

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: July 20, 2009
Reviewed by: BP

SUBJECT: Sewer System Management Plan

REPORT BY: Ann Chaney, Community Development Director
Richard Cunningham, Public Works Manager
Randy Leptien, City Engineer

STAFF RECOMMENDATION

Authorize the City Administrator to execute an agreement with Bartle Wells Associates in an amount not to exceed \$19,500 for development of a financial plan for the SSMP.

BACKGROUND

On May 2, 2006, the State Water Board adopted Statewide General Waste Discharge Requirements (WDR) for Sanitary Sewer Systems, Order No. 2006-003-DWQ. This Order required the development and implementation of a SSMP by all public sewer collection system agencies of California in several phases within 51 months of the adoption of the order.

Under the WDR, enrollees are also required to obtain their governing board's approval of the SSMP Development Plan and Schedule and final SSMP at a public hearing, and certify the SSMP, prior to August 2, 2009. The City's SSMP has been drafted and completed in three phases. The completion of each of the required three phases was certified to the state and local Water Boards in August of 2006, 2007 and 2008.

On June 15, 2009 the Council ordered a public hearing to be held on the subject of the adoption and approval of the combined SSMP and directed notice to be given.

July 6, 2009, the Council conducted the hearing as scheduled and upon completion adopted Resolution No. 09-36, approving the combined SSMP. The resolution directed staff to certify the approval of this document following the public hearing to the Water Board, as required by the WDR.

Also on July 6, 2009 the Council, at the recommendation of staff, considered a proposal from Bartle Wells Associates (BWA), financial consultants of Berkeley, to provide consulting services to prepare a comprehensive financial plan for the SSMP. The proposed not to exceed amount for the Contract with BWA was \$24,500. Council deferred taking action on this request, and requested Staff to report back on the following:

1. Investigate whether the scope of services and amount of the proposed contract with BWA might be reduced.

2. Investigate the BWA rates for performing the various services. Council observed that the highest rate was more than \$200 per hour.
3. Provide more information on BWA's qualifications to perform the requested services. Specifically, provide examples of work that they had performed for other agencies.

ANALYSIS

The City Engineer contacted Tom Gaffney at BWA and asked him to address the questions of Council. In response, Mr. Gaffney prepared the attached amendment to their proposal. BWA proposes to reduce the scope of services listed under Task 10, Proposition 218 Rate Notices, with the understanding the City will assume the responsibilities for mailing notices of a rate increase, if one is necessary. Accordingly, the not to exceed billing limit of the BWA proposal has been reduced from \$24,500 to \$19,500.

The attached letter from Mr. Gaffney indicates that about 30 to 40 per cent of the services will be performed at the principal rate and that 60 to 70 per cent of the work, including data collection, information development, and report tables will be performed by staff paid at a lower rate.

Mr. Gaffney in the statement attached indicates that Bartle Wells has been assisting local wastewater agencies with financial plans for more than 45 years. Staff located several recent reports for agencies on-line. He lists a number of BWA clients. Staff went on-line and found several reports and rate studies that they have prepared in recent years. Links to these sample reports have been included on an attachment to this staff report.

SUSTAINABILITY

A major objective of the SSMP is to reduce the potential for SSOs by reducing the amount of infiltration and inflow (I&I) of groundwater/stormwater into the sewer system, which then reaches the EBMUD Trunk Sewers. Reduction in I&I reduces the amount of pumping and energy required to process wastewater at EBMUD's pump station and treatment plant during significant rainfall events.

FINANCIAL IMPACT

The City is entering the third and final year of a three year planned increase in the sewer service charge. This \$8 per year increase will pay for the initial costs associated with the development of the SSMP, which is a proactive (as opposed to reactive) sewer system maintenance program. It will not, however, cover the added costs of an accelerated sewer replacement program, which will likely result from the SSMP investigations. The results of the study by BWA will assist the City in developing a funding and financing plan to implement the SSMP over a prolonged period time (20 years). There are sufficient funds in the Sewer Fund to perform the study.

Attachments

1. BWA Proposal Modification, dated 7/14/09
2. Links to sample reports prepared by BWA
3. Original proposal from BWA