

ORDINANCE NO. 2945

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING CHAPTER 7 OF TITLE 6 OF THE ONTARIO MUNICIPAL CODE RELATED TO SEWER SERVICES AND CHARGES, AND AUTHORIZING INCREASES TO THE RATES FOR ITS SEWER SERVICE CHARGES

WHEREAS, the City Council of the City of Ontario (the "City") has determined that certain amendments to the City Municipal Code are necessary in order to reflect changes in the organizational management of the city and to authorize the adoption of rate increases to sewer service charges; and

WHEREAS, the City pays the Inland Empire Utilities Agency ("IEUA") to treat wastewater discharged and collected within the City; and

WHEREAS, the City determined to undertake a rate study to analyze the revenue requirements, and the rate structure necessary to proportionately allocate the costs of providing sewer services to its sewer customers, including the cost of the treatment of City sewer services by the IEUA; and

WHEREAS, the rate study demonstrates that existing sewer system revenues are and will be insufficient to cover: (i) current and projected operations and maintenance costs of the City's sewer system (the "System"); and (ii) the capital infrastructure improvements needed to repair, replace, and update the System; and

WHEREAS, a report of the results of the rate study (the "Rate Report"), attached hereto as Exhibit "A" and by this reference incorporated herein, has been prepared which includes the proposed rates for the sewer service charges and documents the estimated and reasonable costs of providing sewer services to property owners and tenants directly liable for payment of such service fees (collectively "customers") in the City; and

WHEREAS, the findings and determinations contained herein are based upon the Rate Report documenting the estimated reasonable costs of providing sewer services to customers in the City; and

WHEREAS, the rate structure for sewer service charges is comprised of two components: (i) a charge for capital replacement, operations and maintenance, billing, customer service, and other related costs ("City Charge"); and (ii) a charge for wastewater treatment ("IEUA Charge"); and

WHEREAS, the City has determined to: (i) adopt a two-year schedule of rate increases to the City Charge and (ii) authorize a two-year schedule of rate increases to the IEUA Charge for the cost of any future rate increases adopted by the IEUA Board of Directors and imposed on the City for the treatment of sewer discharged and collected

within the City (each such rate increase by the IEUA is referred to herein as a "Pass Through"); and

WHEREAS, the schedule of proposed rates for the sewer service charges is attached hereto as Exhibit "B" and by this reference incorporated herein and by this reference made an operative part hereof; and

WHEREAS, the City made available to the public the Rate Report, in compliance with California Government Code Section 66000 et seq., documenting the estimated costs required to provide the sewer services for which the fees are proposed to be increased and the revenue sources anticipated to provide such services; and

WHEREAS, the City Council hereby finds and determines the following with regard to the proposed rate increases to the sewer service charges:

1. The revenues derived from the proposed sewer service charges will not exceed the funds required to provide the sewer services and shall be used exclusively for the System;
2. The amount of the proposed sewer service charges will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition;
3. The proposed sewer service charges will not be imposed on a parcel unless the sewer services are actually used by, or immediately available to, the customer of the parcel;
4. The proposed sewer service charges will not be used for any other purpose than that for which they are imposed;
5. The proposed sewer service charges are not levied for general governmental services;
6. The proposed sewer service charges are not calculated or developed on the basis of any parcel map, including an assessor's parcel map, but are based upon reasonable estimates of the demand placed upon the City in its role as a provider of the sewer services; and
7. The proposed sewer service charges represent increases in the charges needed to operate sewer collection and treatment facilities; and

WHEREAS, the City hereby finds and determines that in accordance with the provisions of California Constitution article XIII D, section 6 ("Article XIII D"):

1. The City identified the parcels upon which the increased sewer service charges are proposed to be imposed, and calculated the amount of the fees or charges proposed to be imposed on each parcel;
2. On September 29, 2011, the City mailed written Notice to customers of each parcel upon which the proposed increase to the sewer service charges are proposed for imposition, which explained: (a) the amount of the charges; (b) the basis on which they were calculated; (c) the reason for the increases; and (d) the date, time, and location of the public hearing on the proposed increases; and
3. On November 15, 2011 (more than 45 days after mailing the Notice), the City conducted a public hearing and considered all written protests against the proposed increases to the sewer service charges.; and
4. At the conclusion of the public hearing, written protests against the proposed increases to the sewer service charges were not presented by a majority of customers subject to the proposed charges; and

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the City Staff has determined that the amendments to the Municipal Code, and the increases in sewer service charges are exempt from CEQA pursuant to Section 15378 and Section 15273 of the CEQA Guidelines because: (a) the increased charges are for the purpose of meeting operational and maintenance expenses of the aforementioned services; and (b) the charges constitute the creation of a funding mechanism/other governmental fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ONTARIO DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that the recitals discussed above are true and correct and are hereby incorporated and adopted as findings and determinations by the City Council as if fully set forth herein.

SECTION 2. Section 6-7.106 of Chapter 7, Title 6 the Municipal Code is hereby amended to read as follows:

Unless the context specifically indicates otherwise, the following terms and phrases, as used in this chapter, shall have the meanings hereinafter designated. The definitions in this chapter are included for reference purposes and are not intended to narrow the scope of definitions set forth in federal or state law or regulations. Words used in this chapter in the singular may include the plural and the plural may include the singular. Use of masculine shall also mean feminine and neuter.

(a) "Act" or "the Act" means the Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 U.S.C. 1251, et seq.

(b) "Administrator" or "City Manager" means the chief administrative officer of the City of Ontario or his or her authorized designee.

(c) "Authorized industrial representative" means:

(1) A president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function if the user is a corporation; or

(2) The manager of one (1) or more manufacturing, production, or operation facilities employing more than two hundred fifty (250) persons or having gross annual sales or expenditures exceeding \$25 million, if authority to sign documents has been delegated to the manager in accordance with corporate procedures; or

(3) A general partner or proprietor if the user is a partnership or proprietorship respectively; or

(4) A duly authorized representative of the individual designated in (1), (2), or (3) above, if such representative is responsible for the overall operation of the facility discharging to the sewerage system.

(d) "Batch process" means a treatment process in which a tank or vessel is filled, the wastewater (or solution) is treated or checked to ensure that discharge standards are met, and is then released to the sewerage system. A batch process is intermittent, not continuous.

(e) "Biosolids" means the non-hazardous and recyclable organic matter resulting from the treatment of wastewater.

(f) "Biochemical oxygen demand" or "BOD" means a test method which measures the organic strength of the wastewater. The BOD test measures the amount of oxygen consumed by the microorganisms in the wastewater as they stabilize decomposable organic matter under aerobic conditions. The BOD test is a five (5) day test where the wastewater is kept at twenty (20) degrees centigrade and the results are expressed in milligrams per liter (mg/L).

(g) "Brine" means wastewater saturated with or containing large amounts of salt, especially of sodium chloride.

(h) "Business" means an industrial or commercial enterprise.

(i) "Bypass" means the intentional diversion of wastestreams from any portion of a user's treatment facility.

(j) "Capital facilities fee" means the prevailing unit cost per EDU fee, based on the EDU value as established in this chapter, and adjacent sewer line size.

(k) "Categorical industrial user" or "CIU" means any industrial user subject to Categorical Pretreatment Standards under 40 CFR 403.6 and 40 CFR Chapter I, Subchapter N.

(l) "Categorical pretreatment standards" means national wastewater discharge pollutant limits developed by the EPA for any industry in any designated category. The pollutant effluent limits are contained in the Code of Federal Regulations.

(m) "Clean Water Act" or "CWA" means the Federal Water Pollution Control Act, also known as the Clean Water Act and the regulations adopted thereto. The Clean Water Act is the primary federal law that protects our nation's waters, including lakes, rivers, aquifers and coastal areas.

(n) "Clean Water Enforcement and Pollution Prevention Act of 1999" means the California law which authorizes Regional, State Boards and POTWs to require mandatory penalties and implementation of pollution prevention plans for various types of effluent violations.

(o) "Code of Federal Regulations" or "CFR" means a publication of the United States Government that contains all of the proposed and finalized federal regulations, including environmental regulations.

(p) "Collection system" means the combined pipes, conduits, manholes, and other structures, usually underground, whose purpose is to convey sanitary wastewater.

(q) "Compatible pollutants" means those pollutants such as biochemical oxygen demand, total suspended solids, and ammonia that are normally removed by the POTW treatment processes.

(r) "Compliance schedule" means the time period allowed by the City for a user to comply with permit conditions or discharge requirements.

(s) "Composite sample" means a collection of individual samples taken on a time or flow interval basis, and usually combined to give an average representative sample for the sample period.

(t) "Constituent" means any chemical element, compound, or mixture that is either suspended or dissolved in the wastewater stream.

(u) "Conventional pollutants" means those pollutants which are usually found in domestic, commercial, or industrial wastewaters such as biochemical oxygen demand, suspended solids, pathogenic organisms, pH, and oil & grease.

(v) "Direct discharge" means the direct release of treated or untreated wastewaters directly to the navigable waters of the United States. Direct discharges are regulated under the NPDES.

(w) "Discharge" means sewage or wastewater which is released into or allowed to enter the public sewerage system.

(x) "Discharge limits" means the maximum concentration levels at which specific pollutants are allowed to be discharged.

(y) "Discharge permit" means formal authorization by the City, stipulating the conditions under which a user's wastewater may be released to the City's sewerage system.

(z) "Domestic wastewater" means the liquid and solid waste derived from the ordinary living processes of humans, free from industrial wastewater, and of such character as to permit satisfactory treatment and disposal by conventional sewage treatment processes.

(aa) "Environmental Protection Agency" or "EPA" means the federal agency charged by law with carrying out and obtaining compliance with the Clean Water Act of 1977 and other federal environmental laws and promulgating, interpreting and enforcing regulations implementing such statutes.

(bb) "Equivalent dwelling unit" or "EDU" represents the wastewater flow from a single-family residential household. A typical single-family residential household has a wastewater flow of two hundred seventy (270) gallons/day, with a BOD and TSS equal to 230 mg/L and 220 mg/L, respectively.

(cc) "Existing source" means an industrial discharger that was in construction or operation prior to the EPA proposing pretreatment standards for the industrial category. The standards will be applicable to such source if the category is thereafter promulgated in accordance with Section 307 of the Act.

(dd) "Fee" means any charge made to the user for the use of the sewerage system and shall include, but not be limited to, capital facilities fee, sewer assessment fee, connection and frontage fee, industrial wastewater permit fee, sampling fee, inspection fee, noncompliance fee, oversize sewer fee, monthly sewer service fee, and other user fees.

(ee) “Flammable liquid” means a liquid which by itself, or any component of it present in greater than one percent (1%) concentration, has a flashpoint below one hundred (100) degrees Fahrenheit (thirty-eight (38) degrees Centigrade).

(ff) “Frontage fee” means the prevailing unit frontage fee, based on the sewer main size as established in § 6-7.707, multiplied by the length, in feet, of the sewer frontage of a lot or parcel.

(gg) “Grab sample” means a single sample collected at a particular time and place which represents the wastestream at that time and place only, and which does not exceed a fifteen-minute duration.

(hh) “Hazardous Materials Management Plan” means a document prepared by an industry which contains copies of Material Safety Data Sheets as well as additional information regarding the storage, handling, and disposal of all chemicals used on site by the industry.

(ii) “Hazardous substance” means any substance designated under 40 CFR Part 116 pursuant to § 311 of the Act.

(jj) “Hazardous waste” shall be as defined in 40 CFR Part 261.3 or Title 22, Cal. Code of Regulations.

(kk) “Indirect discharge” means the release or introduction of pollutants into the City’s sewerage system from any non-domestic source regulated under §§ 307(b), (c) or (d) of the Act, which may include septage. These discharges are subject to the City’s Municipal Code.

(ll) “Industrial cost recovery” or “OCR” means a charge to all users of the sewerage system equal to the portion of the federal grant used for the construction of the Regional Sewage Treatment Plant allocable to industrial users.

(mm) “Industrial user” or “IU” means any user, business, or facility that discharges or causes a discharge of non-domestic waste directly or indirectly into the City sewerage system.

(nn) “Industrial wastewater” or “industrial waste” means any waste or substance spilled, discharged, flowing or allowed to escape from any producing, manufacturing, processing, chemical, waste or materials storage area, institutional, governmental, or agricultural operation or from any other operation, or from the development, recovery or processing of any material resource. Industrial wastewater includes but is not limited to waste and/or wastewater resulting from equipment maintenance and cleaning, product coating, coloring, painting, plating, treating, degreasing or cleaning, heating and cooling systems, and water treatment devices. Industrial wastewater does not include domestic wastewater and unpolluted water as defined in this chapter. Any wastewater that is hauled by truck, rail or other means, and discharged into the sewerage system, shall be considered industrial wastewater, regardless of the original source.

(oo) "Inland Empire Utilities Agency" or "IEUA" shall be defined as the regional sewer treatment agency. IEUA is also responsible for jointly administering the provisions of this chapter.

(pp) "Inspector" means a person authorized by the Administrator to inspect any development that is discharging or has the potential to discharge wastewater into the sewerage system.

(qq) "Instantaneous maximum allowable discharge limit" means the maximum concentration of a pollutant allowed to be discharged at any time, determined from the analysis of any discrete or composited sample collected, independent of the industrial flow rate and the duration of the sampling event.

(rr) "Interceptor" means a treatment system designed, constructed and operated for the purpose of removing and retaining sand, oil, and grease from wastewater by differential gravity separation before discharge to the sewerage system. This term shall include both oil and grease interceptors and sand and oil interceptors.

(ss) "Interference" means a discharge that alone or in conjunction with a discharge or discharges from other sources,

(1) Inhibits or disrupts the POTW, its treatment processes or operations, or its processes, including either the use or disposal of sludge; and

(2) Is a cause or threatens to cause, a violation of any requirement of the POTW's NPDES permit (including an increase in the magnitude or duration of a violation) or of the prevention of sewage sludge use or disposal in compliance with the following statutory provisions and ordinance or permits issued hereinafter (or more stringent state or local regulations): § 405 of the Clean Water Act, the Solid Waste Disposal Act ("SWDA") (including Title II, more commonly referred to as the Resource Conservation and Recovery Act, and including state regulations contained in any state sludge management plan prepared pursuant to Subtitle D of SWDA), The Clean Air Act, the Toxic Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.

(tt) "Lower explosive limit" or "LEL" means the point where the concentration of a gas-in-air is sufficiently large to result in an explosion if an ignition source (sufficient ignition energy) is present.

(uu) "Mass emission rate", "mass limit" means the weight of material discharge to the sewerage system during a given time interval. Unless otherwise specified, the mass emission rate shall mean pounds per day of a particular constituent or combination of constituents.

(vv) "Material Safety Data Sheets" or "MSDS" means a document normally developed by a chemical manufacturer or formulator, which provides pertinent information about a chemical substance or mixture. The MSDS is required to be available to employees and inspectors when a chemical substance is used or found in the workplace.

(ww) "Maximum extent practicable" or "MEP" means to the maximum extent possible, taking into account equitable considerations of synergistic, additive, and competing factors, including but not limited to, gravity of the problem, fiscal feasibility, public health risks, societal concern, and social benefits.

(xx) "Milligrams per liter" or "mg/L" means one (1) milligram of a pollutant in one (1) liter of water or wastewater and can also be expressed as parts per million.

(yy) "Monitoring facility" means any structure approved by the Administrator to provide a convenient access point for monitoring the quantity and quality of a user's wastewater.

(zz) "National Pretreatment Standards," "pretreatment standards," or "standards" means any regulation containing pollutant discharge limits promulgated by the EPA in accordance with §§ 307 (b), (c), or (d) of the Act and 40 CFR Chapter I, Subchapter N (Parts 403 - 471), which established prohibitions or limitations on the discharge of pollutants from point sources.

(aaa) "National Pollutant Discharge Elimination System Permit" or "NPDES Permit" means a permit issued by state or federal agencies pursuant to § 402 of the Act (33 U.S.C. 1432).

(bbb) "Noncompatible pollutants" means those pollutants that are not removed by the sewage treatment plant or compatible pollutants in excessive quantities or concentrations. These pollutants may be toxic and cause waste to pass-through or interfere with sewage treatment systems.

(ccc) "Nonintegrated facility" means industrial sources that generate wastewaters from different categorical and non-categorical (ancillary) processes, but do not combine the wastestreams prior to pretreatment or discharge to the sanitary system.

(ddd) "Non-Reclaimable Wastewater System" or "NRWS)" means a sewerage line that is owned and operated by IEUA primarily for the disposal of non-reclaimable wastewater (brine).

(eee) "Occupant" means the tenant, renter or lessee of property who is the recipient of other utility services provided by the City and is responsible by utility application, agreement or by other means for the payment of said utility services.

(fff) "Owner" means the legal owner of the parcel of real property, except when the legal owner or said real property is such due to the holding of a mortgage, note or other such security, in which case the "owner" shall be deemed to be a beneficial owner of said parcel of real property.

(ggg) "Pass-through" means a discharge that passes through the POTW to the waters of the state in concentrations which, alone or in conjunction with other discharges, cause an NPDES permit violation, including an increase in the magnitude or duration of the violation.

(hhh) "Permittee" means a user, business, or company who has received a permit to discharge wastewater into the City sewerage system subject to the requirements and conditions established by the City.

(iii) "Pollutant" means any substance which contributes to or causes the impairment of the beneficial recycling of water or sludge. Pollutants include but are not limited to: dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, medical wastes, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, industrial, municipal, and agricultural waste, and certain characteristics of wastewater (e.g. pH, temperature, TSS, turbidity, color, COD, BOD, toxicity, or odor).

(jii) "Pollution" means the man-made or man-induced degradation of the chemical, physical, biological, and/or radiological integrity of water.

(kkk) "Pretreatment" or "treatment" means the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing such pollutants to a POTW. The reduction or alteration can be obtained by physical, chemical or biological processes, or process changes by other means except as prohibited by 40 CFR, § 403.6 (d).

(lll) "Pretreatment facility" means an industrial wastewater treatment plant consisting of one (1) or more treatment devices designed to remove sufficient pollutants from wastewaters to allow a user to comply with EPA, state or local effluent limitations for legal discharge to a POTW.

(mmm) "Pretreatment standards" or "standards" means prohibited discharge standards, categorical pretreatment standards and local limits.

(nnn) "Process wastewater" means any wastewater contaminated by human activities including but not limited to that originating from manufacturing, agriculture, processing, rinsing, washing or producing.

(ooo) "Public agency" means the State of California or any city, county, district, other local authority or public body within the State of California.

(ppp) "Public sewer system," "public sewer," "sewerage system," or "regional sewerage system" means any sewerage facility which is located in and maintained by the City or IEUA. The public sewer does not include the nonreclaimable waste system.

(qqq) "Publicly owned treatment works" or "POTW" means all sewerage facilities used for collecting, conveying, pumping, treating, and disposing of sewage, whether these facilities are operated and maintained by the City or IEUA.

(rrr) "Regional sewage service contract" means the agreement between IEUA and the public sewerage agencies in the Chino Basin area, to provide for the acquisition, improvement, and expansion of regional sewerage facilities for collecting, conveying, pumping, treating, and disposing of sewage from each of the public sewerage agencies in the IEUA service area.

(sss) "Regulatory agencies" means any or all agencies regulating the City, including, but not limited to, the Environmental Protection Agency, the State Water Resources Control Board, and the Regional Water Quality Control Board.

(ttt) "Resource Conservation and Recovery Act" or "RCRA" means a federal act that regulates the generation, storage, transportation and disposal of federally defined hazardous wastes from "cradle to grave".

(uuu) "Serious violation" means any waste discharge that exceeds the effluent limitations for a Group II pollutant, as specified in Appendix A to 40 CFR 123.45, by twenty percent (20%) or more or for a Group I pollutant, as specified in Appendix Z to 40 CFR 123.45, by forty percent (40%) or more.

(vvv) "Sewage" means the individual or community wastewater derived from residential, agricultural, commercial, or industrial sources, including domestic sewage, and industrial wastewater.

(www) "Sewer" means sanitary sewer mains and laterals within the public right of way or recorded utility easement, including appurtenances such as manholes and clean-outs.

(xxx) "Sewer factor" or "SF" means a value used to calculate the sewer assessment fee based on the levels of BOD and TSS in a user's wastewater, and the estimated volume of the wastewater. If unknown, the volume of the wastewater may be estimated using the number of fixtures in the proposed building.

(yyy) "Sewer frontage" means the boundary of a lot or parcel of land fronting on the sewer to which a service connection is made, except in the case of corner lots, or irregularly shaped lots, where the appropriate frontage shall be determined by the Engineering Department or the Administrator.

(zzz) "Sewer service connection fee" means a sewer fee consisting of a frontage connection fee, a capital facilities fee, one-time assessment fee, or a combination thereof.

(aaaa) "Sewerage facilities" means any and all facilities used for collecting, conveying, pumping, treating, and disposing of sewage.

(bbbb) "Shall" is mandatory, "may" is permissive.

(cccc) "Significant industrial user" or "SIU" means:

- (1) All categorical industrial users; and
- (2) Any noncategorical user that:
 - (i) Discharges twenty-five thousand (25,000) gallons per day or more of process wastewaters (excluding sanitary, noncontact cooling water, and boiler blowdown wastewaters);
 - (ii) Contributes a process wastestream which makes up five percent (5%) or more of the average dry weather hydraulic or organic capacity of a treatment plant; or
 - (iii) Has a reasonable potential, in the opinion of the Administrator, to adversely affect the POTW.

(dddd) "Significant non-compliance" or "SNC" means an industrial user whose violation(s) meets one (1) or more of the following criteria:

- (1) Chronic violations of wastewater discharge limits to the sewer, defined here as those in which sixty-six percent (66%) or more of wastewater measurements taken during a six (6) month period exceed the daily maximum limit or average monthly limit for the same pollutant parameter by any amount;
- (2) Technical Review Criteria violations of wastewater discharge limits to the sewer, defined here as those in which thirty-three percent (33%) or more of the wastewater measurements taken for each pollutant parameter during a six (6) month period equal or exceed the product of the daily maximum or average monthly limit multiplied by the applicable federal technical review criterion (1.4 for BOD, TSS, fats, oils & grease, and 1.2 for all other pollutants except pH);
- (3) Any other discharge violation that the Administrator believes has caused, alone or in combination with other discharges, interference or pass-through at the sewage treatment plant;

(4) Any discharge to the sewer system that has caused endangerment of the public, City or IEUA personnel or the environment, or has resulted in the Administrator's exercise of emergency authority to halt or prevent such a discharge;

(5) Failure to meet, within ninety (90) days of the scheduled date, a compliance schedule milestone contained in a wastewater discharge permit or enforcement order for starting construction, completing construction, or attaining final compliance;

(6) Failure to provide within thirty (30) days after the due date, any reports required by this chapter, including BMRs, reports on compliance with Categorical Pretreatment Standard deadlines, monitoring reports, and reports on compliance with compliance schedules;

(7) Failure to accurately report noncompliance; or

(8) Any other violation, which the Administrator determines, will adversely affect the operation or implementation of the pretreatment program.

(eeee) "Single-family residential" means all developed parcels with one (1) single-family detached housing unit, and/or any single-family residential unit that is served water by an individual water meter.

(ffff) "Single pass non-contact cooling water" means water that has no direct contact with any raw material or product, and which is used only once for the purpose of cooling, and then is discarded or discharged.

(gggg) "Single pass non-contact heating water" means water that has no direct contact with any raw material or product, and which is used only once for the purpose of heating, and then is discarded or discharged.

(hhhh) "Sludge" means any solid, semi-solid or liquid decant, subnate from a manufacturing process, utility service, or pretreatment facility.

(iiii) "Slug load" means any pollutant release in a discharge at a flow rate and/or pollutant concentration which will cause interference or upset of the sewerage system operations.

(jjjj) "Spill containment" means a City approved protection system installed by the user to prevent the discharge of non-compatible pollutants into the sewer system.

(kkkk) "State Water Resources Control Board (SWRCB)" means the California water pollution control agency with overall pretreatment responsibility through delegation agreements with the EPA.

(llll) "Technical review criteria" or "TRC" means an EPA term that defines the magnitude of a discharge limit violation. To determine whether the TRC limit has been exceeded, one must multiply the daily maximum or average limit by the applicable federal value of 1.4 for conventional pollutants (BOD, TSS, fats, oils & greases) or 1.2 for all other pollutants except pH.

(mmmm) "Total suspended solids" or "TSS" means the total matter that is suspended in water or wastewater and is expressed in milligrams per liter (mg/L).

(nnnn) "Total toxic organics" or "TTO" means the sum of all toxic organic compounds present in an industrial user's process discharge at concentrations greater than 0.01 mg/L and listed under 40 CFR Chapter I, Subchapter N.

(oooo) "Toxic Organics Management Plan," "TOMP," "Solvent Management Plan," or "SMP" means an organized strategy for keeping track of all solvents delivered to a site, their storage, generation, use, and disposal. A TOMP or SMP addresses both the prevention of toxic organics discharge to the sewerage system or the environment and the control of spills and leaks. It also ensures against the deliberate dumping of solvents.

(pppp) "Toxic pollutant" means those pollutants or combinations of pollutants, including disease-causing agents, which after discharge and upon exposure, ingestion, inhalation or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will, on the basis information available to the Administration of EPA, cause death, disease, behavioral abnormalities, cancer, genetic mutations, physiological malfunction (including malfunctions in reproduction) or physical deformations, in such organism or their offspring.

(qqqq) "Unpolluted water" means water to which no pollutant has been added either intentionally or accidentally.

(rrrr) "Upset" means an exceptional incident in which there is unintentional and temporary non-compliance with discharge limits as specified on the user's permit because of factors beyond the reasonable control of the user. An "upset" does not include non-compliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment devices, lack of preventative maintenance or careless or improper operation.

(ssss) "User" or "discharger" means any person, industry or establishment which discharges or causes to be discharged any wastewater directly or indirectly to the sewer system and shall also mean an owner or occupant whether private, governmental, or otherwise of a unit, building, premise or lot in the City.

(ttt) "Volatile" means natural (plant or animal origin) or synthetic substances that are capable of being evaporated or changed to a vapor at relatively low temperatures.

(uuuu) "Waste manifest" means the receipt which is retained by the generator of hazardous wastes as required by the state and/or the federal government pursuant to RCRA or the California Hazardous Materials Act, or that receipt which is retained by the generator for recyclable wastes or non-hazardous wastes as required by the City.

(vvvv) "Wastehauler" means any user carrying on or engaging in vehicular transport of waste.

(www) "Wastewater" or "waste" means any discarded substance in any form (liquid, semi-solid, solid or gaseous) that has the potential of being disposed of or entering the sewer.

(xxxx) "Wastewater factor or "WF" means a value used to calculate the monthly sewer service charge based on the levels of BOD and TSS in a user's wastewater, and the estimated volume of the wastewater. The volume of the wastewater is estimated from the user's waste consumption using a fixed percentage.

Words used in this chapter in the singular may include the plural and the plural the singular. Use of masculine shall also mean feminine and the use of feminine shall also mean masculine.

SECTION 3. Section 6-7.201 of Chapter 7, Title 6 the Municipal Code is hereby amended to read as follows:

Section. 6-7.201. Prohibited discharges.

No user shall discharge a quantity or quality of wastewater to the sewerage system or POTW which causes, or is capable of causing, either alone or by interaction with other substances, pass-through or interference. Except as expressly allowed in an industrial wastewater permit, no user shall introduce or cause to be introduced into the City of Ontario's sewerage system or the POTW the following pollutants, substances, or wastewater:

(a) Gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, or any other liquid, solid or gas which causes or is capable of causing, either alone or by interaction with other substances, a fire or explosive hazard, impairment of the effective maintenance or operation of the POTW, or in any other way, may cause danger to the life or safety of any user, damage to private properties or the sewerage facilities in the City of Ontario or the POTW. Prohibited materials include, but are not limited to, any wastestream with a closed cup flash- point of less than one hundred forty (140) degrees Fahrenheit or sixty (60) degrees Centigrade; by Federal Regulation 40 CFR 403.5 (b)(1);

(b) Any discharge which, alone or in combination with other wastes, results or may result in the presence of toxic gases, vapors or fumes within the City of Ontario sewerage system or the POTW in quantities that cause or may cause acute health and safety problems to any user;

(c) Any discharge containing toxic or poisonous solids, liquids or gases in such quantities that alone or in combination with other waste substances, may create a hazard for humans, animals or the local environment, interfere with any wastewater treatment process, cause a public nuisance, or cause any hazardous condition to occur in the sewerage system. Toxic pollutants shall include, but are not limited to, any pollutant identified pursuant to § 307(a) of the Act;

(d) Any amount of a hazardous substance or toxic pollutant;

(e) Any waste except sanitary wastes discharged directly into the City of Ontario's sewerage system with a pH less than 6.0 or greater than 12.0 units;

(f) Pollutants or wastewater that would cause a violation of any statute or rule, regulation, or ordinance of any public agency or regulatory agency having jurisdiction over the discharge of wastewater from the City of Ontario's sewerage system;

(g) Pollutants that interfere with the effluent or any other treatment process, residues, sludges or scums; or cause biosolids to be unsuitable for beneficial reuse, reclamation or disposal;

(h) Any solid or viscous materials which could cause obstruction to the flow in the sewer or cause interference with the operation of the POTW. These materials include but are not limited to grease, animal guts or tissues, paunch manure, bones, hair, hides or fleshing, entrails, whole blood, feathers, ashes, cinders, sand, earth, gravel, plaster, concrete, straw, metal filings, metal, spent lime, stone marble dust, metal, shavings, sharps, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastics, gas tar, asphalt, residues from refining or processing of fuel, lubricating oil, mud, glass, glass grinding, polishing wastes, rags, grease, paper dishes, paper cups, milk cartons or other similar paper products either whole or ground, or garbage which does not pass through a three-eighths (3/8) inch screen;

(i) Any amounts of petroleum oil, non-biodegradable cutting oils, emulsified oil or products of mineral oil origin which form persistent water emulsions or that will cause an upset, interference or pass through at the POTW;

(j) Wastewater having a temperature that will inhibit biological activity at the POTW, resulting in interference, but in no case wastewater that causes the temperature at the introduction of the POTW to exceed one hundred four (104) degrees Fahrenheit (forty (40) degrees Celsius);

(k) Pollutants, including oxygen-demanding pollutants (BOD, etc.) released in a discharge at a flow rate and/or pollutant concentration which, either singly or by interaction with other pollutants, will cause interference with the POTW;

(l) Pollutants that cause discoloration, pass-through, interference or any other condition which affects the quality of the POTW effluent in such a manner that receiving water quality requirements established by regulatory agencies cannot be met;

(m) Any quantity of pesticides, PCBs, herbicides, algacides, or fertilizers which causes an interference, an upset, or a pass through at the POTW;

(n) Any drainage from a vehicle radiator;

(o) Any recognizable portions of the human or animal anatomy;

(p) Any wastes which cause excessive incrustations, scale, or precipitates on sewer walls; or having any corrosive or detrimental characteristics that may cause damage to the City of Ontario's sewerage system or injury to service and maintenance personnel;

(q) Any strongly odorous waste or waste tending to create odors;

(r) Any infectious waste except where prior written approval for such discharges is given by the Administrator. Such waste shall be rendered non-infectious prior to discharge if the infectious waste is deemed to pose a threat to the public health and safety, or will result in any violation of applicable waste discharge requirements;

(s) Any waste containing substances that may precipitate, solidify, gel, polymerize, or become viscous at temperatures between forty (40) degrees Fahrenheit and one hundred (100) degrees Fahrenheit;

(t) Any waste generated outside the City of Ontario unless otherwise approved by the Administrator.

SECTION 4. Section 6-7.301 of Chapter 7, Title 6 the Municipal Code is hereby amended to read as follows:

Sec. 6-7.301. Industrial wastewater permit.

(a) To provide for the maximum public benefit for the use of the City sewerage system, written authorization to use said facilities is required. This written authorization shall be in the form of a discharge permit. No vested right shall be given by issuance of permits provided for in this section. The City reserves the right to establish by Municipal Code or in wastewater discharge permits, more stringent standards or requirements on discharges to the City's sewerage facilities if deemed appropriate by the Administrator.

(b) Industrial waste permits will be issued in one (1) of four (4) forms and dependent on the type of discharger, volume, and discharge characteristics. The four (4) discharge permits types are:

- (1) Class I Wastewater Discharge Permit issued to:
 - (i) Any user subject to Federal Categorical Pretreatment Standards;
 - (ii) Any user having industrial flows greater than twenty-five thousand (25,000) gallons per day; and
 - (iii) Any user that has a reasonable potential for adversely affecting the operation of the wastewater treatment plant or for violating any pretreatment standard or requirement.
- (2) Class II Wastewater Discharge Permit issued to:
 - (i) Any user discharging wastewater other than domestic waste only;
 - (ii) Has a reasonable potential to adversely affect the City of Ontario collection system or POTW; and
 - (iii) Is not required to obtain a Class I permit.
- (3) Class IZ Industrial Wastewater Permit issued to any user who is subject to Categorical Pretreatment Standards, does not discharge industrial waste, and only discharges domestic waste into the sewerage system.
- (4) Temporary Industrial Wastewater Discharge Permit issued to:
 - (i) Any user discharging wastewater temporarily from industrial operations; and
 - (ii) Any user who has a discharge of unpolluted water whereby no alternative method of disposal is available.

(c) No user of the City sewerage system requiring a permit shall discharge wastewater without obtaining a wastewater discharge permit.

(d) All users of the City's sewerage system proposing to discharge directly or indirectly into the sewerage system shall obtain a wastewater discharge permit by filing an application pursuant to § 6-7.302 and paying the applicable fees pursuant to § 6-7.704.

(e) All wastewater discharge permits shall be expressly subject to all provisions of this chapter and all other regulations, charges for use, and fees established by the City. Wastewater discharge permit conditions shall be enforced by the City of Ontario and Inland Empire Utilities Agency in accordance with this chapter and applicable State and Federal regulations.

SECTION 5: Section 6-7.404 of Chapter 7, Title 6 the Municipal Code is hereby amended to read as follows:

Sec. 6-7.404. Interceptors.

(a) A food service establishment discharging grease wastes which, under the conditions existing in the downstream sewers, could cause or threaten to cause stoppage or grease accumulations, shall install an approved grease and oil interceptor and regularly maintain it so as to prevent excessive discharges of grease and oil into the sewerage system. The costs of installing and maintaining such device(s) shall be at the sole expense of the user. Any user who operates, owns or maintains a food service establishment shall cause all floor drains, floor sinks, sinks, and waste container wash racks to be directed through the grease and oil interceptor, and shall keep all domestic wastewater from restrooms, showers, drinking fountains, and condensate (i.e. ice melt, air conditioning) separate from the food service wastewater until the food service wastewater has passed through all necessary pretreatment equipment, devices, or monitoring stations.

(b) Each vehicle wash, vehicle or equipment servicing, industrial transportation and/or cleaning facility shall install an appropriate sand, grease and oil interceptor of a size and design approved by the Administrator. Wastewater arising from the cleaning, servicing and repair of vehicles shall pass through this interceptor before discharge to the sewerage system.

(c) If an interceptor is not adequate under the conditions of use, one which is effective in accomplishing the intended purpose shall be constructed by the user within a time period established by the Administrator.

(d) The design plans for any required interceptor not included in the Plumbing Code or City standard drawings shall be prepared and signed by an engineer registered in the State of California and meet the drawing submittal requirements set forth in § 6-7.401. Such plans shall be reviewed and must be approved by the Administrator prior to any construction of said device.

(e) The interceptor required by this chapter shall be watertight, structurally sound, durable, properly maintained, and easily accessible for inspection and cleaning to assure that the accumulation of sand, oil or grease does not impair the efficiency of the interceptor or pass through the device.

(f) A user who is required to install and maintain an interceptor shall keep maintenance records and hauler's manifests for a minimum of three (3) years. These records shall be made available to the Administrator upon request. Each vehicle wash and food service facility shall be responsible for the costs of installing, inspecting, pumping, cleaning and maintaining its grease interceptor. Cleaning and maintenance must be performed when the total volume of captured grease and solid material displaces more than twenty percent (20%) of the total volume of the unit. All vehicle wash and food service facilities that have grease interceptors shall utilize a licensed grease hauler who has been permitted for pumping services. Pumping services shall include the initial complete removal of all contents, including floating materials, wastewater and bottom sludge and solids from the interceptor. The return of gray water back into the grease interceptor from which the wastes were removed is allowable, provided that grease and solids are not returned to the interceptor and further provided that the grease hauler has written authorization from the vehicle wash or food service facility to return the gray water. Grease interceptor cleaning shall include scraping excessive solids from the walls, floors, baffles and all pipe work. The grease hauler shall wait at least twenty (20) minutes to allow the interceptor waste to separate in the truck tank before attempting to re-introduce the gray water to the interceptor. It shall be the responsibility of each vehicle wash or food service facility to inspect its grease interceptor during the pumping procedure to ensure that the interceptor is properly cleaned out and that all fittings and fixtures inside the interceptor are in working condition and functioning properly.

(g) Each vehicle wash or food service facility shall determine the frequency at which its grease interceptor(s) shall be pumped according to the following criteria:

- (1) When the floatable grease layer exceeds six inches (6") in depth as measured by an approved dipping method;
- (2) When the settleable solids layer exceeds eight inches (8") in depth as measured by an approved dipping method;
- (3) When the total volume of captured grease and solid material displaces more than twenty percent (20%) of the capacity of the interceptor as calculated using an approved dipping method; or
- (4) When the interceptor is not retaining/capturing oils and greases; or the removal efficiency of the device, as determined through sampling and analysis, is less than eighty percent (80%).

(h) Periodic inspection of the interceptor may be performed to determine compliance with this section. The owner and/or user of the property shall be subject to enforcement actions if such user fails to maintain the interceptor and/or keep adequate records.

(i) Conditional waivers for the grease and oil interceptor or sand, grease and oil interceptor requirement shall be granted by the Administrator for food service

establishments or vehicle wash, vehicle or equipment servicing, industrial transportation and/or cleaning facility determined not to have adverse effects on the City's sewerage system or the POTW. Conditional waivers may be revoked for the following reasons:

- (1) Changes in menu;
- (2) Falsification of information submitted;
- (3) Change in operating hours;
- (4) Changes in equipment used;
- (5) Changes in the number of vehicles washed; or
- (6) As determined by the Administrator to have adverse effects on the City's sewerage system or the POTW.

SECTION 6. Section 6-7.615 of Chapter 7, Title 6 the Municipal Code is hereby amended to read as follows:

Sec. 6-7.615. Termination of services.

The City, by order of the Administrator, may physically terminate sewerage service to any property as follows:

- (a) Upon any order of emergency suspension or revocation of a permit; or
- (b) Upon the failure of a user not holding a valid discharge permit to immediately cease discharge, whether direct or indirect, to the City's sewerage facilities.

SECTION 7. Section 6-7.616 of Chapter 7, Title 6 the Municipal Code is hereby amended to read as follows:

Sec. 6-7.616. Public nuisance.

Discharge of wastewater in any manner in violation of this chapter or of any order issued by the Administrator, as authorized by this chapter, is hereby declared a public nuisance and shall be corrected or abated as directed by the Administrator. Any user creating a public nuisance is guilty of a misdemeanor.

SECTION 8. Section 6-7.620 of Chapter 7, Title 6 the Municipal Code is hereby amended to read as follows:

Sec. 6-7.620. Appeals to the Administrator.

- (a) General. Any user, permit applicant or permittee affected by any decision, action or determination made by the Administrator may file with the Administrator a

written request for an appeal hearing. The request must be received by the City within fifteen (15) days of mailing of notice of the decision, action, or determination of the City to the appellant. The request for hearing shall set forth in detail all facts supporting the appellant's request.

(b) Notice. The Administrator shall, within fifteen (15) days of receiving the request for appeal, designate a representative to hear the appeal and provide written notice to the appellant of the hearing date, time and place. The hearing date shall not be more than thirty (30) days from the mailing of such notice by certified mail to the appellant unless a later date is agreed to by the appellant. If the hearing is not held within said time due to actions or inactions of the appellant, then the staff decision shall be deemed final.

(c) Hearing. At the hearing, the appellant shall have the opportunity to present information supporting its position concerning the Administrator's decision, action or determination. The hearing shall be conducted in accordance with procedures established by the Administrator and approved by the City Council.

(d) Written determination. After the conclusion of the hearing, the representative shall submit a written report to the Administrator setting forth a brief statement of facts found to be true, a determination of the issues presented, conclusions, and recommendations whether to uphold, modify or reverse the Administrator's original decision, action or determination. Upon receipt of the written report, the Administrator shall make his or her determination and shall issue his or her decision and order within thirty (30) calendar days of the hearing by his or her designee. The written decision and order of the Administrator shall be sent by certified mail to the appellant or its legal counsel/representative at the appellant's business address.

(e) The order of the Administrator shall be final in all respects on the sixteenth (16th) day after it is mailed to the appellant unless a request for hearing is filed with the City pursuant to § 1-4.01 of Chapter 4 of Title 1 of the Ontario Municipal Code, no later than 5:00 p.m. on the fifteenth (15th) day following such mailing.

(f) Pursuant to § 1-4.01 of Chapter 4 of Title 1 of the Ontario Municipal Code, any user, affected by any decision, action or determination made by Administrator, may appeal in writing to the City Council by filing with the City Clerk a written notice of such appeal, setting forth grounds thereof. The appellant shall file such notice within fourteen (14) days after receipt of the notice of the administrative decision concerned.

(g) The order of the City Council shall be deemed final upon its adoption.

(h) If the user fails to appeal to the City Council, or the City Council fails to reverse or modify the administrative decision, the Administrator's administrative decision shall be deemed final.

SECTION 9. Section 6-7.621 of Chapter 7, Title 6 the Municipal Code is hereby amended to read as follows:

Sec. 6-7.621. Judicial review.

(a) Purpose and effect. Pursuant to Cal. Code of Civil Procedure § 1094.6, the City hereby enacts this part to limit to ninety (90) days following final decisions in adjudicatory administrative hearings the time within which an action can be brought to review such decisions by means of administrative mandamus.

(b) Definitions. As used in this section, the following terms and words shall have the following meanings:

(1) "Complete record" shall mean and include the transcript, if any existing, of the proceedings, all pleadings, all notices and orders, any proposed decision by the Administrator, the final decision, all admitted exhibits, all rejected exhibits in the possession of the City or its offices or agents, all written evidence, and any other papers in the case.

(2) "Decision" shall mean and include adjudicatory administrative decisions that are made after hearing, or after revoking, suspending, or denying an application for a permit or a license.

(3) "Party" shall mean a user whose permit has been denied, suspended, or revoked.

(c) Time limit for judicial review. Judicial review of any decision of the City or its officer or agent may be made pursuant to Cal. Code of Civil Procedure § 1094.5 only if the petition for writ or mandate is filed not later than the ninetieth (90th) day following the date in which the decision becomes final. If there is not provision for reconsideration in the procedures governing the proceedings or if the date is not otherwise specified, the decision is final on the date it is made. If there is provision for reconsideration, the decision is final upon the expiration of the period during which such reconsideration can be sought; provided that if reconsideration is sought pursuant to such provision to decision is final for the purposes of this section on the date that reconsideration is rejected.

(d) Preparation of the record. The complete record of the proceedings shall be prepared by the City officer or agent who made the decision and shall be delivered to the petitioner within ninety (90) days after he or she has filed written request therefor. The City may recover from the petitioner its actual cost for transcribing or otherwise preparing the record.

(e) Extension. If the petitioner files a request for the record within ten (10) days after the date the decision becomes final, the time within which a petition, pursuant to Cal. Code of Civil Procedure § 1094.5, may be filed shall be extended to not later than the thirtieth (30th) day following the date on which the record is either usually delivered or mailed to the petitioner or the petitioner's attorney of record, if appropriate.

(f) Notice. In making a final decision, the City shall provide notice to the party that the time within which judicial review must be sought is governed by Cal. Code of Civil Procedure § 1094.6.

(g) Administrative civil penalties. Notwithstanding the foregoing, and pursuant to Cal. Gov't Code § 54740.6, judicial review of an order of the Steering Committee imposing administrative civil penalties may be made only if the petition for writ of mandate is filed not later than the thirtieth (30th) day following the day on which the order of the Steering Committee becomes final.

SECTION 10. The current rates for the City sewer service charges as set forth in Exhibit B shall remain in full force and effect in accordance with the schedule set forth in Exhibit B. Commencing January 6, 2012, the City Council hereby authorizes and establishes the rates for the City Charge component of the sewer service charges at the rates and in the amounts as set forth in Exhibit B.

SECTION 11. Except as otherwise authorized and provided in this Section 7, the current rates for the IEAU Charge as set forth in Exhibit B shall remain in full force and effect. The City Council hereby authorizes the imposition of future rate increases to the IEUA Charge component of its sewer service charges required as a result of any Pass Through. Such Pass Through rate increases may be imposed annually for a two-year period, beginning on July 1, 2012, and July 1, 2013, respectively, at the rates, in the amounts, and in accordance with the authorizations and limitations set forth in Exhibit B.

SECTION 12. The City Council hereby authorizes and directs the City Manager to implement and take all actions necessary to effectuate the rates for the sewer service charges set forth herein.

SECTION 13. If any section, subsection, subdivision, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

SECTION 14. This Ordinance shall supersede all other previous City Council resolutions and ordinances that may conflict with, or be contrary to, this Ordinance.

SECTION 15. A full reading of this Ordinance is hereby waived. This Ordinance was introduced at a regular meeting of the City Council of the City of Ontario, California, on November 15, 2011, and thereafter adopted at a regular meeting of the City Council held on the 6th day of December, 2011.

SECTION 16. This Ordinance shall become effective thirty (30) calendar days after its adoption by the City Council.

SECTION 17. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

SECTION 18. City staff is directed to file a Notice of Exemption within five (5) days of the adoption of this Ordinance.

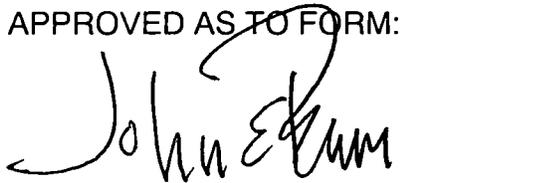
PASSED, APPROVED, AND ADOPTED this 6th day of December 2011.


PAUL S. LEON, MAYOR

ATTEST:


for MARY E. WIRTES, MMC, CITY CLERK

APPROVED AS TO FORM:


BEST BEST & KRIEGER LLP
CITY ATTORNEY

**EXHIBIT A TO
ORDINANCE NO. 2945**

RATE REPORT

City of Ontario



Solid Waste, Sewer & Water Rate Report

EXECUTIVE SUMMARY

The City recently evaluated the service and infrastructure needs, programs, operation and maintenance costs of the City’s solid waste, sewer and water enterprises. The City has determined that the existing solid waste service charges will provide adequate revenues to meet operational needs through 2013 and no rate increase is recommended; and that water and sewer service charges are and will be insufficient to cover (i) current and projected operations and maintenance costs for the water and sewer systems and (ii) the cost of capital infrastructure improvements needed to repair and update the City’s water and sewer systems. Accordingly, the City has determined that rate increases are necessary to address the need for infrastructure and sewer and water quality improvements, and to avoid operational deficits and depletion of reserves.

The following table illustrates the combined effect of the proposed rate increases on the monthly utility bill for City charges for “Typical Residential” and “Typical Commercial – Industrial” customers over the next two years.

Combined Utility Rate

<u>Typical Residential</u>			
Service	Current	January 2012	January 2013
Solid Waste	\$ 26.09	\$ 26.09	\$ 26.09
Sewer	\$ 12.23	\$ 12.60	\$ 12.60
Water	\$ 71.07	\$ 72.47	\$ 73.89
Combined	\$109.39	\$111.16	\$112.58
% Increase		1.6%	1.3%

<u>Typical Commercial - Industrial</u>			
Service	Current	January 2012	January 2013
Solid Waste	\$ 277	\$ 277	\$ 277
Sewer	\$ 213	\$ 219	\$ 219
Water	\$ 993	\$1,013	\$1,033
Combined	\$1,483	\$1,509	\$1,529
% Increase		1.8%	1.3%

SOLID WASTE ENTERPRISE

A review of the solid waste service charges indicates that current and projected revenue estimates based on the current rates are sufficient to cover the anticipated cost of providing solid waste services. Therefore, staff recommends no change to solid waste rates that the City should charge its customers in calendar years 2012 and 2013. This constitutes the third and fourth years without any increase in solid waste rates, and was achieved primarily as a result of implementing cost cutting measures to reduce the cost of landfill disposal by expanding the recycling programs and extending the useful life of solid waste vehicles.

The City provides the following three types of collection service to its customers:

Automated curbside: The City offers three sizes of containers to automated service customers, 32-gallon, 64-gallon and 96-gallon. The charges are based on the size of containers. In FY 2010-11, the City served approximately 31,100 automated service customers, about 93 percent of automated service customers used the 96-gallon containers, about five percent used the 64-gallon containers and about two percent used the 32-gallon containers. For residential automated service customers, the current monthly charge of \$26.09 provides three 96-gallon containers, one each for refuse, greenwaste, and recycling.

Commercial bins: Commercial bin service includes collection of 1.5 cubic-yard, 3.0 cubic-yard, 4.0 cubic-yard, and 6.0 cubic-yard standard and compactor bins for refuse, greenwaste, and co-mingled recycling. In FY 2010-11, the City serviced approximately 5,200 commercial bin customers and about 81 percent of these were 4.0 cubic-yard bins. The current rate for standard 4.0 cubic-yard bin service is \$147.00 per month for one pickup, weekly service.

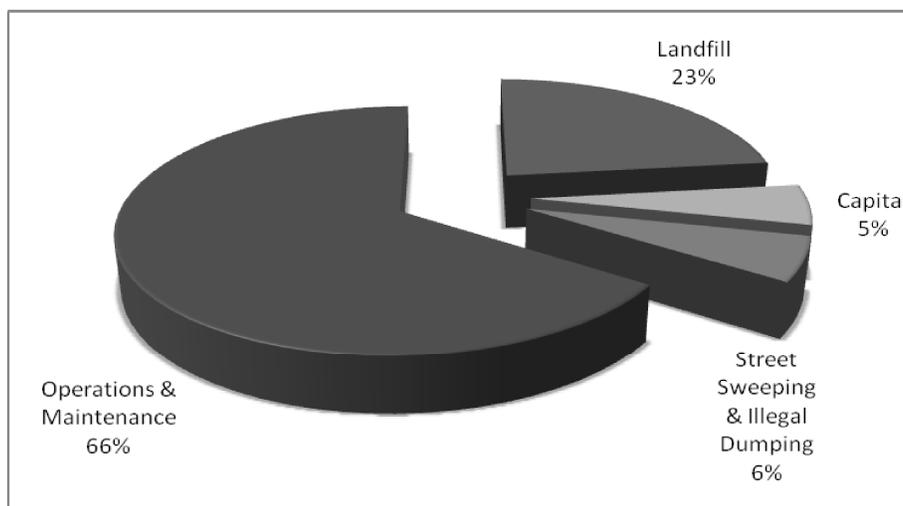
Roll-off bins: Roll-off service includes open-top and compactor service for refuse, single-commodity recycling, greenwaste, and inert material. In FY 2010-11, the City serviced approximately 12,600 roll-off loads and the current rate for roll-off refuse service is \$479.00 including the first five tons of disposal.

The City continues to exceed the State mandated diversion rate for recyclable materials. To further encourage recycling, the City offers specific services and rates for co-mingled recycling and greenwaste collection services for automated service customers, co-mingled recycling and greenwaste collection

services for commercial bin customers, and single-commodity recycling, greenwaste, and inert collection services for roll-off customers.

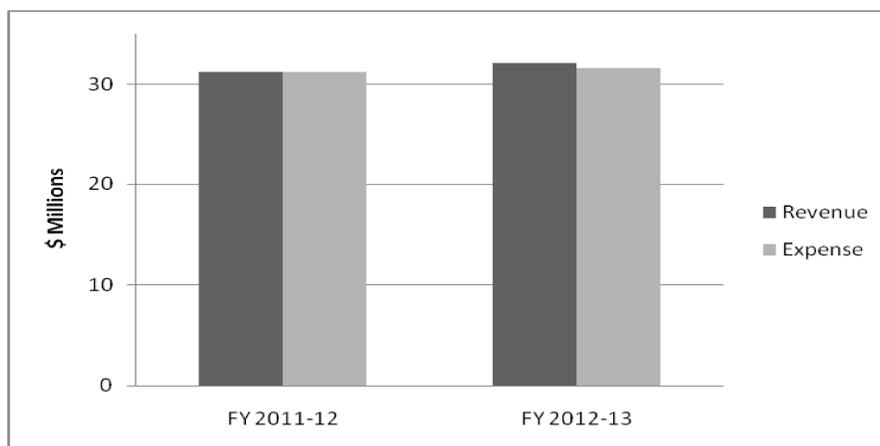
Solid waste expenses consist of landfill disposal costs; operation and maintenance (O&M) expenses including general overhead costs related to supervision, utility billing and customer service, cost allocations to the General Fund for City provided services; street sweeping and illegal dumping clean up services; and a capital improvement program, as illustrated by Figure 1.

Figure 1
FY 2010-11 Expenses - \$30 million



The City's current solid waste rates will generate adequate revenue to cover the City's projected expenditures, as illustrated by Figure 2.

Figure 2



Since the revenues generated by the existing solid waste service charges included in Table 1 are adequate to cover the anticipated expenditures to provide solid waste services, staff recommends no change to solid waste rates that the City should charge its customers in calendar years 2012 and 2013. Staff will continue to periodically review the financial plan to ensure continued financial stability.

**Table 1
Proposed Solid Waste Rate Schedule**

Automated Collection				
<u>Includes One each Refuse, Greenwaste and Recycle Cans</u>			<u>Each Extra Refuse Can</u>	
<u>Gallons</u>	<u>OMC</u>	<u>NMC</u>	<u>OMC</u>	<u>NMC</u>
96	\$26.09	\$29.48	\$23.82	\$26.91
64	\$22.68	\$25.63	\$20.42	\$23.07
32	\$19.28	\$21.79	\$17.01	\$19.22
<u>Each Extra Greenwaste or Recycle Can</u>		OMC = Old Model Colony & NMC = New Model Colony		
<u>Gallons</u>	<u>OMC & NMC</u>			
96	\$2.00			
64	\$2.00			
32	\$2.00			

Commercial Bins Monthly Rates			Compactor Monthly Rates	
<u>Cubic Yards</u>	<u>One Pickup/Week</u>	<u>Each Extra Pickup/Week</u>	<u>Cubic Yards</u>	<u>Each Pickup/Week</u>
< 3	\$100.00	\$91.00	1.5	\$169.00
3	\$119.00	\$105.00	2	\$191.00
4	\$147.00	\$130.00	3	\$235.00
6	\$207.00	\$188.00	4	\$280.00
Special Empty is half the listed rate.			6	\$369.00

Drop Body (Compactor/Open Top) Service Rates Per Load (a)	
<u>Service</u>	<u>Rate</u>
Refuse/Load – Empty and Return (Includes 5 tons), Charges apply for additional weight	\$479.00
Refuse/additional weight per ton (>5) for Additional Disposal Charges	\$48.21
Recycle/Load – Single Commodity Per Load Plus Actual Disposal Charge (b, c)	\$148.00
Recycle/Load – Inert/Greenwaste Per Load Plus Actual Disposal Charge (c)	\$186.00
Charge per ton (>12) for Excess Weight Violation	\$107.00
Redelivery (dead run) Charge	\$94.00
(a) A minimum of one pick per week (if no service, the per load charge is assessed)	
(b) Maximum 5% contamination	
(c) Actual disposal costs are billed in addition to the per load charge	

SEWER ENTERPRISE

A review of the sewer service charges indicates that current and projected revenue estimates based on the current rates are not sufficient to cover the anticipated cost of providing sewer services. Therefore, staff recommends changes to sewer rates that the City should charge its customers in calendar year 2012.

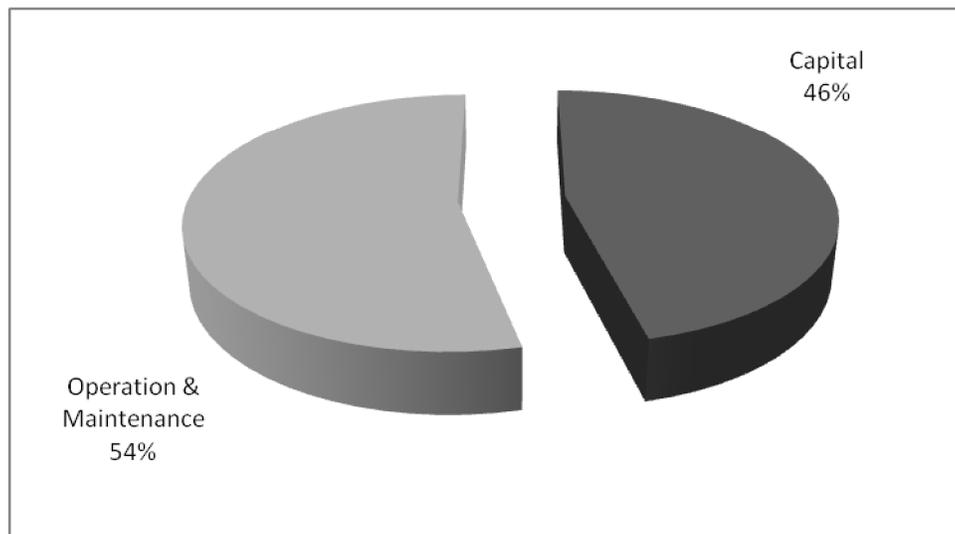
Sewer service charges are billed on a monthly basis. The rate structure for sewer service charges has two customer classifications – (1) residential, which includes single-family and multi-family residential customers; and (2) non-residential, which includes commercial and industrial customers. The rate structure is comprised of two components: (1) a charge for capital replacement, operations and maintenance, billing, customer service, and other related costs (“City Charge”); and (2) a treatment charge for costs imposed on the City by Inland Empire Utilities Agency (IEUA) (“IEUA Charge”) that is passed through by the City to its sewer customers. The rates are calculated to proportionately allocate capital replacement, operations, maintenance, and treatment costs to each customer class.

The City Charge for sewer service is a flat charge per unit for residential customers. For non-residential customers, the City Charge consists of a flat rate based on the number of building units, and a variable amount based on the amount of sewer flow in equivalent dwelling units (EDU) (EDU = sewer flow from a single family residential unit). Sewer flows for non-residential customers are estimated based on water consumption.

The IEUA Charge for residential and non-residential is based on the number of EDUs. For residential customers, this charge is fixed at one (1) EDU of a single family residence, and seven tenths of one (0.7) EDU for a multi-family unit. For non-residential customers, the charge varies from month to month based on the number of EDUs as determined by sewer flow and water consumption.

The City sewer expenses consist of the cost of operation and maintenance (O&M) including general overhead costs related to supervision, utility billing and customer service, cost allocations to the General Fund for City provided services; and a capital improvement program, as shown in Figure 3.

Figure 3
FY 2010-11 Expenses - \$11.2 million



The graph above does not include the cost of treatment provided by IEUA. The City’s current sewer rates include the IEUA Charge. The City pays IEUA to treat its sewer and these costs are passed on to City sewer customers through the IEUA Charge.

Based on IEUA projections, the current IEUA charge will not generate adequate revenues to cover the treatment cost. The IEUA Charge is anticipated to be increased from the current charge of \$11.14 per EDU to \$12.39 per EDU in 2012 and \$12.99 per EDU in 2013. If approved by the City Council, the proposed IEUA Charges may be imposed for the periods commencing on July 1, 2012 and July 1, 2013, respectively, following adoption by IEUA Board. Prior to implementing any increase in the IEUA Charge, the City will provide written notice of the rate increase not less than 30 days prior to its effective date.

The City’s current sewer rates City’s projected expenditures will not generate adequate revenues to cover the costs for O&M and the capital improvement program, as illustrated by Figure 4.

Figure 4



As a result of the anticipated increases in the costs of providing sewer service, the City is proposing to increase the City Charges for sewer services in January, 2012 and to pass through future IEUA Charges for treatment over the two-year period, in 2012 and 2013. The proposed rates for the sewer service charges are set forth below for the different customer classes are summarized in Table 2.

Table 2
Proposed Rates For Sewer Services

Sewer Service	City Charge		IEUA Charge (a)		
	Current	1/6/2012	Current	7/1/2012	7/1/2013
Single Family Residential per Month per Unit	\$12.23	\$12.60	\$11.14	\$12.39	\$12.99
Multiple Family Residential per Month per Unit	\$11.75	\$12.10	\$7.80	\$8.67	\$9.09
Non-Residential per Month per EDU (b)	\$12.23	\$12.60	\$11.14	\$12.39	\$12.99

(a) IEUA Charge is a pass through treatment charge. The rates for 2012 & 2013 are estimates provided by IEUA. Sewer bills will be adjusted by the actual amounts once adopted by the IEUA Board.

(b) EDU (Equivalent Dwelling Unit) is a term used to compare the flows from non-residential units in terms of flows generated by a single family residential unit. Non-residential customers are also charged a per unit charge as shown in the table below:

Per Unit Sewer Service Charges for Non-Residential Customers	Current	1/6/2012
Hotel/Motel per Room Charge	\$7.60	\$7.90
Professional Offices per Building Unit Charge	\$11.95	\$12.40
Other Commercial per Building Unit Charge	\$29.50	\$30.40
Categorical/Significant Industry per Permitted Unit	\$110.35	\$113.70
Class II Industry per Permitted Unit	\$110.35	\$113.70
Other Industries per Permitted Unit	\$55.20	\$56.90

WATER ENTERPRISE

A review of the [water](#) service charges indicates that current and projected revenue estimates based on the current rates are not sufficient to cover the anticipated cost of providing water services. Therefore, staff recommends changes to water rates that the City should charge its customers in calendar years 2012 and 2013.

Water service charges are billed on a monthly basis. The proposed water rate structure for water service charges has two customer classes – (1) residential, which includes single-family and multi-family customers; and (2) non-residential, which includes, commercial, and industrial customers. The rate structure is comprised of two components: (1) a fixed monthly service charge (the “Readiness to Serve Charge”); and (2) a variable monthly water usage charge (the “Commodity Charge”). The Readiness to Serve Charge is a fixed charge established on the basis of the meter size of the property receiving water service from the City and is calculated to recover the City’s fixed costs of water facilities repairs and replacements as well as the cost of meter reading, billing and customer service. The Commodity Charge is calculated on the basis of the cost of providing water and consists of two tiers which will impose higher rates per unit of water as the level of consumption increases. The first tier cut-off is 15 hundred cubic feet (hcf) per month. Together, the two components are structured in such a way as to proportionately allocate capital replacement, operations and maintenance costs to each customer class, while managing the City’s water resources.

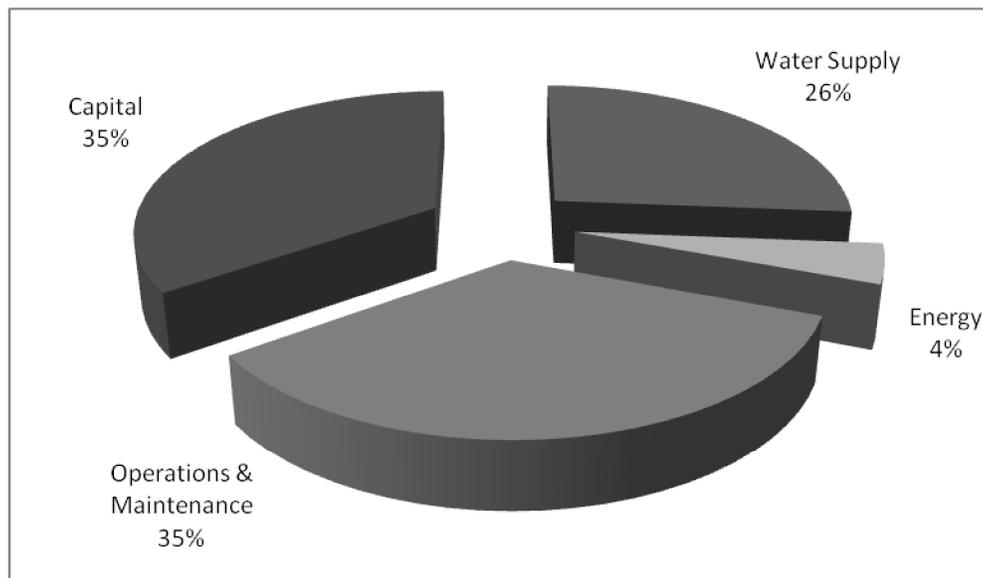
In addition to the general water service charge imposed on property owners, the City also imposes a monthly private fire service fee on certain properties. The private fire service fee is imposed only as a condition of extending or initiating water service by (i) the installation of a private fire hydrant, or (ii) upon the request of the consumer or property owner for the delivery of water to the property for the purpose of private fire service protection.

The City serves approximately 33,500 individual water customer accounts. Single family accounts make up the largest customer group with approximately 80 percent of the total accounts. The average water usage for a single family residence is approximately 22 hcf per month (550 gallons per day), and single family residents accounted for about 36 percent of the total water consumed in the City.

Water expenses consist of water supply costs including the cost to purchase imported water and supplemental water production rights, cost of energy for water production; other operation and maintenance (O&M) expenses including cost of system maintenance, general overhead costs related to supervision, utility billing and customer service, and cost allocations to the General Fund for City provided services; and a capital improvement program, as illustrated by Figure 5.

Figure 5

FY 2010-11 Expenses - \$52 million



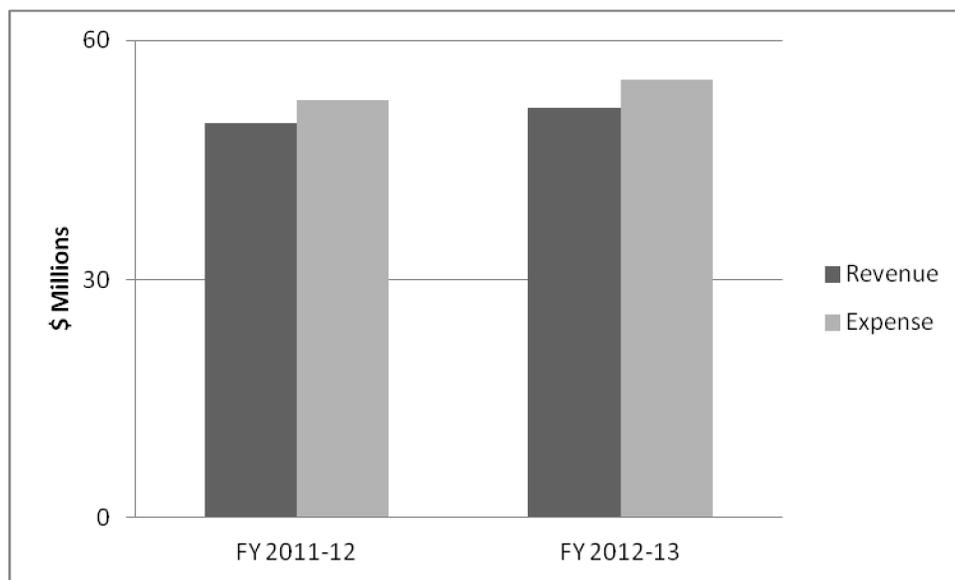
The City’s potable water supply includes imported water from Metropolitan Water District (MWD), groundwater pumped from its wells in the Chino Basin, and desalted water from the Chino Basin Desalter Authority (CDA). The Desalter expansion that is currently underway is anticipated to provide 3,533 acre feet (AF) of additional potable water per year. In addition to these potable water sources, the City uses recycled water for groundwater replenishment and for direct use in landscape irrigation and some industrial applications.

The Water and Recycled Water Master Plans were updated in 2011 following the adoption of The Ontario Plan general plan update in 2010. The master plans establish the basis and cost for new and replacement capital infrastructure required to maintain reliable utility service for existing users and to expand the utility systems for future users. The City maintains about 540 miles of main water pipelines, with about 60 miles (11%) of these being 50 years and older. Planned infrastructure improvements include meter replacement, additional water storage capacity, replacement of aging

water production wells (nine out of the City’s twenty-four active wells are more than 40 years old), water treatment, and projects that will provide site security and system reliability such as seismic retrofits for existing water facilities.

The City’s projected expenditures will exceed the available resources under the existing rates, as illustrated by Figure 6.

Figure 6



The City has experienced and anticipates future increases in the costs to operate and maintain the water system and to provide ongoing water system repairs, replacements, and upgrades. As a result of the anticipated increases in the costs of providing water service, the City is proposing to increase the City Charges for water services over the two-year period, commencing January, 2012 and January, 2013. The proposed rate increases for the water service charges are set forth below:

<u>Effective Date</u>	<u>Increases</u>
January 2012	2%
January 2013	2%

Included in the proposed rates are the cost of imported water from wholesale agencies and fees imposed by regulatory agencies. The proposed rates for water services for the different customer classes are summarized in Table 3.

**Table 3
Proposed Water Rate Schedule**

Commodity Rates/HCF/Month						
Monthly Water Use (Potable)	Old Model Colony (OMC)			New Model Colony (NMC)		
	Current	1/6/2012	1/1/2013	Current	1/6/2012	1/1/2013
0-15 HCF	\$2.16	\$2.20	\$2.25	\$2.72	\$2.77	\$2.83
More than 15 HCF	\$2.51	\$2.56	\$2.61	\$3.08	\$3.14	\$3.20
Monthly Water Use (Recycled)	OMC Rates/HCF			NMC Rates/HCF		
	Current	1/6/2012	1/1/2013	Current	1/6/2012	1/1/2013
0-1,000 HCF	\$1.30	\$1.33	\$1.35	\$1.30	\$1.33	\$1.35
More than 1,000 HCF	\$1.19	\$1.21	\$1.24	\$1.19	\$1.21	\$1.24

HCF (Hundred Cubic Feet = 748 gallons)

Readiness to Serve/Month						
Meter Size	Potable Water			Recycled Water		
	Current	1/6/2012	1/1/2013	Current	1/6/2012	1/1/2013
5/8"	\$21.10	\$21.50	\$21.90	\$10.55	\$10.75	\$10.95
1"	\$37.40	\$38.10	\$38.90	\$18.70	\$19.05	\$19.45
1.5"	\$82.80	\$84.50	\$86.20	\$41.40	\$42.25	\$43.10
2"	\$119.50	\$121.90	\$124.30	\$59.75	\$60.95	\$62.15
3"	\$232.80	\$237.50	\$242.30	\$116.40	\$118.75	\$121.15
4"	\$369.20	\$376.60	\$384.10	\$184.60	\$188.30	\$192.05
6"	\$763.10	\$778.40	\$794.00	\$381.55	\$389.20	\$397.00
8"	\$1,132.50	\$1,155.20	\$1,178.30	\$566.25	\$577.60	\$589.15
10"	\$1,747.30	\$1,782.20	\$1,817.80	\$873.65	\$891.10	\$908.90

Table 3 Continued

Fire Service/Month			
Pipe Size	Current	1/6/2012	1/1/2013
2"	\$11.30	\$11.50	\$11.70
4"	\$22.70	\$23.20	\$23.70
6"	\$45.40	\$46.30	\$47.20
8"	\$64.10	\$65.40	\$66.70
10"	\$86.90	\$88.60	\$90.40
12"	\$169.60	\$173.00	\$176.50
16"	\$337.70	\$344.50	\$351.40

Appendix A

Solid Waste Tables

Table 1 - Solid Waste Customers

	Actual 2010	Estimated 2011	Projected 2012	Projected 2013
AUTOMATED COLLECTION				
<u>96-Gallon Containers</u>				
Single-family residential service	25,045	24,732	24,856	25,042
New Model Colony (SFR)	35	35	35	35
Multi-family residential service	2,604	2,571	2,584	2,604
New Model Colony (MFR)	2	2	2	2
Commercial service - Refuse	1,065	1,052	1,057	1,065
New Model Colony (COMM)	2	2	2	2
Commercial service - Greenwaste/Recycling	-	-	-	-
All other residential service	73	72	72	73
Subtotal	28,826	28,466	28,608	28,823
<u>64-Gallon Containers</u>				
Single-family residential service	874	863	867	874
New Model Colony (SFR)	89	88	88	89
Multi-family residential service	588	581	584	588
New Model Colony (MFR)	4	4	4	4
Commercial service	14	14	14	14
New Model Colony (COMM)	11	11	11	11
All other residential service	3	3	3	3
Subtotal	1,583	1,563	1,571	1,583
<u>32-Gallon Containers</u>				
Single-family residential service	606	598	601	606
New Model Colony (SFR)	17	17	17	17
Multi-family residential service	10	10	10	10
New Model Colony (MFR)	2	2	2	2
Commercial service	42	41	42	42
New Model Colony (COMM)	6	6	6	6
All other residential service	-	-	-	-
Subtotal	683	674	678	683
Total Automated Collection	31,092	30,703	30,857	31,088

Table 1 - Solid Waste Customers (continued)

Additional Service

Extra 96 gallon refuse container	1,903	1,879	1,889	1,903
Extra 64 gallon refuse container	2	2	2	2
Extra 32 gallon refuse container	2	2	2	2
NMC - Extra 96 gallon refuse container	-	-	-	-
NMC - Extra 64 gallon refuse container	-	-	-	-
NMC - Extra 32 gallon refuse container	-	-	-	-
Extra 96 gallon greenwaste container	982	970	975	982
Extra 96 gallon recycling container	584	577	580	584
Special Container Collection	-	-	-	-
Bulky Item Collection (Additional collections per load)	-	-	-	-
Total Refuse Containers	32,999	32,587	32,749	32,995
Total Greenwaste Containers	32,074	31,673	31,831	32,070
Total Recycling Containers	31,676	31,280	31,436	31,672
Total Automated Containers	96,749	95,540	96,017	96,737

COMMERCIAL**First Pickup**Monthly Collection

1.5 Cubic Yard Bin	162	160	162	164
3.0 Cubic Yard Bin	135	134	135	136
4.0 Cubic Yard Bin	4,172	4,130	4,172	4,213
6.0 Cubic Yard Bin	39	39	39	39

Monthly Compactor

1.5 Cubic Yard Bin	-	-	-	-
2.0 Cubic Yard Bin	2	2	2	2
3.0 Cubic Yard Bin	4	4	4	4
4.0 Cubic Yard Bin	13	13	13	13
6.0 Cubic Yard Bin	1	1	1	1

GreenWaste or Co-Mingled Recyclables

1.5 Cubic Yard Bin	27	27	27	27
3.0 Cubic Yard Bin	14	14	14	14
4.0 Cubic Yard Bin	607	601	607	613
6.0 Cubic Yard Bin	2	2	2	2

Total Commercial Bins Count	5,178	5,126	5,177	5,229
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Table 1 - Solid Waste Customers (continued)

Additional PickupsMonthly Collection

1.5 Cubic Yard Bin	7	7	7	7
3.0 Cubic Yard Bin	33	33	33	33
4.0 Cubic Yard Bin	3,234	3,202	3,234	3,266
6.0 Cubic Yard Bin	21	21	21	21

Monthly Compactor

1.5 Cubic Yard Bin	-	-	-	-
2.0 Cubic Yard Bin	8	8	8	8
3.0 Cubic Yard Bin	5	5	5	5
4.0 Cubic Yard Bin	3	3	3	3
6.0 Cubic Yard Bin	-	-	-	-

GreenWaste or Co-Mingled Recyclables

1.5 Cubic Yard Bin	1	1	1	1
3.0 Cubic Yard Bin	5	5	5	5
4.0 Cubic Yard Bin	278	275	278	281
6.0 Cubic Yard Bin	-	-	-	-

Total Additional Pickups

3,595	3,559	3,595	3,631
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Saturday PickupsMonthly Collection

1.5 Cubic Yard Bin	-	-	-	-
3.0 Cubic Yard Bin	4	4	4	4
4.0 Cubic Yard Bin	179	177	179	181
6.0 Cubic Yard Bin	-	-	-	-

Monthly Compactor

1.5 Cubic Yard Bin	-	-	-	-
2.0 Cubic Yard Bin	1	1	1	1
3.0 Cubic Yard Bin	2	2	2	2
4.0 Cubic Yard Bin	2	2	2	2
6.0 Cubic Yard Bin	-	-	-	-

Total Saturday Pickups

188	186	188	190
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Table 1 - Solid Waste Customers (continued)

DROP BODYRefuse Service (# of loads)

Compactor Service	966	860	869	877
Open Top Service	10,109	8,997	9,087	9,178

Recycling Service (# of loads)

Compactor - Single commodity	350	312	315	318
Compactor - Inert, diverted/greenwaste	1,151	1,025	1,035	1,045

Total Drop Body Loads	12,577	11,193	11,305	11,418
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Number of Loads Over 5 tons

Compactor Service	687	611	617	623
Open Top Service	7,511	6,685	6,752	6,819

Other Services

Redelivery (dry run)	420	374	378	381
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Table 2
Summary & Projected Revenues under Existing Rates

	Actual 2010	Estimated 2011	Budgeted 2012	Projected 2013
Operating Revenues				
Residential	\$ 10,197,563	\$ 10,062,350	\$ 10,100,000	\$ 10,193,072
Commercial/Industrial	\$ 20,029,311	\$ 19,230,176	\$ 19,250,000	\$ 19,595,415
Recycling	\$ 142,303	\$ 435,668	\$ 450,000	\$ 675,000
Total Operating Revenues	\$ 30,369,176	\$ 29,728,194	\$ 29,800,000	\$ 30,463,488
Other/Miscellaneous Revenues				
Interest Income	\$ 312,463	\$ 550,483	\$ 300,000	\$ 302,250
CAL EPA Used Oil	\$ 39,047	\$ 53,733	\$ 67,378	\$ 67,883
Bottlebill Grant	\$ 29,132	\$ -	\$ 26,558	\$ 26,757
Multi-Fam Bev Container Rec	\$ -	\$ 2,597	\$ 169,782	\$ 171,480
Interdepartmental	\$ 446,867	\$ 523,172	\$ 450,000	\$ 453,375
Re-service/Tag Fees	\$ 6,944	\$ 7,408	\$ 5,000	\$ 5,038
Late Charges - Customer Billing	\$ 519,397	\$ 479,653	\$ 400,000	\$ 403,000
	\$ -	\$ -	\$ -	\$ -
Total Other/Misc Revenues	\$ 1,975,583	\$ 1,825,854	\$ 1,418,718	\$ 1,641,209
TOTAL REVENUES	\$ 32,344,760	\$ 31,554,048	\$ 31,218,718	\$ 32,104,696

Table 3
O&M Expenses - Summary

	Actual	Budgeted	Projected	Projected
	2010	2011	2012	2013
Account Description				
51010 Salaries- Full Time	\$ 3,930,474	\$ 3,681,328	\$ 3,957,267	\$ 4,056,199
51030 Salaries- Overtime	\$ 429,846	\$ 422,470	\$ 777,000	\$ 796,425
51100 Fringe Benefits	\$ 1,871,724	\$ 1,748,092	\$ 2,089,399	\$ 2,141,634
51210 Auto Allowance	\$ 2,604	\$ 2,604	\$ 2,604	\$ 2,669
52010 Computer Supplies	\$ -	\$ 593	\$ -	\$ -
52020 Office Supplies	\$ 582	\$ 2,002	\$ 2,000	\$ 2,050
52110 Materials	\$ 328,282	\$ 457,697	\$ 470,000	\$ 481,750
52160 Equipment under \$5,000	\$ 575	\$ 1,024	\$ 2,000	\$ 2,050
52190 Misc Materials/Supplies	\$ 29,178	\$ 23,947	\$ 92,000	\$ 94,300
52210 Maintenance & Repair	\$ 17,226	\$ 4,445	\$ 25,000	\$ 25,625
52330 Telecommunication Services	\$ 2,826	\$ 3,245	\$ 4,500	\$ 4,613
52341 City Utilities Service	\$ 12,590	\$ 11,392	\$ 14,500	\$ 14,863
52410 Advertising/Promotional	\$ 9,396	\$ 18,933	\$ 50,000	\$ 51,250
52510 Travel/Conference/Training	\$ 142	\$ 1,027	\$ 2,000	\$ 2,050
52520 Dues and Memberships	\$ 200	\$ -	\$ 700	\$ 718
52610 Rental/Lease Expense	\$ 7,577	\$ 8,255	\$ 10,000	\$ 10,250
52710 Duplicating Expense	\$ 29,458	\$ 7,429	\$ 34,000	\$ 34,850
52720 Postage Expense	\$ 52	\$ 65	\$ 32,000	\$ 32,800
52740 Landfill Disposal	\$ 6,978,232	\$ 6,908,184	\$ 7,200,000	\$ 7,380,000
52750 S.B. County Household Hazard	\$ 227,995	\$ 234,041	\$ 270,000	\$ 276,750
52990 Miscellaneous Services	\$ 31,113	\$ 42,528	\$ 60,000	\$ 61,500
52991 Maintenance Services	\$ 1,709	\$ 1,489	\$ 2,000	\$ 2,050
53990 Other Expense	\$ 21,965	\$ 25,892	\$ 50,000	\$ 51,250
55140 Environmental Remediation	\$ 11,302	\$ 15,000	\$ 95,000	\$ 97,375
55310 Other Professional Services	\$ -	\$ 7,778	\$ 100,000	\$ 102,500
57010 Equipment Services - City	\$ 5,253,677	\$ 5,253,677	\$ 5,223,266	\$ 5,353,848
57110 Information Services - City	\$ 490,371	\$ 490,371	\$ 469,473	\$ 481,210
57210 Risk Liability - City	\$ 284,911	\$ 284,911	\$ 271,171	\$ 277,950
57310 Workers Compensation	\$ 250,790	\$ 235,758	\$ 253,790	\$ 260,135
57410 Disability/Unemployment	\$ 31,210	\$ 30,516	\$ 64,725	\$ 66,343
61010 Vehicles	\$ -	\$ -	\$ -	\$ -
62010 Other Equipment	\$ -	\$ -	\$ -	\$ -
Total O&M Expenses	\$ 20,256,009	\$ 19,924,692	\$ 21,624,395	\$ 22,165,005

Table 4
Grants & Capital Improvement Plan (CIP) - inflated

Project Name		Actual	Budgeted	Projected	Projected
		2010	2011	2012	2013
Street Sweeping Debris Improvements	MS0004	\$ 460,946	\$ -	\$ -	\$ -
NPDES Water Clarifier System	PF9920	\$ -	\$ 600,000	\$ -	\$ -
Public Works Service Center (029)	PF0010	\$ 77,838	\$ 387,473	\$ 267,674	\$ -
Public Works Service Center (031)	PF0010	\$ -	\$ 94,868	\$ -	\$ -
Public Works Service Center Security	PF0302	\$ -	\$ 268,117	\$ -	\$ -
Bottle Bill Grant	GR0101	\$ 29,132	\$ 30,540	\$ 26,956	\$ 26,009
CALEPA 12th Cycle Block Grant	GR0701	\$ 4,206	\$ -	\$ -	\$ -
CALEPA 13th Cycle Block Grant	GR0802	\$ 32,205	\$ -	\$ -	\$ -
Multi-Family Bev Container Recycle	GR0805	\$ -	\$ 52,966	\$ 86,275	\$ -
2008/2009 Used Oil Block 14th	GR0901	\$ 2,636	\$ 37,455	\$ 6,288	\$ -
Bev Container Recy Program 08/09	GR0902	\$ -	\$ 18,087	\$ 86,054	\$ -
2009-2010 Used Oil Block 15th	GR0923	\$ -	\$ -	\$ 23,729	\$ -
2010-11 Used Oil Payment Prog	GR1011	\$ -	\$ -	\$ 44,660	\$ 41,615
Debris Storage/Drying Facility	PF0601	\$ 660,000	\$ -	\$ -	\$ -
Revenue & Administration Relocation	PF0801	\$ 129,296	\$ 95,972	\$ -	\$ -
Climate Action Plan EIR	MS1002	\$ -	\$ 30,000	\$ 30,450	\$ -
Total CIP (inflated)		\$ 1,396,260	\$ 1,615,479	\$ 572,086	\$ 67,624

Table 5
Cash Flow

	Actuals	Estimated	Budgeted	Projected
	2010	2011	2012	2013
Revenues from existing rate	\$ 30,369,176	\$ 29,728,194	\$ 29,800,000	\$ 30,463,488
Additional Revenue Required:				
	FY	Percent	Months Effective	
	2012	0.00%	6	\$ -
	2013	0.00%	6	\$ -
Total Revenue from Rates	\$ 30,369,176	\$ 29,728,194	\$ 29,800,000	\$ 30,463,488
Misc. Operating Revenue	\$ 1,975,583	\$ 1,825,854	\$ 1,418,718	\$ 1,641,209
Total Revenue	\$ 32,344,760	\$ 31,554,048	\$ 31,218,718	\$ 32,104,696
Revenue Requirements				
O&M Expenses (less Landfill)	\$ 13,277,776	\$ 13,016,508	\$ 14,424,395	\$ 14,785,005
Landfill Disposal Costs	\$ 6,978,232	\$ 6,908,184	\$ 7,200,000	\$ 7,380,000
Allocated Costs and Transfers	\$ 7,372,912	\$ 8,365,198	\$ 9,057,046	\$ 9,475,870
Expenses from CIP	\$ 1,396,260	\$ 1,615,479	\$ 572,086	\$ 67,624
Total Revenue Requirements	\$ 29,025,180	\$ 29,905,368	\$ 31,253,527	\$ 31,708,499
Net Annual Cash Balance	\$ 3,319,579	\$ 1,648,680	\$ (34,809)	\$ 396,197

Appendix B

Sewer Tables

Table 1
Billable EDU Projections (IEUA)

Class Description	Actual FY 09 - 10	Estimated FY 10 - 11	Projected FY 11 -12	Projected FY 12 -13
SFR	322,356	319,179	323,963	323,963
MFR (1)	112,195	104,655	104,655	104,655
H/Motel	12,515	8,928	8,928	8,928
OFF/RTL #	116,017	111,502	111,502	111,502
COMM	98,830	94,984	94,984	94,984
CAT/SIG	9,305	8,327	8,327	8,327
Class II	12,363	10,654	10,654	10,654
OTHIND	3,280	2,853	2,853	2,853
Total	686,861	661,082	665,866	665,866

Note: EDUs are presented on an annual basis.

(1) 1 MF unit = 0.7 EDU

Billable EDU Projections (City)

Class Description	Actual FY 09 - 10	Estimated FY 10 - 11	Projected FY 11 -12	Projected FY 12 -13
SFR	322,356	323,963	323,963	323,963
MFR (1)	153,867	143,527	161,568	161,568
H/Motel	12,515	12,154	12,154	12,154
OFF/RTL	116,017	109,099	109,099	109,099
COMM	98,830	93,160	93,160	93,160
CAT/SIG	9,305	27,188	27,188	27,188
Class II	12,363	14,030	14,030	14,030
OTHIND	3,280	2,853	2,853	2,853
Total	728,533	725,973	744,015	744,015

Note: EDUs are presented on an annual basis.

(1) 1 MF unit = 0.96 EDU

**Table 2
Building Unit Projections**

Class Description	Actual FY 09 - 10	Estimated FY 10 - 11	Projected FY 11 -12	Projected FY 12 -13
SFR	28,746	26,598	26,997	26,997
MFR	13,357	12,459	14,025	14,025
H/Motel	4,459	4,459	4,459	4,459
OFF/RTL	2,728	2,728	2,728	2,728
COMM	1,124	1,124	1,124	1,124
CAT/SIG	15	15	15	15
Class II	33	33	33	33
OTHIND	45	45	45	45
Total	50,507	47,461	49,426	49,426

**Table 3
Summary of Calculated Rate Revenue Under Existing Rates**

City	Calculated FY 09 - 10	Estimated FY 10 - 11	Projected FY 11 -12	Projected FY 12 -13
Calculated Revenue				
SFR	\$ 3,718,376	\$ 3,828,552	\$ 4,022,000	\$ 4,022,000
MFR	# \$ 1,243,682	\$ 1,723,070	\$ 2,006,983	\$ 2,006,983
H/Motel	\$ 144,361	\$ 107,091	\$ 110,841	\$ 110,841
OFF/RTL	\$ 1,338,260	\$ 1,337,472	\$ 1,384,303	\$ 1,384,303
COMM	\$ 1,140,000	\$ 1,139,328	\$ 1,179,221	\$ 1,179,221
CAT/SIG	\$ 107,336	\$ 99,882	\$ 103,380	\$ 103,380
Class II	\$ 142,604	\$ 127,795	\$ 132,269	\$ 132,269
OTHIND	\$ 37,832	\$ 34,219	\$ 35,417	\$ 35,417
Total	\$ 7,872,451	\$ 8,397,409	\$ 8,974,414	\$ 8,974,414
Building Units				
Calculated Revenue				
SFR	\$ -	\$ -	\$ -	\$ -
MFR	\$ -	\$ -	\$ -	\$ -
H/Motel	\$ 382,582	\$ 398,635	\$ 414,687	\$ 414,687
OFF/RTL	\$ 367,462	\$ 383,011	\$ 398,561	\$ 398,561
COMM	\$ 374,966	\$ 390,140	\$ 403,966	\$ 403,966
CAT/SIG	\$ 18,729	\$ 19,481	\$ 20,165	\$ 20,165
Class II	\$ 41,204	\$ 42,857	\$ 44,362	\$ 44,362
OTHIND	\$ 28,094	\$ 29,228	\$ 30,267	\$ 30,267
Total	\$ 1,213,037	\$ 1,263,351	\$ 1,312,007	\$ 1,312,007

IEUA

Calculated Revenue

SFR	\$	3,465,327	\$	3,555,654	\$	3,608,948	\$	4,013,901
MFR	#	\$ 1,206,096	\$	1,165,857	\$	1,165,857	\$	1,296,675
H/Motel	\$	134,536	\$	99,458	\$	99,458	\$	110,618
OFF/RTL	\$	1,247,187	\$	1,242,137	\$	1,242,137	\$	1,381,515
COMM	\$	1,062,418	\$	1,058,117	\$	1,058,117	\$	1,176,846
CAT/SIG	\$	100,032	\$	92,763	\$	92,763	\$	103,172
Class II	\$	132,900	\$	118,686	\$	118,686	\$	132,003
OTHIND	\$	35,257	\$	31,780	\$	31,780	\$	35,346
Total	\$	7,383,753	\$	7,364,451	\$	7,417,744	\$	8,250,076

Summary by class

SFR	\$	7,183,703	\$	7,384,206	\$	7,630,948	\$	8,035,902
MFR	\$	2,449,778	\$	2,888,927	\$	3,172,840	\$	3,303,658
H/Motel	\$	661,479	\$	605,184	\$	624,986	\$	636,146
OFF/RTL	\$	2,952,909	\$	2,962,620	\$	3,025,001	\$	3,164,379
COMM	\$	2,577,384	\$	2,587,585	\$	2,641,303	\$	2,760,033
CAT/SIG	\$	226,097	\$	212,126	\$	216,307	\$	226,716
Class II	\$	316,708	\$	289,337	\$	295,317	\$	308,634
OTHIND	\$	101,182	\$	95,226	\$	97,464	\$	101,029
Total	\$	16,469,241	\$	17,025,211	\$	17,704,165	\$	18,536,497

	Actual	Estimated	Budgeted	Projected
	FY 09 - 10	FY 10 - 11	FY 11 -12	FY 12 -13

Revenue from Rates

Single Family	\$	6,920,426	\$	7,159,616	\$	7,200,000	\$	8,035,902
Multi-Family	\$	4,116,036	\$	4,322,841	\$	4,000,000	\$	3,303,658
Commercial	\$	5,811,982	\$	5,948,111	\$	5,900,000	\$	6,869,192
Industrial	\$	559,478	\$	445,815	\$	425,000	\$	226,716
Interdepartmental	\$	62,168	\$	59,838	\$	60,000	\$	101,029
Subtotal	\$	17,470,091	\$	17,936,221	\$	17,585,000	\$	18,536,497
				5%				

Misc. Revenue

City Code Fine	\$	800	\$	-	\$	-	\$	-
Interest Income	\$	231,549	\$	206,631	\$	100,000	\$	100,000
Late Charges-Customer E	\$	305,320	\$	266,130	\$	200,000	\$	100,000
	\$	-	\$	-	\$	-	\$	-
Subtotal	\$	687,582	\$	621,511	\$	300,000	\$	200,000

Non-Operating Revenue (Capital)

Interest Income	\$	371,808	\$	268,985	\$	170,000	\$	170,000
Transfers In	\$	2,970,000	\$	2,970,000	\$	2,970,000	\$	3,250,000
	\$	-	\$	-	\$	-	\$	-
Subtotal	\$	3,431,565	\$	3,373,965	\$	3,140,000	\$	3,420,000

TOTAL REVENUES	\$	21,589,238	\$	21,931,697	\$	21,025,000	\$	22,156,497
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Table 4
O&M Summary

Account	Actual FY 09-10	Estimated FY 10 - 11	Budgeted FY 11 -12	Projected FY 12 -13
51010 Salaries-Full Time	\$ 795,428	\$ 794,152	\$ 985,666	\$ 1,015,236
51030 Salaries-Overtime	\$ 49,168	\$ 52,734	\$ 86,046	\$ 88,627
51050 Compensated Absences	\$ (4,477)	\$ -	\$ -	\$ -
51100 Fringe Benefits	\$ 344,409	\$ 346,183	\$ 487,081	\$ 501,693
51210 Auto Allowance	\$ 651	\$ 1,530	\$ 1,721	\$ 1,773
52010 Computer Supplies	\$ 5,317	\$ 1,074	\$ 3,200	\$ 3,296
52020 Office Supplies	\$ 834	\$ 271	\$ 3,000	\$ 3,090
52030 Books/Publications	\$ 119	\$ 432	\$ 800	\$ 824
52120 Fuel & Oil	\$ -	\$ -	\$ 500	\$ 515
52160 Equipment Under \$5,000	\$ 9,087	\$ 6,854	\$ 43,000	\$ 44,290
52190 Misc Materials/Supplies	\$ 34,261	\$ 41,173	\$ 62,500	\$ 64,375
52330 Telecommunication Services	\$ 4,256	\$ 3,669	\$ 6,000	\$ 6,180
52410 Advertising/Promotional	\$ 49	\$ -	\$ 2,200	\$ 2,266
52510 Travel/Conference/Training	\$ 520	\$ 1,143	\$ 5,500	\$ 5,665
52520 Dues and Memberships	\$ 1,661	\$ 1,650	\$ 3,550	\$ 3,657
52710 Duplicating Expense	\$ 957	\$ 1,423	\$ 1,200	\$ 1,236
52720 Postage Expense	\$ 4,713	\$ -	\$ 5,100	\$ 5,253
52740 Landfill Disposal	\$ 60	\$ -	\$ 500	\$ 515
55310 Other Professional Services	\$ 59,631	\$ 8,715	\$ 135,000	\$ 139,050
57010 Equipment Services-City	\$ 109,637	\$ 109,637	\$ 152,375	\$ 156,946
57110 Information Services-City	\$ 58,845	\$ 58,845	\$ 84,908	\$ 87,455
57210 Risk Liability-City	\$ 34,113	\$ 34,113	\$ 49,921	\$ 51,419
57310 Workers Compensation	\$ 41,475	\$ 37,771	\$ 46,991	\$ 48,401
57410 Disability/Unemployment	\$ 5,948	\$ 6,229	\$ 16,121	\$ 16,605
61010 Vehicles	\$ -	\$ -	\$ -	\$ -
53510 Depreciation	\$ 731,458	\$ 577,098	\$ 865,650	\$ 891,620
53610 Bad Debt Expense	\$ 56,760	\$ 46,050	\$ 52,000	\$ 53,560
55010 Legal Services	\$ 69,967	\$ 164,041	\$ 250,000	\$ 257,500
52110 Materials	\$ 22,487	\$ 10,529	\$ 50,500	\$ 52,015
52140 Chemicals	\$ -	\$ -	\$ 15,000	\$ 15,450
52210 Maintenance & Repairs	\$ 7,705	\$ 22,980	\$ 40,000	\$ 41,200
52310 Electric Services	\$ 9,359	\$ 11,587	\$ 20,000	\$ 20,600
52340 Sewage Treatment Services	\$ 7,392,686	\$ 7,296,201	\$ 7,800,000	\$ 8,250,076
52990 Miscellaneous Services	\$ 3,869	\$ 17,789	\$ 30,500	\$ 31,415
52991 Maintenance Services	\$ 134,926	\$ 313,842	\$ 200,000	\$ 206,000
53990 Other Expense	\$ 44,859	\$ 6,597	\$ 6,700	\$ 6,901
55120 Construction Contracts	\$ 219,839	\$ 83,019	\$ 840,000	\$ 865,200
62010 Other Equipment	\$ -	\$ 7,331	\$ 7,551	\$ 7,778
Transfers Out	\$ 2,601,878	\$ 3,270,148	\$ 3,511,274	\$ 3,616,612
Total	\$ 12,852,452	\$ 13,334,811	\$ 15,872,055	\$ 16,564,293

**Table 5
CIP Replacement (inflated)**

Proj#	Project Title	FY 09-10	FY 10-11	FY 11-12	FY 12-13
		Actual	Estimated	Budgeted	Projected
027-303-PF0010	Expansion of Sewer, Solid Waste Facilities	\$ 13,020	\$ 359	\$ 77,250	\$ 265,225
027-303-PF9920	NPDES Facilities	\$ -	\$ 44,468	\$ 133,900	\$ -
027-303-PF0302	Public Works Service Center Security	\$ -	\$ 5,129	\$ 108,150	\$ -
027-303-PF0801	Revenue & Administration Relocation	\$ 13,952	\$ 8,762	\$ -	\$ -
027-303-SE1001	Removal Abandon Sewer Lift Station	\$ -	\$ 71,848	\$ 133,900	\$ 106,090
027-324-MS1002	Climate Action EIR	\$ -	\$ -	\$ 10,300	\$ -
027-303-SE0402	Sewer Master Plan Update	\$ 77,534	\$ 70,822	\$ 25,750	\$ -
027-303-SE0303	Sewer System Evaluation/Enhancements	\$ 52,174	\$ 7,314	\$ 77,250	\$ 79,568
027-302-SE0601	Holt Line (Towncenter Project)	\$ 3,112,005	\$ 3,273,935	\$ -	\$ -
027-242-SE0801	Sewer Main Replacement Program	\$ -	\$ -	\$ 2,575,000	\$ 2,652,250
027-302-SE0104	Brooks Street Sewer Replacement	\$ 9,656	\$ -	\$ 1,030,000	\$ 1,060,900
027-302-SE1101	Magnolia Lift Station Improvements	\$ -	\$ -	\$ 103,000	\$ -
Total CIP Projects (inflated)		\$ 3,278,342	\$ 3,482,637	\$ 4,274,500	\$ 4,164,033

**Table 6
Cash Flow**

	Actual FY 09 - 10	Estimated FY 10 - 11	Projected FY 11 -12	Projected FY 12 -13
Revenue from city rates				
City rates	\$ 7,872,451	\$ 8,397,409	\$ 8,974,414	\$ 8,974,414
Building Units	\$ 1,213,037	\$ 1,263,351	\$ 1,312,007	\$ 1,312,007
Additional revenue required:				
	FY	Percent	Months Effective	
	2012	3.00%	6	\$ 154,300 \$ 308,600
	2013	0.00%	6	\$ -
Total Revenue from City Rates	\$ 9,085,488	\$ 9,660,760	\$ 10,440,721	\$ 10,595,021
IEUA Rates	\$ 7,392,686	\$ 7,296,201	\$ 7,800,000	\$ 8,250,076
Misc. Operating Revenue	\$ 687,582	\$ 621,511	\$ 300,000	\$ 200,000
Total Operating Revenue	\$ 17,165,756	\$ 17,578,472	\$ 18,540,721	\$ 19,045,097
Revenue Requirements				
O&M Less Transfers	\$ 2,857,888	\$ 2,768,462	\$ 4,560,781	\$ 4,697,604
IEUA Treatment	\$ 7,392,686	\$ 7,296,201	\$ 7,800,000	\$ 8,250,076
Transfers Out	\$ 2,601,878	\$ 3,270,148	\$ 3,511,274	\$ 3,616,612
Total Revenue Requirements	\$ 12,852,452	\$ 13,334,811	\$ 15,872,055	\$ 16,564,293

Appendix C

Water Tables

Table 1
Total Potable Meters

Meter Size	Actual	Estimated	Budgeted	Projected
	FY 09-10	FY 10-11	FY 11-12	FY 12-13
New Model Colony	178	178	178	178
5/8"	26,754	26,875	26,876	26,876
1"	2,097	2,096	2,097	2,098
1 1/2"	1,294	1,301	1,302	1,304
2"	1,896	1,920	1,922	1,924
3"	178	178	179	179
4"	93	92	92	92
6"	49	48	48	48
8"	49	49	50	50
10"	4	4	3	3
Total	32,414	32,562	32,568	32,575

Table 2
Water Usage

	Actual	Estimated	Budgeted	Projected
	FY 09-10	FY 10-11	FY 11-12	FY 12-13
New Model Colony - Single Family (1)	14,827	17,497	19,247	21,171
New Model Colony - Multi Family (2)	1,518	5,051	5,152	5,255
New Model Colony - Commercial	3,716	327	334	340
New Model Colony - Irrigation	1,783	17,173	17,516	17,867
New Model Colony - Hydrants	19,680	12,486	12,736	12,990
Single -Family	5,777,750	5,412,334	5,304,087	5,410,169
Multi-Family	2,395,948	2,350,205	2,326,703	2,349,970
Commercial	3,104,700	2,926,216	2,779,905	2,779,905
Industrial	893,619	701,952	666,854	666,854
Irrigation	2,620,461	2,396,283	2,396,283	2,396,283
Recycled	517,671	773,565	966,956	1,208,695
Hydrant Meters	63,807	38,373	37,989	37,989
City paid Water	333,450	266,619	239,957	227,959
City paid Recycled Water	87,303	94,073	112,888	135,465
Total Potable (ccf)	15,231,259	14,144,516	13,806,764	13,926,754
Total Recycled (ccf)	604,974	867,638	1,079,844	1,344,160
Total Usage (ccf)	15,836,233	15,012,154	14,886,608	15,270,914
Total Potable (ac-ft)	34,966	32,471	31,696	31,971
Domestic 0-15	4,745,121	4,444,940	4,348,794	4,419,628
15+	10,444,614	9,647,042	9,402,985	9,449,502
	15,189,735	14,091,982	13,751,779	13,869,130
Recycled 0 - 1,000	350,171	498,718	620,224	771,471
1,000 +	254,803	368,920	459,620	572,689
	604,974	867,638	1,079,844	1,344,160
Conversion to Acre Feet	36,355	34,463	34,175	35,057

Table 3
Summary of Rate Revenue Under Existing Rates

	Actuals	Budgeted	Budgeted	Projected
	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Revenue from Existing Rates				
Single Family	\$ 16,737,216	\$ 18,716,167	\$ 19,250,000	\$ 19,377,063
Multi-Family	\$ 6,252,379	\$ 7,115,201	\$ 7,250,000	\$ 7,574,294
Commercial	\$ 16,941,969	\$ 19,016,881	\$ 19,000,000	\$ 19,549,509
Industrial	\$ 2,213,345	\$ 2,132,376	\$ 2,000,000	\$ 1,734,164
Interdepartmental	\$ 1,098,384	\$ 1,101,660	\$ 1,000,000	\$ 1,170,166
Subtotal	\$ 43,243,293	\$ 48,082,285	\$ 48,500,000	\$ 49,405,197
Misc. Revenues				
Interest Income	\$ 803,395	\$ 713,227	\$ 400,000	\$ 412,000
Rental Of City Property	\$ 29,513	\$ 10,550	\$ -	\$ -
Change in Fair Value	\$ 58,034	\$ 61,303	\$ -	\$ -
Gain/Loss On Securities	\$ 149,045	\$ 162,533	\$ -	\$ -
Gain/Loss - Joint Venture	\$ 273,430	\$ 402,964	\$ -	\$ -
Re-service/Tag Fees	\$ 212,820	\$ 209,524	\$ 200,000	\$ 206,047
Misc Reimbursements	\$ 535,328	\$ 394,753	\$ -	\$ -
Reimbursement Agreement	\$ -	\$ 29,246	\$ -	\$ -
Damage to City Property	\$ 41,706	\$ 7,901	\$ -	\$ -
Miscellaneous Receipts	\$ 5,730	\$ 21,343	\$ -	\$ -
Contrib from Governmental FD's	\$ 5,491,169	\$ -	\$ -	\$ -
Late Charges-Customer Billing	\$ 755,227	\$ 781,245	\$ 500,000	\$ 500,000
Subtotal	\$ 7,589,751	\$ 2,089,602	\$ 900,000	\$ 906,047
Total Operating Revenue	\$ 50,833,045	\$ 50,171,887	\$ 49,400,000	\$ 50,311,244
Non-Operating Revenue (Capital)				
Interest Income	\$ 393,777	\$ 400,000	\$ 200,000	\$ 206,047
Change in Fair Value	\$ 185,836	\$ -	\$ -	\$ -
Interest Income-Trustee	\$ 188,475	\$ 96,000	\$ 90,000	\$ 92,721
Meter Installations (tied to NMC new installations)	\$ 24,940	\$ 10,000	\$ 20,000	\$ 20,605
Misc Reimbursements	\$ 3,139,751	\$ 300,000	\$ -	\$ -
Reimbursement Agreement	\$ -	\$ 6,221,336	\$ -	\$ -
Miscellaneous Receipts	\$ -	\$ -	\$ -	\$ -
PERS Credit	\$ -	\$ -	\$ -	\$ -
Total Non-Operating Revenue	\$ 6,520,290	\$ 7,027,336	\$ 310,000	\$ 319,373

Table 4
O&M Expenses Summary

Account Description	FY 09-10	FY 10-11	FY 11-12	FY 12-13
	Actual	Estimated	Budgeted	Projected
51010 Salaries-Full Time	\$ 2,290,808	\$ 2,079,228	\$ 2,500,015	\$ 2,613,640
51030 Salaries-Overtime	\$ 112,000	\$ 113,097	\$ 202,046	\$ 208,107
51100 Fringe Benefits	\$ 993,890	\$ 914,332	\$ 1,257,009	\$ 1,294,719
51210 Auto Allowance	\$ 1,774	\$ 1,970	\$ 1,721	\$ 1,773
52010 Computer Supplies	\$ 6,173	\$ 5,808	\$ 12,000	\$ 12,360
52020 Office Supplies	\$ 11,797	\$ 4,147	\$ 14,000	\$ 14,420
52030 Books/Publications	\$ 1,033	\$ 1,614	\$ 3,300	\$ 3,399
52110 Materials	\$ 328,187	\$ 382,169	\$ 345,000	\$ 355,350
52120 Fuel & Oil	\$ 7,211	\$ 16,313	\$ 10,000	\$ 10,300
52140 Chemicals	\$ 59,280	\$ 116,520	\$ 120,258	\$ 123,866
52150 Water Purchases	\$ 11,491,875	\$ 13,698,197	\$ 17,250,000	\$ 17,767,500
52160 Equipment Under \$5,000	\$ 11,118	\$ 21,364	\$ 81,000	\$ 83,430
52190 Misc Materials/Supplies	\$ 195,368	\$ 421,438	\$ 560,200	\$ 586,006
52210 Maintenance & Repairs	\$ 481,757	\$ 983,064	\$ 1,300,200	\$ 1,339,206
52310 Electric Services	\$ 2,421,201	\$ 2,316,789	\$ 3,218,000	\$ 3,314,540
52330 Telecommunication Services	\$ 23,575	\$ 23,797	\$ 19,700	\$ 20,291
52341 City Utility Service	\$ 29,058	\$ 26,711	\$ 37,500	\$ 38,625
52410 Advertising/Promotional	\$ 841	\$ 6,382	\$ 10,500	\$ 10,815
52510 Travel/Conference/Training	\$ 3,141	\$ 7,320	\$ 20,000	\$ 20,600
52520 Dues and Memberships	\$ 5,733	\$ 5,639	\$ 15,300	\$ 15,759
52610 Rental/Lease Expense	\$ 7,592	\$ 8,255	\$ 10,000	\$ 10,300
52710 Duplicating Expense	\$ 1,931	\$ 983	\$ 4,200	\$ 4,326
52720 Postage Expense	\$ 13,334	\$ 11,158	\$ 13,500	\$ 13,905
52740 Landfill Disposal	\$ 18,000	\$ 20,270	\$ 20,000	\$ 20,600
52990 Miscellaneous Services	\$ 86,361	\$ 93,891	\$ 135,000	\$ 139,050
52991 Maintenance Services	\$ 81,656	\$ 109,794	\$ 125,000	\$ 128,750
53510 Depreciation	\$ 3,251,558	\$ 2,472,494	\$ 3,708,740	\$ 3,820,002
53610 Bad Debt Expense	\$ 116,430	\$ 109,203	\$ 120,000	\$ 123,600
53730 Property Tax Assessment	\$ 14,473	\$ 16,924	\$ 25,000	\$ 25,750
53990 Other Expense	\$ 76,779	\$ 62,135	\$ 299,300	\$ 308,279
55010 Legal Services	\$ 224,556	\$ 375,551	\$ 400,000	\$ 412,000
55120 Construction Contracts	\$ 849,724	\$ 1,010,000	\$ 1,650,000	\$ 1,699,500
55140 Environmental Remediation	\$ 473	\$ 5,000	\$ 5,000	\$ 5,150
55150 Site Clearance Costs	\$ -	\$ -	\$ -	\$ -
55310 Other Professional Services	\$ 376,140	\$ 392,554	\$ 610,000	\$ 628,300
57010 Equipment Services-City	\$ 375,901	\$ 375,901	\$ 410,243	\$ 422,550
57110 Information Services-City	\$ 207,095	\$ 207,095	\$ 230,928	\$ 237,856
57210 Risk Liability-City	\$ 120,183	\$ 120,183	\$ 135,827	\$ 139,902
57310 Workers Compensation	\$ 123,889	\$ 109,370	\$ 129,704	\$ 133,595
57410 Disability/Unemployment	\$ 18,432	\$ 17,468	\$ 40,891	\$ 42,118
58010 Debt - Principal	\$ 1,659,547	\$ 1,736,914	\$ 1,809,937	\$ 1,895,415
58020 Interest Expense	\$ 2,633,671	\$ 2,559,554	\$ 2,481,895	\$ 2,400,979
60010 Office Equipment & Furniture	\$ -	\$ -	\$ -	\$ -
61010 Vehicles	\$ -	\$ -	\$ -	\$ -
62010 Other Equipment	\$ -	\$ -	\$ -	\$ -
Transfers	\$ 5,316,472	\$ 5,541,760	\$ 6,908,760	\$ 7,115,423
Total	\$ 34,050,018	\$ 36,502,352	\$ 46,251,674	\$ 47,562,056

Table 5
CIP - Replacement (025) (inflated)

		FY 09-10	FY 10-11	FY 11-12	FY 12-13
		Actual	Estimated	Budgeted	Projected
Projects					
Proj. #	Project Description				
025-302-WA0703	Pipeline Replacement Program Phase II	\$ 567,660	\$ 10,500	\$ -	\$ -
025-302-WA0705	Water Main Replacement - Sultana	\$ 2,000	\$ 2,000	\$ -	\$ -
025-303-PF0010	PWA Service Center Expansion	\$ 47,258	\$ 370,884	\$ -	\$ -
025-303-PF0302	Public Works Service Center Security	\$ -	\$ 228,781	\$ -	\$ -
025-303-PF0801	Revenue & Administration Relocation	\$ 69,964	\$ 42,811	\$ -	\$ -
025-303-WA0208	Recy Water Srv Main Ext	\$ 2,912,209	\$ 2,641,250	\$ 1,030,000	\$ -
025-303-WA0210	Water Resources Planning	\$ 42,546	\$ -	\$ -	\$ -
025-303-WA0301	Airport Perimeter Metering	\$ -	\$ 350,000	\$ -	\$ -
025-303-WA0302	DYY Program - Wellhead Treatment	\$ 706,056	\$ 2,413	\$ -	\$ -
025-303-WA0311	DYY Groundwater Wells	\$ 628,262	\$ 139,420	\$ -	\$ -
025-303-WA0701	Chino Basin Desalter Facilities Phase III	\$ -	\$ 6,000,000	\$ -	\$ -
025-303-WA0704	Zone Boundary Change	\$ 1,637,782	\$ -	\$ -	\$ -
025-303-WA1002	I3th St Underground Reser Retr	\$ -	\$ 200,000	\$ 4,944,000	\$ -
025-303-WA9802	Eighth St Reservoir & TM [1212 PZ]	\$ 15,710	\$ -	\$ -	\$ -
025-303-WAxxxx	Abandon existing wells in OMC (3,4,16,19 & 26)	\$ -	\$ -	\$ 278,100	\$ 286,443
025-303-WAxxxx	Aged Reservoir Abandonment [1212' - 2 PZ]	\$ -	\$ -	\$ 206,000	\$ -
025-303-WAxxxx	Pressure Reducing Stations (OMC)	\$ -	\$ -	\$ 118,450	\$ 954,810
025-303-WAxxxx	Emergency Interconnections	\$ -	\$ -	\$ 515,000	\$ -
025-310-MS1002	Climate Action Plan EIR	\$ 2,431	\$ 30,000	\$ -	\$ -
025-324-WA0102	Well Facility Backup Power	\$ -	\$ -	\$ 103,000	\$ 795,675
025-324-WA0203	Well Site Land Banking	\$ 38,441	\$ 100,000	\$ 103,000	\$ -
025-324-WA0205	Facility Site Security Improvement	\$ -	\$ 45,853	\$ 463,500	\$ -
025-324-WA0206	Reservoir Recoat/Paint & Repair	\$ 248,171	\$ 995,749	\$ -	\$ -
025-324-WA0210	Water Resources Planning	\$ 78,420	\$ 33,366	\$ 103,000	\$ 106,090
025-324-WA0309	Water System Evaluation/Enhancements	\$ 5,690	\$ 100,000	\$ 103,000	\$ 106,090
025-324-WA0406	Water System Planning	\$ 249,133	\$ 158,466	\$ -	\$ -
025-324-WA0602	Water Meter Replacement	\$ -	\$ 250,000	\$ 257,500	\$ 265,225
025-324-WA0605	New Meter Installation - NMC	\$ 7,251,992	\$ 75,000	\$ 77,250	\$ 79,568
025-324-WA0801	In-house Water Pipeline Replacement	\$ -	\$ 390,285	\$ 2,884,000	\$ 2,970,520
025-324-WA1001	Water Use Efficiency Plan	\$ -	\$ 100,000	\$ 51,500	\$ -
Subtotal		\$ 7,251,992	\$ 12,267,038	\$ 11,237,300	\$ 5,564,421

**Table 6
Cash Flow**

	Actual	Estimated	Budgeted	Projected
	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Revenue				
Revenue under existing rates	\$ 43,243,293	\$ 48,082,285	\$ 48,500,000	\$ 49,405,197
Additional revenue required:				
	FY	Percent	Months Effective	
	2012	2.00%	6	\$ 485,000
	2013	2.00%	6	\$ 503,900
Total Revenue from Rates	\$ 43,243,293	\$ 48,082,285	\$ 48,985,000	\$ 50,897,197
Misc. Operating Revenue	\$ 7,589,751	\$ 2,089,602	\$ 700,000	\$ 706,047
Total Operating Revenues	\$ 50,833,045	\$ 50,171,887	\$ 49,685,000	\$ 51,603,244
Revenue Requirements				
O&M (less debt service & transfers & dep)	\$ 21,188,770	\$ 24,191,630	\$ 31,342,342	\$ 32,330,237
Debt Service				
1997 Refunding Cert.of Part. - City Share	\$ 885,505	\$ 889,355	\$ 881,919	\$ 885,481
2004 Water COP - % of Acquisition related	\$ 1,892,357	\$ 1,892,023	\$ 1,893,578	\$ 1,894,134
2004 Water COP - % Desalter related	\$ 1,515,356	\$ 1,515,090	\$ 1,516,335	\$ 1,516,779
Transfers	\$ 5,316,472	\$ 5,541,760	\$ 6,908,760	\$ 7,115,423
Total Revenue Requirements	\$ 30,798,460	\$ 34,029,858	\$ 42,542,934	\$ 43,742,054

**EXHIBIT B TO ORDINANCE NO. 2945
RATE SCHEDULES**

(a) The rate structure for City sewer service charges is comprised of two components: (1) a charge for capital replacement, operations and maintenance, billing, customer service, and other related costs ("City Charge"); and (2) a treatment charge for costs imposed on the City by Inland Empire Utilities Agency ("IEUA Charge") that is passed through by the City to its sewer customers.

(b) The monthly charges for sewer services shall be the sum of the IEUA Charge as listed under sub-section (c) below plus the City Charge as listed under sub-section (d) below.

(c) The current rates for the IEUA Charge per equivalent dwelling unit ("EDU") is \$11.14, and the projected rates for the IEUA Charge per EDU in 2012 and 2013 are \$12.39 and \$12.99, respectively. Future rate increases adopted by the IEUA Board of Directors and imposed on the City for the treatment of wastewater discharged and collected in the City will be passed through to City customers at the rates adopted by IEUA (each such rate increase by the IEUA is referred to herein as a "Pass Through"). Once adopted by the IEUA Board of Directors, the actual Pass Through will be applied to the rates for the IEUA Charges as follows:

1. The IEUA Charge per unit for single-family residential property shall be equal to the charge per one (1) EDU.
2. The IEUA Charge per unit for multiple-family residential property shall be equal to the charge per seven tenths of one (0.7) EDU.
3. The IEUA Charge for non-residential customers shall be equal to the charge per one (1) EDU times the customer's number of EDUs.
4. Notwithstanding the forgoing, any increase in the rates to the IEUA Charge above the projected rates set forth in the table below shall not exceed five percent (5% per year), and in no event shall such rates be increased in any year as a result of a Pass Through by more than the cost of providing sewer service. Prior to implementing any increase in the IEUA Charge as a result of a Pass Through, the City will be required to provide written notice of the rate increase to customers not less than 30 days prior to its effective date.

(d) The rates for the City Charge shall be as follows:

City Charge Rates		
Customer Classification	Current Rates (\$)	Rates (\$) Effective 1/6/2012
Single Family Residential per Month per Unit	12.23	12.60
Multiple Family Residential per Month per Unit	11.75	12.10
Non-Residential per Month per EDU (1)	12.23	12.60

1. The rates for the City Charge for non-residential customers shall be the sum of the per unit charges listed below and the number of EDUs times the EDU rate listed under subsection (d) above. With the exception of hotels and motels, one (1) unit equals one (1) building unit. For hotels and motels, one (1) unit equals one (1) room.

Per Unit Sewer Service Collection Charges for Non-Residential Customers	Current Rates (\$)	Rates (\$) Effective 1/6/2012
Hotel/Motel per room charge	7.60	7.90
Professional Offices per building unit charge	11.95	12.40
Other Commercial per building unit charge	29.50	30.40
Categorical/Significant Industry per permitted unit	110.35	113.70
Class II Industry per permitted unit	110.35	113.70
Other Industries per permitted unit	55.20	56.90