEETING: December 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 10, 2012
TO : Mayor Patterson
FROM : City Manager
SUBJECT : **TRI-CITY AND COUNTY COOPERATIVE PLANNING GROUP**

The following information is provided for your committee report at the December 18, 2012 Council meeting.

The Tri-City and County Cooperative Planning Group last met on June 11, 2012. The meeting set for September 10 was canceled due to a lack of quorum and was rescheduled to November 19, 2012.

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 10, 2012

TO : Mayor Patterson
Council Member Hughes

FROM : City Manager

SUBJECT : **VALERO COMMUNITY ADVISORY PANEL (CAP)**

The following information is provided for your committee report at the December 18, 2012 Council meeting.

The CAP meets quarterly at 6:30 p.m. at the refinery at 610 Industrial Way. The next meeting date has not been scheduled.

**AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORT**

DATE : December 10, 2012

TO : Council Member Mark Hughes
Council Member Christina Strawbridge

FROM : Youth Action Coalition

SUBJECT : **YOUTH ACTION COALITION**

The Benicia Youth Action Coalition did not meet in December.

**AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS**

DATE : December 10, 2012
TO : City Council
FROM : Mayor Patterson
SUBJECT : **ABAG/CAL FED TASK FORCE/BAY AREA WATER FORUM**

The following information is provided for your committee report at the December 18, 2012 City Council meeting.

The Bay Area Water Forum's last meeting was held on March 26, 2012.

This was the last meeting of the Bay Area Water Forum for 2012, due to a lack of funding.

AGENDA ITEM
CITY COUNCIL MEETING: DECEMBER 18, 2012
COUNCIL MEMBER COMMITTEE REPORTS

DATE : December 3, 2012

TO : Mayor Patterson
Council Member Hughes
Council Member Schwartzman

FROM : Finance Director

SUBJECT : **SOLANO COUNTY TRANSIT BOARD MEETING**

The following information is provided for your committee report at the December 18, 2012 Council meeting.

The Solano County Transit Joint Powers Authority held a regular meeting on November 15, 2012 in the City of Benicia City Council Chambers. The meeting agenda is attached for your review; the meeting highlights were not available at the time this report was prepared. The meeting highlights from the October 18, 2012 are attached.

The next regular meeting of the SolTrans Board is scheduled for Thursday, December 20, 2012 at 4:00 p.m. and will be held in the City of Vallejo City Council Chambers.

Attachment:

- October 18, 2012 Soltrans Board Meeting Highlights
- November 15, 2012 SolTrans Board Meeting Agenda



SOLANO COUNTY TRANSIT
SolTrans Board Meeting Highlights
4:00 p.m., October 18, 2012

TO: City Council of Benicia and Vallejo, and STA Board
(Attn: City Clerks and STA Clerk of the Board)
FROM: Suzanne Fredriksen, SolTrans Clerk of the Board
RE: Summary Actions of the October 18, 2012 SolTrans Board Meeting

Following is a summary of the actions taken by SolTrans at the Board Meeting of October 18, 2012. If you have any questions regarding specific items, please call me at the following number: (707) 648-4046.

BOARD MEMBERS PRESENT:

Elizabeth Patterson, Mayor	City of Benicia, Chair
Erin Hannigan, Vice Mayor	City of Vallejo, Vice Chair
Mark Hughes, Councilmember	City of Benicia
Osby Davis, Mayor	City of Vallejo
Jim Spering, Supervisor, County of Solano	MTC Representative
Harry Price, Mayor	Ex-Officio – STA Representative

BOARD MEMBERS ABSENT:

None.

5. Report from the General Manager

CONSENT CALENDAR

On a motion by Director Hughes and a second by Vice Chair Hannigan, the SolTrans JPA Board approved Consent Calendar Items 6a through 6b.

6a. Meeting Minutes of September 20, 2012

Recommendation:

Approve the meeting minutes of September 20, 2012.

6b. Gen-Fare Industries (GFI) Farebox Equipment

Recommendation:

Authorize the General Manager to execute sole source purchase orders with GFI Genfare for purchase of GFI components that will allow for ticket vending, and to purchase GFI software and hardware for \$130,340. Authorize the General Manager to execute sole source purchase orders with GFI for six fareboxes for \$84,208.

REGULAR CALENDAR

ACTION ITEMS

7. **Transit Operations Request for Proposals**

Recommendation:

- 1) Authorize staff to issue a Request for Proposals and associated addenda for transit operations services for the period of FY 2013-14 through FY 2019-20, and
- 2) Require that staff return to the Board in the spring of 2013 with a recommended course of action for services after June 30, 2013.

On a motion by Director Spering and a second by Vice Chair Hannigan, the SolTrans JPA Board unanimously approved the recommendation.

8. **Programming Federal Funds**

Recommendation:

Authorize Staff to reprogram \$1,203,394 of Federal Section 5307 funding to the four projects listed in the table.

On a motion by Vice Chair Hannigan and a second by Director Hughes, the SolTrans JPA Board unanimously approved the recommendation.

9. **Curtola Park & Ride Facility Expansion**

Recommendation:

Regarding the Curtola Park & Ride Facility Expansion Project:

- (1) Accept and approve the revised design concept, as provided by Staff and attached to this agenda item (Attachment A);
- (2) Accept and approve the new proposed project budget, as provided by Staff and attached to this agenda item (Attachment B, Phase 1A);
- (3) Accept and approve the new project timeline, as provided by Staff and attached to this agenda item (Attachment C);
- (4) Authorize Staff to issue RFP for the final design and construction documents;

Authorize the SolTrans General Manager to negotiate and enter into contract for final design and engineering documents, not to exceed \$734,000.

On a motion by Vice Chair Hannigan and a second by Director Spering, the SolTrans JPA Board unanimously approved the recommendation.

10. **Request RM2 Allocation for Curtola Park & Ride Facility Expansion**

Jim McElroy noted that the seventeenth “Resolved” clause of Resolution 2012-12 should be revised as follows:

“RESOLVED, that SolTrans authorizes its General Manager or his/her designee to execute and submit an allocation request for the design phase with MTC for Regional Measure 2 funds in the amount of ~~\$1,000,000.00~~ **\$1.344 million**, for the project, purposes and amounts included in the project application attached to this resolution; and be it further...”

Recommendation:

Approve Resolution Number 2012-12, “Part 1: RM2 Implementing Agency Resolution of Project Compliance”, as presented by staff; and, direct the General Manager to submit said Resolution Number 2012-12 as otherwise required by MTC to allocate approved RM2 funds to SolTrans for purposes specified in said Resolution Number 2012-12 to expand the “Curtola Parking & Transit Center”. Further, approve the related Regional Measure 2 Initial Project Report as prepared by staff. Finally, direct the General Manager to submit both documents to MTC, as required by MTC as the RM2 funding agency.

On a motion by Vice Chair Hannigan and a second by Director Spering, the SolTrans JPA Board unanimously approved the recommendation, to reflect the revision to the seventeenth “Resolved” clause as shown above in ~~strikethrough~~ ***bold italics***.

11. Route 7 Modifications

Recommendation:

Approve Proposed Schedule for public outreach. Authorize staff to implement Proposed Schedule pending public comment.

On a motion by Director Davis and a second by Director Spering, the SolTrans JPA Board unanimously approved the recommendation.

NON-ACTION/ INFORMATIONAL ITEMS

12. Quarterly Performance Report

13. National Transit Database Surveying

STAFF BRIEFINGS

14. SolTrans Public Outreach Update

Item pulled from the agenda due to staff presenter’s absence.

15. BOARD OF DIRECTORS COMMENTS

16. ADJOURNMENT

The meeting was adjourned at 6:00 p.m. The next regular meeting of the SolTrans Board is *tentatively* scheduled for **Thursday, November 15, 2012, 4:00 p.m., Benicia Council Chambers.**



**BOARD MEETING AGENDA
3:30 p.m., Regular Meeting
Thursday, November 15, 2012
Benicia Council Chambers**

Public Comment: Pursuant to the Brown Act, the public has an opportunity to speak on any matter on the agenda or, for matters not on the agenda, issues within the subject matter jurisdiction of the agency. Comments are limited to no more than 3 minutes per speaker unless modified by the Board Chair, Gov't Code § 54954.3(a). By law, no action may be taken on any item raised during the public comment period (Agenda Item IV) although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the agency.

Americans with Disabilities Act (ADA): This agenda is available upon request in alternative formats to persons with a disability, as required by the ADA of 1990 (42 U.S.C. §12132) and the Ralph M. Brown Act (Cal. Govt. Code §54954.2). Persons requesting a disability related modification or accommodation should contact Suzanne Fredriksen, Interim Clerk of the Board, at (707) 648-4046 during regular business hours at least 24 hours prior to the time of the meeting.

Staff Reports: Staff reports are available for inspection at the SolTrans office, during regular business hours, 8:00 a.m. to 5:00 p.m., Monday-Friday. You may also contact the Clerk of the Board via email at suzanne@soltransride.com.

Supplemental Reports: Any reports or other materials that are issued after the agenda has been distributed may be reviewed by contacting the SolTrans Clerk of the Board and copies of any such supplemental materials will be available on the table at the entry to the meeting room.

Agenda Times: Times set forth on the agenda are estimates. Items may be heard before or after the times shown.

ITEM

BOARD/STAFF PERSON

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
(3:30 – 3:35 p.m.)**

**Elizabeth Patterson, Mayor
City of Benicia**

- 2. CONFIRM QUORUM/ STATEMENT OF CONFLICT**

**Suzanne Fredriksen
Clerk of the Board**

An official who has a conflict must, prior to consideration of the decision; (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself/herself from discussing and voting on the matter; (3) leave the room until after the decision has been made. Cal. Gov't Code § 87200.

- 3. APPROVAL OF AGENDA**

SOLTRANS BOARD MEMBERS

Elizabeth Patterson	Mark Hughes	Erin Hannigan	Osby Davis	Jim Spering	Harry Price
City of Benicia	City of Benicia	City of Vallejo	City of Vallejo	MTC Representative	STA Ex-Officio
Alternate Board Member Alan Schwartzman		Alternate Board Member Stephanie Gomes			

4. OPPORTUNITY FOR PUBLIC COMMENT
(3:35 – 3:40 p.m.)

5. REPORT FROM THE GENERAL MANAGER
Pg. 1
(3:40 – 3:45 p.m.)

Mona Babauta

PROCLAMATIONS & PRESENTATIONS

CONSENT CALENDAR

Recommendation:

Approve the following consent items in one motion.

(Note: Items under consent calendar may be removed for separate discussion.)

(3:45 – 3:50 p.m.)

6a. Meeting Minutes of October 18, 2012

Recommendation:

Approve the meeting minutes of October 18, 2012.

Pg. 15

Suzanne Fredriksen,
Clerk of the Board

6b. Technical Advisory Committee Meeting Minutes of November 5, 2012

Recommendation:

Approve the meeting minutes of November 5, 2012.

Pg. 23

Suzanne Fredriksen,
Clerk of the Board

6c. Public Advisory Committee Meeting Minutes of November 5, 2012.

Recommendation:

Approve the meeting minutes of November 5, 2012.

Pg. 29

Suzanne Fredriksen,
Clerk of the Board

6d. Farebox Upgrade Budget Appropriation

Recommendation:

Authorize an increase to the FY 2012-13 Capital budget appropriations by \$93,750 to the Farebox Upgrades Project.

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Greg Anderson,
Project Manager

REGULAR CALENDAR

ACTION ITEMS

- 7. Fiscal Year 2012-13 Mid-Year Operating Funding Update** Mona Babauta,
General Manager
Recommendation:
1) *Accept the FY 12-13 Mid-Year Operating Revenue Update*
2) *Direct staff to return to the Board by March 2013 with a strategic investment plan and/or policies for programming projected revenue balances.*
(3:50 – 4:10 p.m.)
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- 8. Fiscal Year 2011-2012 Actuals and Fiscal Year 2012-13 Budget Update** Mona Babauta,
General Manager/
Kristina Botsford,
Accounting Consultant
Recommendation:
Adopt the revised FY 2012-13 operating budget as shown on Attachment C.
(4:10 – 4:30 p.m.)
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- 9. New SolTrans Organizational Structure** Mona Babauta,
General Manager
Recommendation:
1) *Approved the proposed organizational structure as shown on Attachment D;*
2) *Authorize the reclassification of the Finance Officer to the Program Manager I-III – Planning and Operations position;*
3) *Authorize the reclassification of the Administrative Assistant to the Board Clerk position;*
4) *Authorize the reclassification of the Senior Management Analyst to a Program Analyst I-III – Finance and Administration position;*
5) *Authorize a \$225,000 increase in budget appropriations, as included in the FY 2012-13 Mid-Year Budget Adjustment, for filling one (1) Program Manager I-III – Finance and Administration and up to three (3) Program Analyst I-III positions, and*
6) *Require the Executive Director to return to the Board by January 2013 with a proposed plan for obtaining human resources support to manage employment and post-employment needs of the organization.*
(4:30 – 4:50 p.m.)
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10. SolTrans Mission Statement Development

Mona Babauta,
General Manager

Recommendation:

Establish a subcommittee of the SolTrans Board of Directors to develop a new mission statement for the organization.

(4:50 – 5:10 p.m.)

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NON-ACTION/ INFORMATIONAL ITEMS

11. SolTrans Public Outreach Programs

Ward Stewart,
Project Manager

Recommendation:

Informational.

(5:10 – 5:20 p.m.)

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STAFF BRIEFINGS

This time is reserved for SolTrans staff to provide a five-minute briefing to the Board on various items of interest. No action will be taken on these matters except to possibly place a particular item on a future agenda for Board consideration.

12. Route 7 Proposed Changes

Angie Perkins Haslam,
Project Analyst

Recommendation:

Informational.

(5:20 – 5:25 p.m.)

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13. BOARD OF DIRECTORS COMMENTS

14. ADJOURNMENT

The next regular meeting of the SolTrans Board is *tentatively* scheduled for **Thursday, December 20, 2012, 4:00 p.m., Vallejo Council Chambers.**