



News from: Oakland Public Works Agency

IMMEDIATE RELEASE

September 14, 2012

2013 Sewer Service Charge Increase Postponed

Oakland, CA – The Oakland Public Works Agency is pleased to announce that Oakland's Sewer Service Charge will not be increased in 2013 as originally planned, but will instead be delayed for a year.

In July 2010, following a lawsuit against Oakland and other East Bay cities on sewer overflows by the Federal Department of Justice, Oakland adopted a series of planned rate increases in the sewer service fee to fund new, aggressive maintenance programs and capital improvements mandated by the Environmental Protection Agency (EPA) and the California Regional Water Quality Control Board. Three sixteen percent (16%) rate increases were planned for each year between 2011 and 2013 to make long-term improvements to the City's system to protect the watershed environment from sewer overflows. Details on the sewer program are in the City Council report: <http://oakland.legistar.com/LegislationDetail.aspx?ID=749893&GUID=D13E63BC-9A96-48C3-B7AA-F3D28B1B0E65&Options=ID|Text|&Search=sewer+service>.

In a review of the Sewer Service Fund, program managers determined that the planned 2013 rate increase could be postponed for one year without adversely affecting the fund stability or planned programs or projects at this time. Therefore, the upcoming January 2013 sewer fee rate increase will be postponed for one year, and will instead take effect January 1, 2014.

This action was possible because:

- Savings from the City's Labor Unions' concessions and give-backs resulted in reduced labor costs
- Favorable bidding environment for sewer construction projects has seen contracts completed for less than budgeted
- Additional time was needed to purchase and manufacture new sewer equipment and hire new personnel

Postponing the next rate increase for a year will provide a respite to the Oakland rate payers during these difficult economic times while allowing the fund to stay apace with actual expenditures. The one-year postponement will not have any adverse impact on our compliance with regulatory requirements.

The Sewer Service Charge funds maintenance, operation and capital improvements to the City's extensive sanitary sewer collection system, which comprises over 900 miles of pipes, 28,000 sewer structures, seven pump stations, and other facilities to safely transport residential and industrial waste to the East Bay Municipal Utilities District Facility near the Bay Bridge for final treatment.

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