



## **CITY OF COLTON**

### **City Hall**

650 N. La Cadena Drive  
Colton, CA 92324

Website: [www.coltonca.gov](http://www.coltonca.gov)

**Mayor Richard A. DeLaRosa**

#### **Council Members:**

David J. Toro – District 1  
Summer Zamora Jorin – District 2  
Frank J. Navarro – District 3  
Dr. Luis S. González – District 4  
Deirdre H. Bennett – District 5  
Isaac T. Suchil – District 6

City Treasurer Aurelio De La Torre

City Manager William R. Smith

City Attorney Carlos Campos

City Clerk Carolina R. Padilla

## **AGENDA**

### **CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON/COLTON UTILITY AUTHORITY/COLTON PUBLIC FINANCING AUTHORITY/COLTON HOUSING AUTHORITY REGULAR MEETING**

**TUESDAY, APRIL 05, 2016 - 5:00 P.M.**

#### **COUNCIL CHAMBERS**

**CLOSED SESSION – 5:00 P.M.**

#### **CLOSED SESSION CALLED TO ORDER**

#### **ROLL CALL**

#### **PUBLIC COMMENT**

**Limit 5 Minutes**

*This is the portion of the meeting specifically set aside to invite your comments regarding Closed Session items; however, any matter that requires action will be referred to staff for investigation and report at a subsequent Council meeting. The Council is prohibited by law from discussing or taking immediate action on items during this public comment period.*

*Persons desiring to submit paperwork to the City Council Members shall provide copy of any paperwork to the City Clerk for the Official Record.*

*Speakers will be limited to 5 minutes; provided, however, that the presiding officer shall have certain discretion to extend or limit time as provided for in the City Council Manual of Procedure.*

#### **A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Pursuant to Government Code Section 54956.9(d)(1)

Largo Concrete, Inc., v. City of Colton, et al.

San Bernardino Superior Court, Case No. CIVDS 1400406

- B. CONFERENCE WITH LEGAL COUNSEL – EXPOSURE LITIGATION  
Pursuant to Government Code Section 854956.9 (d)(2)(e)(1)  
Number of potential cases; 1
  
- C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Pursuant to Government Code Section 54956.8  
Property APN: 0161-221-21  
Negotiating Parties: Bill Smith, City Manager; Mark Tomich, Development Services Director; Arthur Morgan, Economic Development Manager; Carlos Campos, City Attorney  
Under Negotiation: Price and Terms of Purchase
  
- D. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Pursuant to Government Code section 54957  
Title: City Manager

**CITY ATTORNEY ORAL REPORT ON CLOSED SESSION ACTIONS**

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**RULES OF DECORUM**

*To help conduct the business of the City Council in an orderly fashion, the City Council has adopted rules pertaining to decorum and order, as provided for in the City Council Manual of Procedure. The City Council will strictly enforce these rules in order to allow full expression of ideas and opinions by councilmembers, staff and the public. Generally, the City's rules of decorum prohibit comments or actions which willfully disrupt the meeting. All remarks and questions shall be addressed to the Council as a whole and not to any particular member. No individual Councilmember or member of the City staff shall be questioned without first obtaining permission from the Presiding Officer. The City Council asks that all persons - including councilmembers, staff and the public - act and speak respectfully.*

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**OPEN SESSION**

**6:00 P.M.**

**OPEN SESSION CALLED TO ORDER**

**INVOCATION** – Pastor Oly Chavez, Lighthouse of Christ

**FLAG SALUTE** – Louie Barrera & Steve Ferrance, American Legion Post 155

**ROLL CALL**

**CEREMONIAL MATTERS** *Presentations, Awards, Proclamations*

- Proclamation - National Library Week, April 10 – 16, 2016

**MAYOR AND COUNCIL ITEMS**

**GIFT DISCLOSURES**

*Prior to rendering a decision in any proceeding involving a license, permit, contract or other entitlement pending before the city council, any council member who has received been promised a gift or gifts aggregating \$50.00 or more in value within the preceding twelve months from a party or participant in the proceeding shall disclose that fact either orally or in writing during open session. This disclosure shall be made part of the official public record of the proceeding, either as part of the minutes of the meeting or as a separate writing filed with the city. (CMC Section 2.04.030)*

**AB 1234 ORAL REPORTS**

*Members of the city council shall provide brief reports on meetings attended at the expense of the city. (GC Section 53232.3(d))*

**APPOINTMENTS**

- Appointments to the Budget Oversight Committee

**CITY TREASURER’S REPORTS**

- Receive and File City Treasurer’s Report for January 2016.

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**PUBLIC COMMENT**

**Limit 5 Minutes**

*This is the portion of the meeting specifically set aside to invite your comments regarding Consent Calendar items and any matters within the jurisdiction of the City Council; however, any matter that requires action will be referred to staff for investigation and report at a subsequent Council meeting. The Council is prohibited by law from discussing or taking immediate action on items during this public comment period.*

*Persons desiring to submit paperwork to the City Council Members shall provide copy of any paperwork to the City Clerk for the Official Record.*

*Speakers will be limited to 5 minutes; provided, however, that the presiding officer shall have certain discretion to extend or limit time as provided for in the City Council Manual of Procedure.*

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**CONSENT CALENDAR**

*All matters listed under the Consent Calendar are considered by the City Council to be routine and will all be enacted by one motion. There will be no separate discussion of these items prior to the time the City Council votes on the motion, unless councilmembers, staff or the public request that specific items be discussed and/or removed for separate discussions or action.*

- (1) Minutes – Approval of Minutes for the City Council Regular Meeting Held March 15, 2016 on File in the Office of the City Clerk. **[City Clerk Padilla]**
- (2) Warrants – Approve U.S. Bank vouchers dated 02/24/16 totaling \$22,720.74; voucher numbers 154720 to 154839 dated 03/10/2016 and totaling \$1,330,013.86; voucher numbers 154840 to 155012 dated 03/17/2016 and totaling \$2,133,534.21, less voided checks totaling \$1,580.11; and a payroll disbursement listing for the period 02/27/2016 to 03/11/2016 and totaling \$737,777.57, on file in the Finance Department. **[Staff Person: A. Agramonte]**
- (3) Biennial Review of Conflict of Interest Code – Direct the review of the City’s Conflict of Interest Code and the filing of a biennial notice with the City Clerk regarding such review, as required by the Political Reform Act. **[Staff Person: S. Sanchez]**
- (4) Second Reading of Ordinance No. O-05-16 – Waive Full Reading and Pass Second Reading of an Ordinance of the City Council of the City of Colton amending section 18.58.060F (Public Notice Requirements) of Title 18 of the Colton Municipal Code (File Index No. DAP-001-287), **ORDINANCE NO. O-05-16. [Staff Person: M. Tomich]**

- (5) Second Reading of Ordinance No. O-06-16 – Waive Full Reading and Pass Second Reading of an Ordinance amending Municipal Code Chapter 6.16 by adding section 6.16.300, adopting a commercial organic waste recycling program pursuant to AB 1826, **ORDINANCE NO. O-06-16.** [Staff Person: D. Kolk]
- (6) First Amendment to the Professional Services Agreement with Leidos Engineering, LLC – Authorize the City manager to execute the First Amendment to the Professional Services Agreement with Leidos Engineering, LLC, to increase the amount for electrical engineering services by \$85,000 for a total not-to-exceed \$109,000. [Staff Person: D. Kolk]
- (7) Centerpoint Car Wash C.U.P. Review – Direct the Development Services Director to process a Minor Modification to the CUP to modify Condition No. 4 to require City Council review of the CUP one year after the start of beer & wine sales, instead of one year after the date of CUP approval. [Staff Person: M. Tomich]
- (8) Colton Utility Authority / Amending the Professional Services Agreement with NBS – Authorize to amend the Professional Services Agreement with NBS for the fourth time to prepare the additional Water Rate/Financial Plan Analysis in amount not to exceed \$23,735. [Staff Person: D. Kolk]
- (9) SCADA System Upgrade – Waive the formal bidding process and approve the contract for the SCADA Upgrade Project to Schweitzer Engineering Laboratories, Inc. (SEL) in the total amount of \$131,000, in accordance with Colton Municipal Code 3.08.140(b), and authorize the City Manager to execute the Professional Services Agreement. [Staff Person: D. Kolk]
- (10) FY 15-16 Asphalt Paving Project – Approve the cooperative agreement the City of Colton and the City of San Bernardino for asphalt paving of Hunts Lane and Johnston Street; Approve an increase to the City Manager's authorization for change orders to the Hardy & Harper, Inc. construction contract for the Fiscal Year 2015-16 Asphalt Paving Project from 10% to up to 20%; Approve and Adopt resolution to amend the Fiscal Year 2015-16 Capital Improvement budget to increase both revenues and expenditures by \$131,982.71 **RESOLUTION NO. R-25-16.** [Staff Person: D. Kolk]
- (11) Reservation of West Valley Habitat – Approve and adopt a Resolution to expand the number of parcels benefiting from the reservation of 11.69 acres of habitat conservation credits toward satisfaction of the West Valley Habitat Conservation Plan (WVHCP) habitat conservation requirements. **RESOLUTION NO. R-24-16.** [Staff Person: M. Tomich]
- (12) Colton Fire Association Side Letter - Approve a Side Letter Agreement to the expired contract with the Colton Firefighters Association (CFA). [Staff Person: T. Cooper]
- (13) Personnel/City Council – Authorize appointment of an Administrative Assistant Position and Office Specialist II in the City Council Office. [Staff Person: A. Flores]
- (14) Professional Services Contract with Integrated Consulting Group – Authorize the City Manager to execute the Professional Services Agreement with Integrated Consulting Group (ICG), in the amount not to exceed \$96,000 to provide environmental studies for the next phase of the feasibility study for the Colton Sports complex project. [Staff Person: D. Farrar]

**PUBLIC HEARINGS**

To speak on public hearing items, it is requested that you obtain a card from the City Clerk and complete it by noting the agenda item number, as well as whether you are in favor, opposition or neither, and give it to the City Clerk. The applicant will be allowed 5 minutes to address the Council and all other persons will be allowed 3 minutes; provided, however, that the presiding officer shall have certain discretion to extend or limit time as provided for in the City Council Manual of Procedure.

(15) **Weed Abatement Program**

TIME AND PLACED FIXED TO CONSIDER A PUBLIC HEARING TO DISCUSS THE CITY’S WEED ABATEMENT PROGRAM. **[Staff Person: T. McHargue]**

Mayor announces the Public Hearing Open.

City Clerk submits the Affidavit of Publication and reports on protests or objections thereto.

Staff Presentation.

Public Comment.

After hearing public comment, on motion by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, the Public Hearing is terminated.

**MOTION \_\_\_\_\_ SECOND \_\_\_\_\_**

(16) **Water Rates and Rate Study [Staff Person: D. Kolk]**

TIME AND PLACE FIXED TO CONSIDER A PUBLIC HEARING TO WAIVE FULL READING, READ BY TITLE ONLY AND INTRODUCE ORDINANCE NO. O-08-16, ESTABLISHING THE WATER RATE STUDY FOR FY 2016-2017 TO FY 2020-2021 AND APPROVE THE WATER RATE STUDY.

Mayor announces the Public Hearing open.

City Clerk submits the Affidavit of Publication and reports on protests or objections thereto.

Staff Presentation.

Public Comment.

After hearing public comment, on motion by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, the Public Hearing is terminated.

Consider: Waive Full Reading, Ready by Title Only and Introduce **ORDINANCE NO. O-08-16.**

**MOTION \_\_\_\_\_ SECOND \_\_\_\_\_**

## **BUSINESS ITEMS**

- (17) Street Sweeping Services – 1) Award a maintenance agreement for street sweeping services to R.F. Dickson Company Inc. for Fiscal Year 2016-17 at an annual amount not to exceed \$205,360.20; 2) Award R.F. Dickson Inc., the right to purchase the city owned street sweeper for \$165,000; 3) Authorize the City Manager to execute the City standard maintenance agreement with any non-substantive revisions approved by the City Attorney, and; 4) Authorize the City Manager to extend the agreement on an annual basis for up to four, one-year terms. **[Staff Person: D. Kolk]**
- (18) Synthetic Marijuana Ordinance – Waive full reading and introduce by title only an ordinance of the City Council of the City of Colton adding a new Chapter 9.23 to Title 9 of the Colton Municipal Code regarding psychoactive herbal incense, psychoactive bath salts and other synthetic drugs, prohibiting the distribution and sale of certain intoxicating chemical compounds known as synthetic drugs. **ORDINANCE NO. O-07-16**  
**[City Attorney]**

## **MAYOR AND COUNCIL ORAL REPORTS AND COMMENTS**

### **CITY MANAGER'S REPORTS**

### **ADJOURNMENT**

#### **POSTING STATEMENT:**

I, Sabdi Sanchez, Chief Deputy City Clerk or my designee, hereby certify that a true and correct, accurate copy of the foregoing agenda was posted Thursday, March 31 2016, at least seventy-two (72) hours prior to the meeting per Government Code 54954.2, at the following locations:

City of Colton City Hall 650 N. La Cadena Drive  
City of Colton Website, [www.coltonca.gov](http://www.coltonca.gov)

## **PROCEDURES FOR ADDRESSING CITY COUNCIL**

For the Official Record, it is requested that you obtain a card from the City Clerk and complete it by noting a specific item number on the Agenda, if applicable, or you can identify the subject that you wish to address under the Public Comment portion of the Agenda. The City Council encourages public input on all City issues within the Rules of Decorum. Speakers will be limited to the time periods provided on the Agenda; provided, however, that the presiding officer shall have certain discretion to extend or limit time as provided for in the City Council Manual of Procedure.

### **RULES OF DECORUM**

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### **NOTICE TO PUBLIC**

Staff reports or other written documentation relating to each item referred to, on the Agenda, are available for public inspection at the following locations: Office of the City Clerk, 650 N. La Cadena Drive, Colton, CA; City of Colton Public Library, 656 9<sup>th</sup> St., Colton, CA; or the City of Colton Internet Website, [www.coltonca.gov](http://www.coltonca.gov). Any person having questions concerning any item on the Agenda may call the City Clerk at 370-5191 to make inquiry concerning the nature of the item described on the Agenda. The City Clerk shall direct inquiries to the appropriate office.

All matters listed under the Consent Calendar are considered by the City Council to be routine and will all be enacted by one motion. There will be no separate discussion of these items prior to the time the City Council votes on the motion, unless councilmembers, staff or the public request that specific items be discussed and/or removed for separate discussions or action.

In compliance with the American with Disabilities Act, if you need special assistance to participate in a City Meeting, please contact the City Clerk's Office at 909-370-5001. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

### **LEGAL CHALLENGES**

If you challenge in court any discussion or action taken concerning an item on this Agenda, you may be limited to raising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting.

### **MANUAL OF PROCEDURE**

The City Council adopted its Manual of Procedure pursuant to Resolution No. R-150-07; Amended by Minute Action on December 2, 2014 and adopted by Resolution No. R-03-15 on January 20, 2015. Copies are available in the Office of the City Clerk.

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CITY OF COLTON TREASURER'S REPORT  
FOR JANUARY 2016

The Treasurer's report reflects all funds held by the City. The Investments reflected in this report are in compliance with the City's investment policy adopted in January 2016. The investment portfolio as well as budgeted income is expected to meet projected cash flow requirements for the next six months.

A handwritten signature in black ink, appearing to read 'Aurelio De La Torre', written in a cursive style.

Aurelio De La Torre, Treasurer  
March 16, 2016

**CITY OF COLTON  
WEIGHTED AVERAGE YIELD ON INVESTMENT PORTFOLIO**

| <b>MONTH</b>   | <b>Yield</b> |
|----------------|--------------|
| July-2014      | 0.24%        |
| August-2014    | 0.26%        |
| September-2014 | 0.25%        |
| October-2014   | 0.26%        |
| November-2014  | 0.26%        |
| December-2014  | 0.27%        |
| January-2015   | 0.26%        |
| February-2015  | 0.27%        |
| March-2015     | 0.28%        |
| April-2015     | 0.28%        |
| May-2015       | 0.29%        |
| June-2015      | 0.30%        |
| July-2015      | 0.32%        |
| August-2015    | 0.33%        |
| September-2015 | 0.34%        |
| October-2015   | 0.36%        |
| November-2015  | 0.37%        |
| December-2015  | 0.40%        |
| January-2016   | 0.45%        |

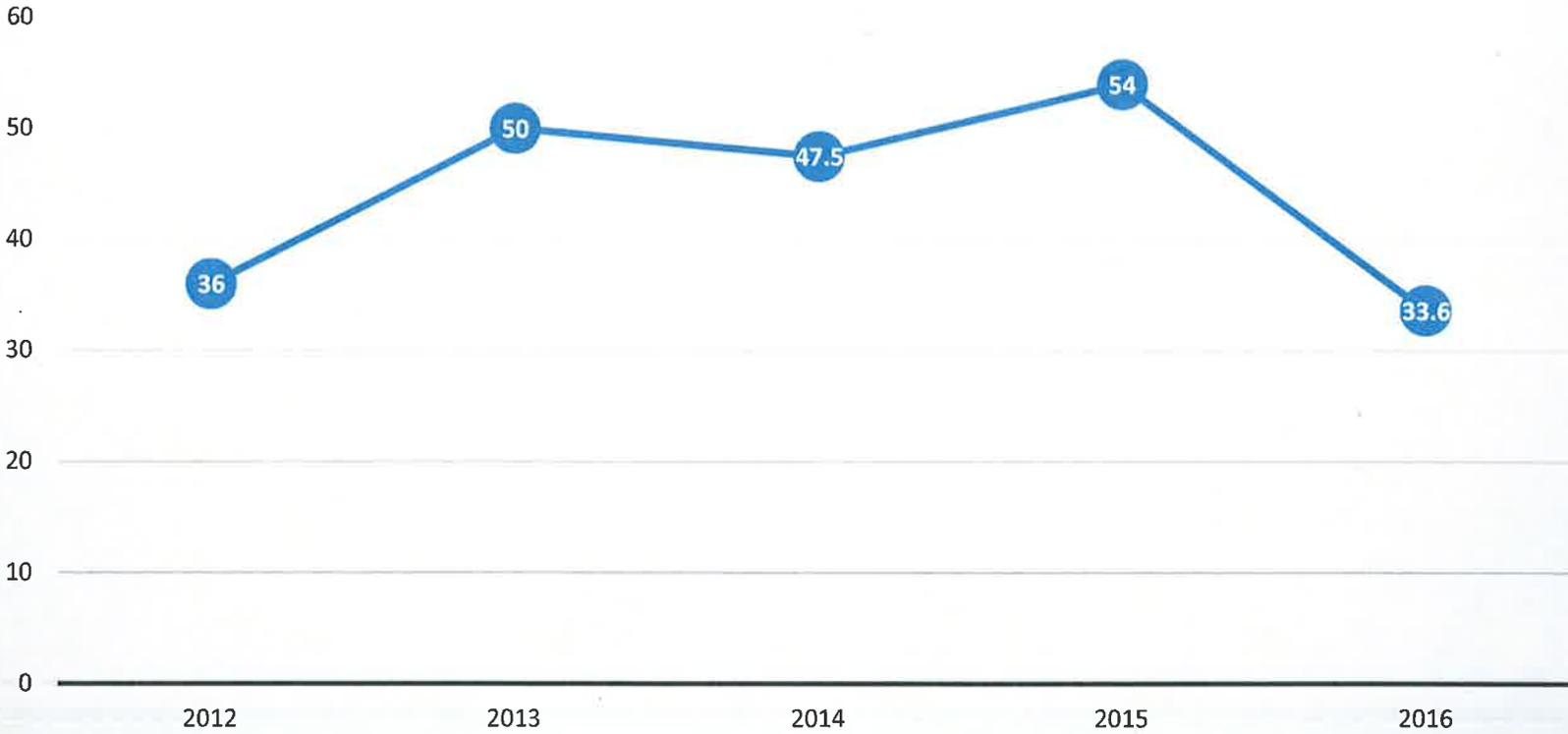
**City of Colton Treasurer's Report  
January 2016**

The Treasurer

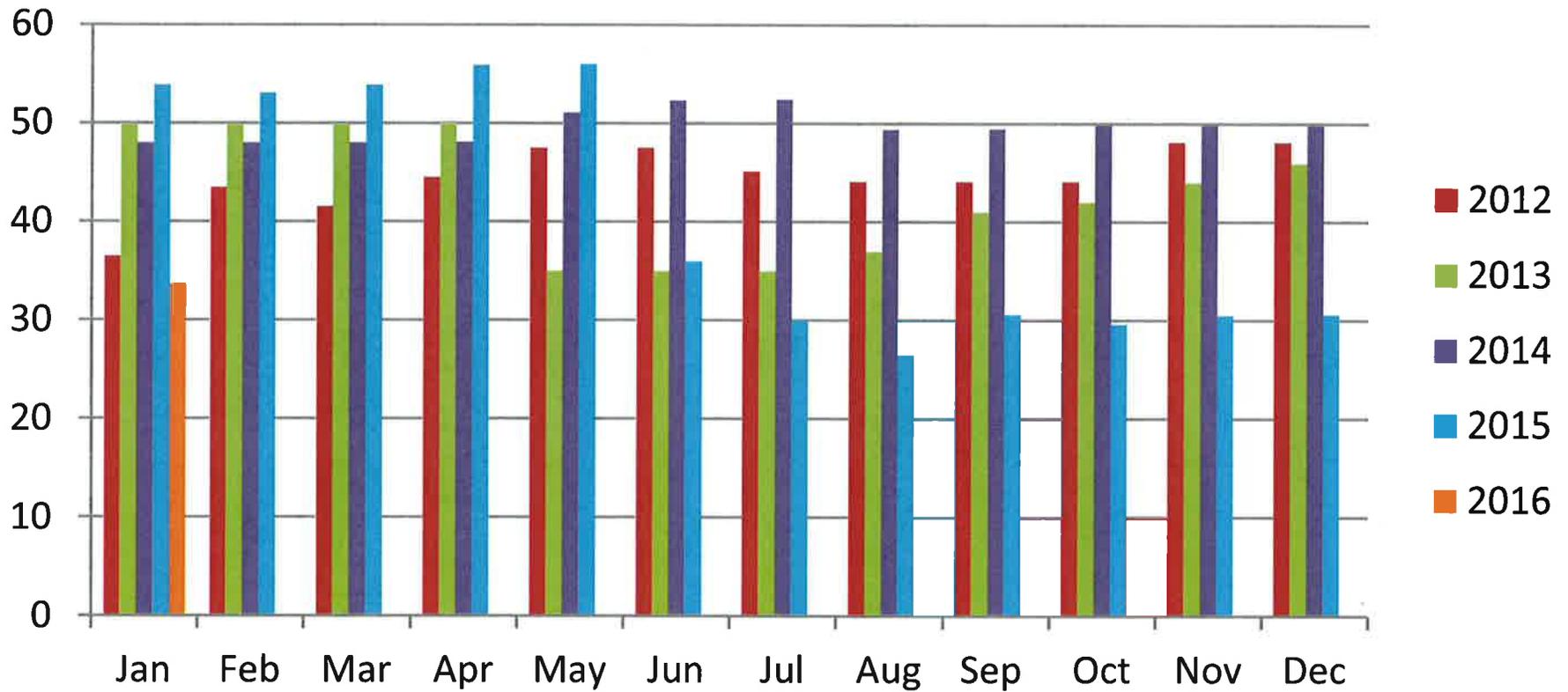
PAGE 1

| INVESTMENT TYPE                       | ISSUER              | DATE OF MATURITY | PAR AMOUNT           | COST                 | FAIR MKT VALUE       | YIELD      |
|---------------------------------------|---------------------|------------------|----------------------|----------------------|----------------------|------------|
| <b>STATE POOL</b>                     |                     |                  |                      |                      |                      |            |
| LAIF-General, other                   | State Pool          | Daily            | \$ 25,787,517        | \$ 25,787,517        | \$ 25,787,517        | 0.45%      |
| <b>UNION BANK</b>                     |                     |                  |                      |                      |                      |            |
| General                               | Money Market        | Daily            | \$ 66,387            | \$ 66,387            | \$ 66,387            | 0.01%      |
| General                               | FFCB                | 9/22/2017        | \$ 509,000           | \$ 502,420           | \$ 502,420           | 1.12%      |
| General                               | FFCB                | 12/21/2018       | \$ 1,013,750         | \$ 1,002,070         | \$ 1,002,070         | 1.37%      |
| General                               | FDIC Insured CD's   | 6/13-19/2017     | \$ 1,263,750         | \$ 1,251,000         | \$ 1,251,000         | 1.10%      |
| General                               | FHLB                | 3/24/2017        | \$ 2,022,000         | \$ 2,001,800         | \$ 2,001,800         | 1.10%      |
|                                       |                     |                  | \$ 4,874,887         | 4,823,677            | 4,823,677            |            |
| <b>CITIZENS TRUST</b>                 |                     |                  |                      |                      |                      |            |
| General                               | Money Market        | Daily            | 58,502               | 56,946               | 56,946               | 0.10%      |
| General                               | FHLB,FFCB,FNMA,FHLM | 8/25-17/2020     | 2,950,000            | 2,947,964            | 2,949,451            | 0.83-1.32% |
|                                       |                     |                  | 3,008,502            | 3,004,910            | 3,006,397            |            |
| <b>GENERAL TOTAL</b>                  |                     |                  | <u>33,670,906</u>    | <u>33,616,104</u>    | <u>33,617,591</u>    |            |
| <b>STATE POOL</b>                     |                     |                  |                      |                      |                      |            |
| LAIF-Electric Reserve                 | State Pool          | Daily            | <u>37,850,892</u>    | <u>37,850,892</u>    | <u>37,850,892</u>    | 0.45%      |
| <b>TOTAL INVESTMENTS BY TREASURER</b> |                     |                  | <u>\$ 71,521,798</u> | <u>\$ 71,466,996</u> | <u>\$ 71,468,483</u> |            |
| <b>NON INVESTMENT ACCOUNTS</b>        |                     |                  |                      |                      |                      |            |
| Bank of America                       | General acct        | Daily            | \$ 3,383,649         | \$ 3,383,649         | \$ 3,383,649         | 0.15%      |
| Bank of America                       | Payroll acct        | Daily            | \$ 991,938           | \$ 991,938           | \$ 991,938           | 0.15%      |
| Bank of America                       | Workers Comp        | Daily            | 93,412               | 93,412               | 93,412               | 0.15%      |
| Bank of America                       | Rancho Med          | Daily            | 195,268              | 195,268              | 195,268              | 0.15%      |
| Citibank                              | Hermosa Trust       | Daily            | 411,762              | 411,762              | 411,762              | 0.05%      |
| Citibank                              | Water-meter escrow  | Daily            | 517,134              | 517,134              | 517,134              | 0.11%      |
|                                       |                     |                  | \$ 5,593,163         | \$ 5,593,163         | \$ 5,593,163         |            |
| <b>PETTY CASH FUNDS</b>               |                     |                  | 5,000                | 5,000                | 5,000                | N/A        |
| <b>TOTAL NON INVESTMENT ACCOUNTS</b>  |                     |                  | <u>\$ 5,598,163</u>  | <u>\$ 5,598,163</u>  | <u>\$ 5,598,163</u>  |            |

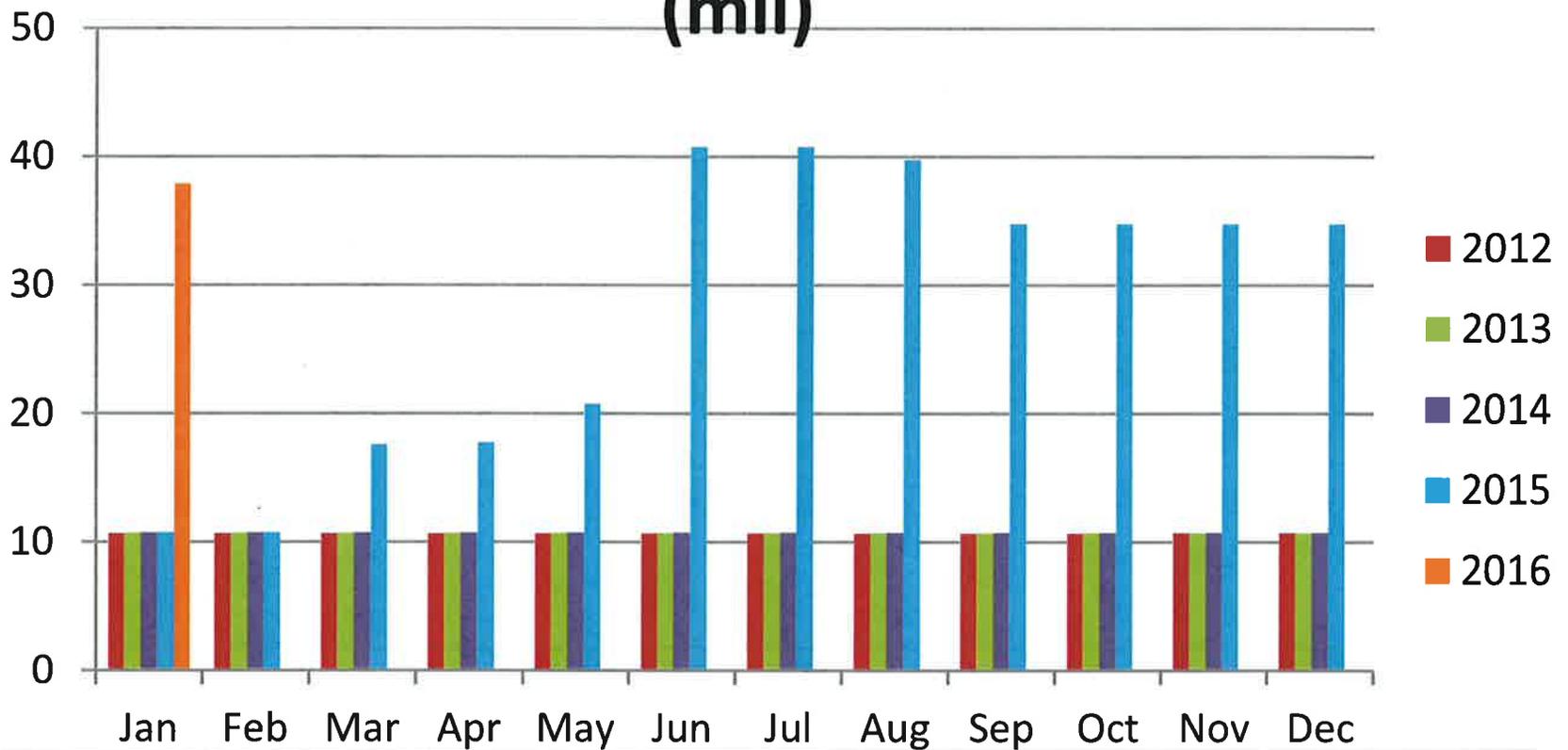
### January Comparison of Available General Cash (mil)



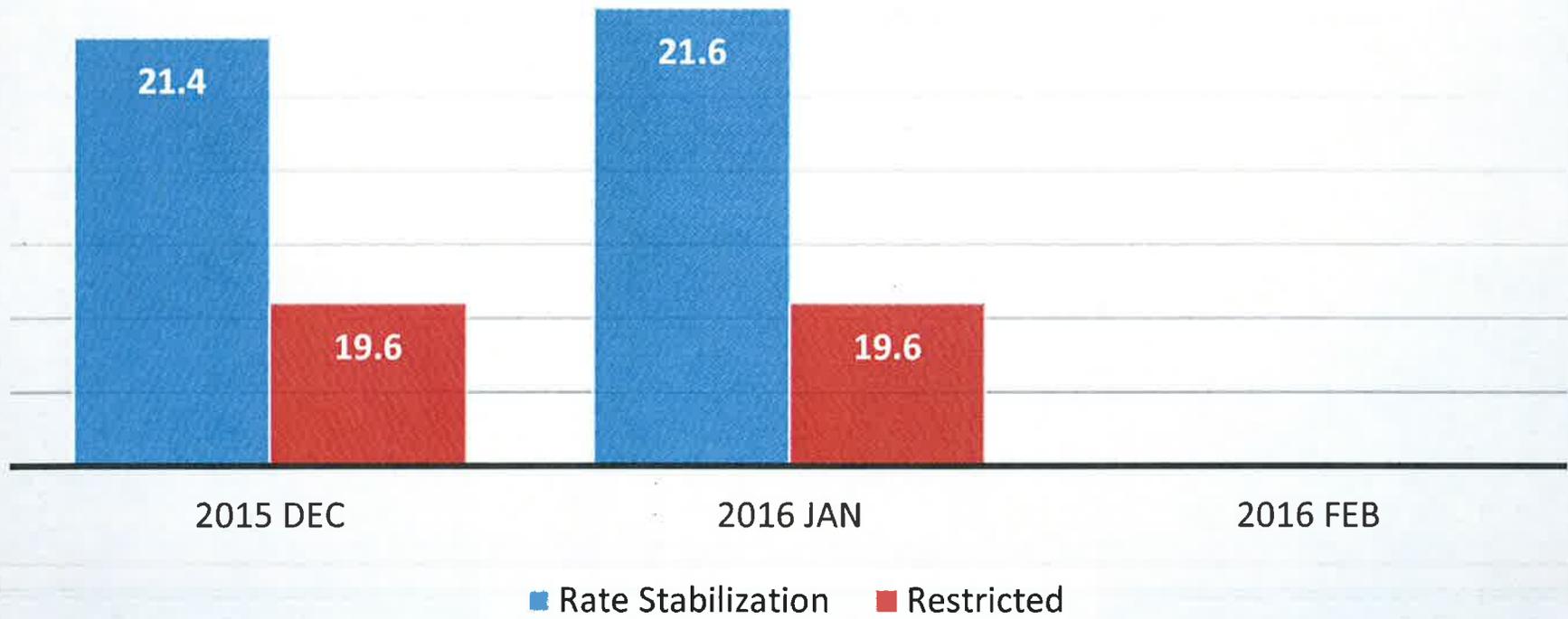
# City of Colton General Pooled Cash(mil)



# City of Colton Electric Cash & Reserve- (mil)



## City of Colton Electric Cash (mil)



**City of Colton Treasurer's Report  
January 2016**

Investments under Bond Indentures

PAGE 2

| TRUSTEE<br>Bond Issue  | ISSUER             | DATE OF<br>MATURITY | PAR<br>AMOUNT       | COST                | FAIR MKT.<br>VALUE  | YIELD |
|------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|-------|
| <b>Union Bank</b>      |                    |                     |                     |                     |                     |       |
| 1998 Water Bonds-R     | Morgan Grnty Trust | 3/1/2030            | \$ 702,500          | \$ 702,500          | \$ 702,500          | 5.30% |
| 1998 Water Bonds-R     | Blackrock Prov.    | Daily               | \$ 1                | \$ 1                | \$ 1                | 0.00% |
| 1998 Water Bonds-C     | Blackrock Prov.    | Daily               | 23,147              | 23,147              | 23,147              | 0.01% |
| 2000 Wastewater B-R    | GE GIC             | 3/1/2025            | 412,658             | 412,658             | 412,658             | 6.15% |
| 2012 Electric Bonds-PP | Blackrock Prov.    | Daily               | 1,706,358           | 1,706,358           | 1,706,358           | 0.01% |
| 2012 Electric Bonds-R  | FFCB               | 11/27/2017          | 2,764,876           | 2,770,000           | 2,764,876           | 0.87% |
| 2012 Electric Bonds-R  | Blackrock Prov.    | Daily               | 16,457              | 16,457              | 16,457              | 0.01% |
| 2007A Bonds-PP         | Blackrock Prov.    | Daily               | 1,065,604           | 1,065,604           | 1,064,604           | 0.01% |
| CFD 89-2               | LAIF               | Daily               | 275,426             | 275,426             | 275,426             | 0.45% |
|                        |                    |                     | <u>\$ 6,967,027</u> | <u>\$ 6,972,151</u> | <u>\$ 6,966,027</u> |       |

**City of Colton Treasurer's Report  
January 2016**

**Investments under Bond Indentures**

**PAGE 3**

| INVESTMENT<br>TYPE   | ISSUER           | DATE OF<br>MATURITY | PAR<br>AMOUNT | COST         | FAIR MKT<br>VALUE | YIELD |
|----------------------|------------------|---------------------|---------------|--------------|-------------------|-------|
| <b>US Bank</b>       |                  |                     |               |              |                   |       |
| PFB 2007-R           | 1st American TOF | Daily               | 2,735,106     | 2,735,106    | 2,735,106         | 0.01% |
| PFB 2007-R           | 1st American TOF | Daily               | 2,905         | 2,905        | 2,905             | 0.01% |
| PFA 2007 Ser B-R     | 1st American TOF | Daily               | 1,155,656     | 1,155,656    | 1,155,656         | 0.01% |
| CFD 87-1 96 Spec Tax | 1st American TOF | Daily               | 28,907        | 28,907       | 28,907            | 0.01% |
| CFD 87-1/88-1/89-1   | Municipal Bonds  | 9/1/2018            | 9,642         | 9,642        | 9,642             | 6.32% |
| CFD 90-1             | 1st American TOF | Daily               | 269,894       | 269,894      | 269,894           | 0.01% |
| PFA 1996-R           | 1st American TOF | Daily               | 11,366        | 11,366       | 11,366            | 0.01% |
| PFA 1996-R           | GE GIC           | 9/1/2019            | 247,807       | 247,807      | 247,807           | 6.04% |
|                      |                  |                     | \$ 4,461,283  | \$ 4,461,283 | \$ 4,461,283      |       |

**Total Held by Trustees** \$ 11,428,310 \$ 11,433,434 \$ 11,427,310

**TOTAL CITY CASH AND INVESTMENTS** **\$ 88,498,593**

**Cash and Investments Report  
City of Colton  
Through January 2016**

|     |                                       | <b>Fund Total</b> |
|-----|---------------------------------------|-------------------|
| 100 | GENERAL FUND                          | 1,585,287.31      |
| 150 | TREASURERS ACCOUNT GROUP              | 13,231.15         |
| 206 | COMMUNITY CHILD CARE                  | 84,720.31         |
| 210 | SPECIAL GAS TAX                       | 566,402.45        |
| 211 | LIBRARY GRANT FUND                    | 24,552.21         |
| 212 | STATE TRAFFIC RELIEF FUND             | 49.45             |
| 214 | POLLUTION REDUCTION FUND              | 418,677.17        |
| 215 | COMMUNITY DEV ACT FUND                | (183,085.55)      |
| 217 | DRUG/GANG INTERVENTION                | 14,713.06         |
| 218 | MEASURE I FUND                        | 2,578,537.72      |
| 220 | ViTep                                 | 62,085.42         |
| 225 | MISC GRANTS                           | (694,442.01)      |
| 240 | HOST CITY FEES - CIP                  | 232,316.63        |
| 248 | PARK DEVELOPMENT FUND                 | 438,950.65        |
| 249 | TRAFFIC IMPACT FUND                   | 2,032,115.39      |
| 250 | NEW FACILITIES DEVELOPMENT FEE        | 159,585.88        |
| 251 | CIVIC CENTER DEVELOPMENT FEE          | 20,312.51         |
| 252 | FIRE FACILITY DEVELOPMENT FEE         | 41,616.51         |
| 253 | POLICE FACILITY DEVELOPMENT FEE       | 23,534.81         |
| 261 | ASSET FORFEITURE                      | 182,487.67        |
| 350 | PFA Debt Fund                         | 2,040,221.90      |
| 357 | POB-Non Enterprise                    | 128,257.05        |
| 358 | PENSION OBLIGATION DEBT SERVICE       | 1,497,635.10      |
| 364 | WATER IMPRVMT DIST A                  | 4,001.89          |
| 450 | Capital Improvement Projects          | 2,991.85          |
| 451 | Colton Crossing Fund                  | 2,316,280.47      |
| 520 | ELECTRIC UTILITY                      | 41,219,421.42     |
|     | Restricted                            | 19,634,522.00     |
|     | Rate Stabilization                    | 21,584,899.42     |
| 521 | WATER UTILITY                         | 8,123,489.12      |
| 522 | WASTEWATER UTILITY                    | 11,679,907.15     |
| 523 | SOLID WASTE                           | 191,960.82        |
| 526 | PUBLIC BENEFIT FUND                   | 2,283,057.33      |
| 560 | CEMETARY ENDOWMENT CARE               | 1,133,259.86      |
| 605 | Facility & Equipment Maintenance Fund | 62,502.68         |
| 606 | INFORMATION SERVICES FUND             | 1,149,806.20      |

|                     |  |                             |
|---------------------|--|-----------------------------|
| 607                 | INSURANCE FUND                           | 2,363,112.50                |
| 608                 | AUTOMOTIVE SHOP                          | 209,182.34                  |
| 701                 | LLMD #2                                  | 12,158.40                   |
| 702                 | LLMD #1                                  | (30,894.49)                 |
| 703                 | CFD 87-1 DEBT SERVICE                    | 266,858.35                  |
| 707                 | CFD 88-1 DEBT SERVICE                    | 290,872.89                  |
| 722                 | STORM WATER                              | 230,125.04                  |
| 734                 | CFD 89-2 CONSTRUCTION                    | 0.98                        |
| 744                 | CFD 89-1 DEBT SERVICE                    | 633,592.39                  |
| 745                 | CFD 89-2 DEBT SERVICE                    | 644,626.23                  |
| 762                 | TRUST AND AGENCY                         | 2,179,878.29                |
| 781                 | CFD 90-1 DEBT SERVICE                    | 454,438.71                  |
| 850                 | Redevelopment Obligation Retirement Fund | 3,597,670.32                |
| 851                 | Successor Agency Administration          | (9,853.17)                  |
| 855                 | Housing Auth - RM PARK DEVELOPMENT       | (4,234,605.37)              |
| 856                 | Housing Auth - RANCHO MED BOND PROCEEDS  | (6,150,293.36)              |
| 864                 | Housing Auth - LOW/MOD BOND PROCEEDS     | 4,907,640.41                |
| 865                 | Housing Auth - RANCHO MED CHFA           | 4.24                        |
| 870                 | Housing Auth - RM PARK OPERATIONS        | 5,416,462.59                |
| 890                 | Successor Agcy-RDA - LONG TERM DEBT GRP  | (38,816.30)                 |
| 898                 | Housing Auth - LOW/MOD CAPITAL PROJECTS  | (57,500.80)                 |
| <b>Grand Total:</b> |  | <b><u>90,119,101.77</u></b> |

Reconciling Items:

|  |                |
|--|----------------|
| Outstanding checks and adjustments                                 | 1,336,559.34   |
| TABS/CFDs journals to be posted                                    | (434,975.69)   |
| Meter replacement project reimbursement journal posted in February | (493,475.76)   |
| Deposits intransit   | (126,957.46)   |
| City Investment in CFD -adjustments to be posted                   | (1,320,358.00) |
| Petty cash not reflected in this report                            | 5,000.00       |
| Timing Difference ( including rounding difference of \$4.93 )      | (157,143.45)   |
| Successor Agency   | (429,157.75)   |

**Total per Treasurer's Report** **88,498,593.00**

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CITY OF COLTON  
 CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
 FOR THE CITY OF COLTON/COLTON UTILITY AUTHORITY/  
 COLTON PUBLIC FINANCING AUTHORITY AND  
 COLTON HOUSING AUTHORITY  
 CLOSED SESSION MINUTES

March 15, 2016

Closed Session Meeting was held on the above given date at 5:06 p.m., in the Council Chambers of City Hall, with Mayor DeLaRosa presiding.

CITY COUNCIL ROLL CALL

Councilmembers present were, Toro, Jorrin, Navarro, González, Bennett, MPT Suchil (*absent*), and Mayor DeLaRosa.

STAFF PRESENT

City Manager Smith, City Attorney Campos, and City Clerk Padilla.

PUBLIC COMMENT

None.

CLOSED SESSION

City Attorney Campos announced that the City Council would meet in Closed Session to Discuss Items A through C.

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)  
 Largo Concrete, Inc., v. City of Colton, et al.  
 San Bernardino Superior Court, Case No. CIVDS 1400406

B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code section 54957(b)  
 Title: City Manager

C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code section 54957(b)  
 Title: Executive Administrator to the Mayor and City Council

Mayor DeLaRosa adjourned the meeting to Closed Session at 5:07 p.m. and at 6:00 p.m., the meeting reconvened, with all members present as heretofore; Mayor DeLaRosa absent and MPT Suchil presiding.

City Attorney Campos announced that the City Council met in Closed Session and discussed Items A through C; with direction given to staff and no reportable action.

CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF  
COLTON/COLTON UTILITY AUTHORITY/  
COLTON PUBLIC FINANCING AUTHORITY AND  
COLTON HOUSING AUTHORITY  
REGULAR MEETING MINUTES

March 15, 2016

Regular Meeting held on the above-given date at 6:01 p.m. in the Council Chambers of City Hall, with Mayor Pro Tem Suchil presiding.

INVOCATION/FLAG SALUTE

City Clerk Carolina R. Padilla

CITY COUNCIL ROLL CALL

Council Members Present

Isaac T. Suchil, Mayor Pro Tem  
David J. Toro  
Summer Jorin  
Frank J. Navarro  
Dr. Luis S. González  
Deirdre H. Bennett

Staff Present

William R. Smith, City Manager  
Carlos Campos, City Attorney  
Carolina R. Padilla, City Clerk

Council Members Absent

Richard DeLaRosa, Mayor

CEREMONIAL MATTERS *Presentations, Awards, Proclamations*

- Presentation - Business Focus - Leno's Rico Taco

CM Jorin presented with assistance of staff (*Art Morgan, Economic Development Manager and Chetay Catalano Executive Director, City of Colton Chamber of Commerce*) You Make a Difference Recognition Certificate to Owner Leno Moreno of Leno's Rico Taco.

MAYOR AND COUNCIL ITEMS

POSSIBLE CONFLICT OF INTEREST DISCLOSURES FOR THE COUNCIL MEETING OF MARCH 15, 2016.

GIFT DISCLOSURES

Mayor Pro Tem Suchil asked the members present if there were any agenda items that were a conflict of interest pursuant to CMC Section 2.04.030. None disclosed.

AB 1234 ORAL REPORTS

Mayor Tem Suchil asked the members present if there were any brief reports on meetings attended at the expense of the City. (*GC Section 53232.3(d)*). None disclosed.

MAYOR AND COUNCIL DISCUSSION ITEMS

- Budget Oversight Committee

City Manager Smith introduced this item for Council discussion: At the February 27, 2016 Budget Workshop as part of your (Council) actions that evening the City Council decided that it wanted to constitute a Budget Oversight Committee to basically have input to the budget process as well as potential other things such as your Ballot Measure that is coming up and things of that nature; the item is on the Agenda tonight to constitute that committee and do so however you (Council) like; we (staff) have a recommendation if you like, but Council is welcome to constitute that committee however it wishes; once you do, staff will get involved in engaging that committee and making it part of our upcoming process.

Staff Recommendation: Council may want to consider members of your existing (Council) Commission appointment; appoint from within said Commission; this would expedite and engage Commissioner's in the current budget process.

MPT Suchil invited Councilmembers present to state their ideas/comments in order to direct staff how to proceed:

- Staff encouraged to go through the current Commissions and clean out the Commissions no longer active;
- Set up should be similar to how Commissions are set up, appointment by District;
- Open (recruitment) as a Commission style Committee;
- Consensus: Each appointment will be made by a District Councilmember and term would run concurrent to said Councilmember;
- Suggested makeup: Appointment by District Councilmember in addition to a Planning Commissioner and a Utilities Commissioner this will equal a total member of Nine;
- Encouraged member of the Committee should be part of the Business Community and School District;
- Appointment by Councilmember by District would constitute Brown Act compliance;
- Staff will recommend how often Committee will meet and a set time to meet;

City Manager Smith will bring back this item for consideration on the Agenda of April 5, 2016 Council Meeting; and strongly encouraged (Council) to be ready to appoint on that date in order to allow the committee members to have any meaningful input in the budget process which is now in progress.

## PUBLIC COMMENT

The following community members addressed the Council: Luis Hidalgo; Margarita Gavilanes; Axel & Analy Conde; Christine Irish-Ré; Ashley Jones; and Representative Ashley Jones (*Assemblyperson Cheryl Brown/San Bernardino District Office*).

## CONSENT CALENDAR

Mayor Pro Tem Suchil presents the Consent Calendar Items 1 through 12.

Councilmembers present selected items for discussion and clarification by staff: MPT Suchil, Item 4.

Motion and Second by CM Navarro/CM González to approve the Consent Calendar Items 1 through 12.

Vote: Motion carried Mayor DeLaRosa absent.

- (1) Minutes – Approval of Minutes for the City Council Regular Meeting held March 1, 2016, on File in the Office of the City Clerk.
- (2) Warrants – Approve voucher numbers 154435 to 154550 dated 02/25/2016 and totaling \$951,944.04; voucher numbers 154551 to 154719 dated 03/03/2016 and totaling \$2,932,468.08, less voided checks

totaling \$2,449.44; and a payroll disbursement listing for the period 02/13/2016 to 02/26/2016 and totaling \$726,151.26., on file in the Finance Department.

- (3) Personnel - Recruitment for anticipated vacancies in the Electric Department – Authorize the recruitments for Line Crew Supervisor, Service Crew Supervisor, and Powerline Technician for the purpose of establishing lists to fill anticipated vacancies due to employee retirements.
- (4) Personnel – Recruitment of HR Manager – Authorize the recruitment for the Human Resources Manager position and authorize filling the position upon the retirement of the incumbent.
- (5) Authorize Release of SCPPA Project Stabilization Funds – Authorize the release of SCPPA Project Stabilization Funds in the amount of \$150,438 to cover the City’s share for the purchase and renovation of the SCPPA office/training facility in accordance with SCPPA Resolution 2016-003.
- (6) Change Order No. 1 for the rehabilitation and pump testing of Well 22 Project – Approve Change Order No.1 for the rehabilitation and Pump Testing of Well 22 Project in the amount of \$156,230.70.
- (7) Amendment to the Extra-Territorial Water and Sewer Service Agreement between the City of Colton and AMCAL Las Terrazas Fund, LP – Approve the Extra-Territorial Water and Sewer Service Agreement between the City of Colton and AMCAL Las Terrazas Fund, LP for the parcel located at the northwest corner of Valley Blvd and Cypress Avenue (APN 0274-182-43) and authorize the recordation of same.
- (8) Rodeway Inn Participation in City of Colton Rebate Program – Authorize the payment of up to \$2,500 in rebate funds to the Rodeway Inn & Suites for their participation in City rebate programs.
- (9) First Amendment to Professional Services Agreement with The Altum Group – Authorize the City Manager to execute the First Amendment to the Professional Services Agreement (PSA) with the Altum Group to provide environmental and entitlement services on behalf of the California University of Science and Medicine, as per terms of the PSA.
- (10) First Amendment to Professional Services Agreement with Placeworks, Inc. – Authorize the City Manager to execute the First Amendment to the Professional Services Agreement (PSA) with Placeworks, Inc. to provide environmental services on behalf of Will-Hunt 1, LLC – Southwest Regional Operations Facility (DAP-001-230) as per terms of the First Amendment.
- (11) Grant Deed – Authorize and approve recordation of grant deed for streets purposes located at the northeast corner of Mount Vernon Avenue and Fairway Drive, in the City of Colton.
- (12) Colton Housing Authority – Approve and adopt Resolution No. CHA-02-16, approving an Affordable Housing Agreement and related documents for the sale/purchase of the remaining 25 lots located at Rancho Mediterrania Mobile Home Estates, and direct and authorize the Executive Director to execute all documents related to the sale and affordable housing regulations with RMII, LLC, RESOLUTION NO. CHA-02-16.

## PUBLIC HEARING

- (13) Resolution of Necessity Regarding San Bernardino County Assessor’s Parcel Number 0161-221-21 Owned by UPRR

TIME AND PLACED FIXED TO CONSIDER A PUBLIC HEARING TO APPROVE AND ADOPT A RESOLUTION OF NECESSITY FOR THE ACQUISITION OF A ROAD RIGHT-OF-WAY EASEMENT AND UTILITY EASEMENT IN A PORTION OF CERTAIN REAL PROPERTY, BY EMINENT DOMAIN, MORE PARTICULARLY DESCRIBED AS ASSESSOR PARCEL NO. 0161-222-21, LOCATED IN COLTON, CALIFORNIA, FOR THE CITY OF COLTON'S INSTALLATION OF PUBLIC ACCESS IMPROVEMENTS, IN SAN BERNARDINO COUNTY, CALIFORNIA.

Mayor Pro Tem Suchil declared the Public Hearing Open.

City Clerk Padilla submitted the Proof of Mailing of Notice of Hearing (*on file in the City Clerk's Office*) and there were no reports of protests or objections thereto.

#### Staff Presentation

City Attorney Campos introduce Attorney Mark Easter who gave a brief overview which included the need of a 2/3 vote; at least five 'ayes.

Art Morgan, Economic Development Manager, outlined the items for consideration by Council:

- (a) Conduct a hearing to consider the adoption of a resolution of necessity;
- (b) The following four findings are required:
  - Finding 1. The Public Interest and Necessity Require the Project
  - Finding 2. The Project is Planned or Located in a Manner Most Compatible with Greatest Public Good and Least Private Injury
  - Finding 3. The Real Property to be Acquired is Necessary for the Project
  - Finding 4. The Offer of Just Compensation Has Been Made
- (c) Approve and Adopt a Resolution of Necessity; and
- (d) Approve and Adopt a Resolution amending budget for revenues and expenditures with Resolution of Necessity.

#### Public Comment

None.

Motion and Second by CM Bennett/CM Navarro to Close the Public Hearing.

Vote: Motion carried with Mayor DeLaRosa absent.

#### Council Discussion

Discussion and clarification provided by staff; Motion and Second by CM Navarro/CM González to Approve and Adopt Resolution No. R-22-16 a Resolution of Necessity for the purpose of acquiring a Road Right-of-Way easement and Utility Easement; and Approve and Adopt Resolution No. R-23-16 amending the Fiscal Year 2015-16 for revenues and expenditures associated with the Resolution of Necessity.

Vote: Motion carried with Mayor DeLaRosa absent.

#### (14) Weed Abatement Program

TIME AND PLACED FIXED TO CONSIDER A PUBLIC HEARING TO DISCUSS THE CITY'S WEED ABATEMENT PROGRAM.

City Manager Smith requested item be continued to the Council Meeting of April 5, 2016; no objection by Council.

#### (15) Zoning Text Amendment

TIME AND PLACE FIXED TO CONSIDER A PUBLIC HEARING TO WAIVE FURTHER READING, READ BY TITLE ONLY AND INTRODUCE ORDINANCE NO. O-05-16, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLTON AMENDING SECTION 18.12.060 (BUILDING PROJECTIONS – R-1 ZONE), SECTION 18.12.170 (PARKING REQUIREMENTS – R-1 ZONE), AND SECTIONS 18.58.040G AND 18.58.060F (PUBLIC NOTICE REQUIREMENTS) OF TITLE 18 OF THE COLTON MUNICIPAL CODE (FILE INDEX NO. DAP-001-287).

Mayor Pro Tem Suchil declared the Public Hearing Open.

City Clerk Padilla submitted the Affidavit of Publication calling the Public Hearing (*on file in the City Clerk's Office*) and there were no reports of protests or objections thereto.

#### Staff Presentation

Mark Tomich, Development Services Director, presented for Council discussion and requested approval of staff's recommendation; Director Tomich included an explanation of the Agenda Report and a PowerPoint presentation: 'Zoning Text Amendment' – Unpermitted Carports/Existing Conditions – Single Family Neighborhoods.

#### Public Comment

None.

Motion and Second by CM Navarro/CM Jorin to Close the Public Hearing.

Vote: Motion carried with Mayor DeLaRosa absent.

#### Council Discussion

Discussion with clarification provided by Director Tomich; Motion and Second by CM Navarro/CM Jorin to Waive Full Reading, Read by Final Title Only, and Introduce Ordinance No. O-05-06 with the deletion of all sections and/or references in the Ordinance as they pertain to Carports/Onsite Parking language; with the caveat to return with a Zoning Text Amendment (Ordinance) related to Carports/Onsite Parking.

Vote: Motion carried with Mayor DeLaRosa absent.

#### (16) Update Community Services Fee Schedule

TIME AND PLACE FIXED TO CONSIDER A PUBLIC HEARING TO APPROVE THE UPDATED COMMUNITY SERVICES DEPARTMENT FEE SCHEDULE.

Mayor Pro Tem Suchil declared the Public Hearing Open.

City Clerk Padilla submitted the Affidavit of Publication calling the Public Hearing (*on file in the City Clerk's Office*) and there were no reports of protests or objections thereto.

#### Staff Presentation

Deb Farrar, Community Services Director (*Acting*), presented for Council discussion and requested approval of staff's recommendation; Director Farrar included an explanation of the Agenda Report and a PowerPoint presentation: 'Update to Fee Schedule'.

#### Public Comment

None.

Motion and Second by CM Navarro/CM Jorin to Close the Public Hearing.

Vote: Motion carried with Mayor DeLaRosa absent.

#### Council Discussion

Discussion with clarification provided by Director Farrar; Motion and Second by CM González/CM Bennett to approve staff's recommendation.

Vote: Motion carried with Mayor DeLaRosa absent.

#### BUSINESS ITEMS

- (17) Organic Waste Recycling Program – Waive Full Reading, Ready by Title and Introduce Ordinance No. O-06-16, amending Municipal Code Chapter 6.16 by adding section 6.16.300, adopting a commercial organic waste recycling program pursuant to AB 1826, ORDINANCE NO. O-06-16.

#### Staff Presentation

Jennifer Shimmin, Senior Water Conservation Specialist, presented for Council discussion and requested approval of staff's recommendation; Specialist Shimmin, included an explanation of the Agenda Report and a PowerPoint presentation: 'AB 1826 Food Waste Diversion Plan'.

Motion and Second by CM Bennett/CM Jorin to Waive Full Reading, Read by Final Title Only, and Introduce Ordinance No. O-06-16.

Vote: Motion carried with Mayor DeLaRosa absent.

- (18) Water Conservation Project Updates. (*Informational Only*)

Jennifer Shimmin, Senior Water Conservation Specialist presented to Council an update on the water conservation updates/projects currently in the City of Colton; with the assistance of a PowerPoint presentation the information incorporated: Drought Update; Conservation Standard; Enforcement; Rebate Programs; MWEL/Plan Checks; and Landscape Projects. This item is informational only and no action required of Council.

#### MAYOR AND COUNCIL ORAL REPORTS AND COMMENTS

Council Members made comments on various issues and activities throughout the community.

#### CITY MANAGER'S REPORTS

City Manager Smith reminded Council the Goals & Objectives Meeting is on Monday, March 21, 2016.

#### ADJOURNMENT

At 8:18 p.m., Mayor Pro Tem Suchil adjourned the Regular Council Meeting in memoriam of Apolinar 'Poli' Espinola.

---

Carolina R. Padilla  
City Clerk

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# STAFF REPORT

DATE: APRIL 05, 2016  
 TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
 FROM: BILL SMITH, CITY MANAGER *BS*  
 PREPARED BY: ANITA AGRAMONTE, FINANCE DIRECTOR *AA*  
 SUBJECT: APPROVAL OF ACCOUNTS PAYABLE VOUCHERS AND PAYROLL DISBURSEMENTS

## RECOMMENDED ACTION

It is recommended that the City Council approve U.S. Bank vouchers dated 02/24/16 totaling \$22,720.74; voucher numbers 154720 to 154839 dated 03/10/2016 and totaling \$1,330,013.86; voucher numbers 154840 to 155012 dated 03/17/2016 and totaling \$2,133,534.21, less voided checks totaling \$1,580.11; and a payroll disbursement listing for the period 02/27/2016 to 03/11/2016 and totaling \$737,777.57.

## BACKGROUND

The California Government Code requires that the legislative body ratify all vouchers issued in the course of conducting City business.

## ISSUES/ANALYSIS

All vouchers and related backup documentation have been reviewed by the City Treasurer.

## FISCAL IMPACTS

None.

## ALTERNATIVES

1. Provide alternative direction to staff.

## ATTACHMENTS

1. Fund number & Title legend
2. Voucher lists & payroll disbursement register
3. Voided check history listing

**City of Colton**  
**Fund Number and Title Legend**

| Fund | Title                                 |
|------|---------------------------------------|
| 100  | GENERAL FUND                          |
| 150  | TREASURERS ACCOUNT GROUP              |
| 206  | COMMUNITY CHILD CARE                  |
| 209  | DSF FLY CONSERVATION                  |
| 210  | SPECIAL GAS TAX                       |
| 211  | LIBRARY GRANT FUND                    |
| 212  | STATE TRAFFIC RELIEF FUND             |
| 213  | S.Y.E.T.P. GRANT                      |
| 214  | POLLUTION REDUCTION FUND              |
| 215  | COMMUNITY DEV ACT FUND                |
| 216  | CDBG HOUSING REHAB FUND               |
| 217  | DRUG/GANG INTERVENTION                |
| 218  | MEASURE I FUND                        |
| 219  | STATE AID - CAPITAL PROJECTS          |
| 220  | ViTap                                 |
| 225  | MISC GRANTS                           |
| 240  | HOST CITY FEES - CIP                  |
| 247  | Quimby In Lieu Fees                   |
| 248  | PARK DEVELOPMENT FUND                 |
| 249  | TRAFFIC IMPACT FUND                   |
| 250  | NEW FACILITIES DEVELOPMENT FEE        |
| 251  | CIVIC CENTER DEVELOPMENT FEE          |
| 252  | FIRE FACILITY DEVELOPMENT FEE         |
| 253  | POLICE FACILITY DEVELOPMENT FEE       |
| 261  | ASSET FORFEITURE                      |
| 326  | AD 94-1 DEBT SERVICE                  |
| 332  | 1971 SEWER BONDS, A & C               |
| 350  | PFA Debt Fund                         |
| 357  | POB-Non Enterprise                    |
| 358  | PENSION OBLIGATION DEBT SERVICE       |
| 359  | CORP YARD DEBT SERVICE                |
| 363  | 1978-2 ASSESSMENT DIST.               |
| 364  | WATER IMPRVMT DIST A                  |
| 379  | AD 1979-1 DEBT SERVICE                |
| 427  | AD 94-1 CONSTRUCTION                  |
| 450  | Capital Improvement Projects          |
| 451  | Colton Crossing Fund                  |
| 453  | STREET IMPROVEMENTS PRGM              |
| 457  | CAPITAL IMPROVEMENT                   |
| 469  | EQUIPMENT REPLACEMENT                 |
| 520  | ELECTRIC UTILITY                      |
| 521  | WATER UTILITY                         |
| 522  | WASTEWATER UTILITY                    |
| 523  | SOLID WASTE                           |
| 524  | CEMETERY                              |
| 525  | RECYCLING                             |
| 526  | PUBLIC BENEFIT FUND                   |
| 527  | WASTEWATER UTILITY - GRAND TERRACE    |
| 551  | WATER DEVELOPMENT                     |
| 552  | SEWER DEVELOPMENT                     |
| 560  | CEMETARY ENDOWMENT CARE               |
| 605  | Facility & Equipment Maintenance Fund |
| 606  | INFORMATION SERVICES FUND             |
| 607  | INSURANCE FUND                        |
| 608  | AUTOMOTIVE SHOP                       |
| 610  | AUTOMOTIVE SHOPS                      |

| Fund | Title                                    |
|------|--|
| 701  | LLMD #2                                  |
| 702  | LLMD #1                                  |
| 703  | CFD 87-1 DEBT SERVICE                    |
| 704  | CFD 87-1 CONSTRUCTION                    |
| 707  | CFD 88-1 DEBT SERVICE                    |
| 708  | CFD 88-1 CONSTRUCTION                    |
| 709  | DSF FLY CONSERVATION                     |
| 722  | STORM WATER                              |
| 733  | CFD 89-1 CONSTRUCTION                    |
| 734  | CFD 89-2 CONSTRUCTION                    |
| 744  | CFD 89-1 DEBT SERVICE                    |
| 745  | CFD 89-2 DEBT SERVICE                    |
| 750  | AQUA MANSA CFD                           |
| 754  | SB COUNTY HOSPITAL                       |
| 762  | TRUST AND AGENCY                         |
| 766  | DEFERRED COMPENSATION                    |
| 781  | CFD 90-1 DEBT SERVICE                    |
| 782  | CFD 90-1 CONSTRUCTION                    |
| 850  | Redevelopment Obligation Retirement Fund |
| 851  | Successor Agency Administration          |
| 855  | Housing Auth - RM PARK DEVELOPMENT       |
| 856  | Housing Auth - RANCHO MED BOND PROCEEDS  |
| 857  | LMI Asset Fund                           |
| 864  | Housing Auth - LOW/MOD BOND PROCEEDS     |
| 865  | Housing Auth - RANCHO MED CHFA           |
| 866  | ECONOMIC DEVELOPMENT                     |
| 867  | Consolidation Proj_08-09                 |
| 870  | Housing Auth - RM PARK OPERATIONS        |
| 871  | Successor Agcy-RANCHO/MILL PROJECT AREA  |
| 872  | Successor Agcy-RANCHO/MILL DEBT SERVICE  |
| 873  | Successor Agcy-RDA II PROJECT FUND       |
| 874  | Housing Auth - LOW/MOD DEBT SERVICE      |
| 875  | Housing Auth - LOW/MOD BOND PROCEEDS     |
| 876  | Successor Agcy-SANTA ANA RIV BND PROCEED |
| 877  | Successor Agcy-SANTA ANA RIVER CIP       |
| 878  | RDA FIXED ASSETS GROUP                   |
| 879  | Successor Agcy-WEST VALLEY CIP           |
| 881  | Successor Agcy-MT VERNON BOND PROCEEDS   |
| 882  | Successor Agcy-MT VERNON CIP             |
| 885  | Successor Agcy-MT VERNON DEBT SERVICE    |
| 886  | RDA ADMINISTRATION                       |
| 887  | COOLEY RANCH - now 894                   |
| 888  | MT VERNON - now 882                      |
| 889  | WEST VALLEY - now 879                    |
| 890  | Successor Agcy-RDA - LONG TERM DEBT GRP  |
| 891  | Successor Agcy-RDA I DEBT SERVICE FUND   |
| 892  | Successor Agcy-RDA I - CAPITAL PROJECTS  |
| 893  | Successor Agcy-RDA II DEBT SERVICE FUND  |
| 894  | Successor Agcy-COOLEY RANCH PROJECT      |
| 895  | Successor Agcy-COOLEY RANCH DEBT SERV    |
| 896  | SANTA ANA RIVER - now 877                |
| 897  | Successor Agcy-SANTA ANA RIVER DEBT SVC  |
| 898  | Housing Auth - LOW/MOD CAPITAL PROJECTS  |
| 899  | Successor Agcy-WEST VALLEY PRJ - DBT SV  |
| 941  | GENERAL LONG-TERM DEBT                   |
| 958  | GENERAL FIXED ASSETS                     |
| 990  | GASB 34                                  |

vchlist  
03/14/2016 2:25:33PM

Voucher List  
City of Colton

Page: 1

Bank code : boa

| Voucher  | Date      | Vendor                                | Invoice             | PO # | Description/Account   | Amount   |
|----------|-----------|---------------------------------------|---------------------|------|---|----------|
| 18634700 | 2/24/2016 | 092931 U.S. BANK CORPORATE PAYMENT SY | C. CARE- 0986-01/16 |      | C. CARE- C. RYMER<br>ORGANIZATION/ OFFICE SUPPLIES<br>206-7200-7202-2300-0000-000 | 64.93    |
|          |           |                                       |                     |      | ORGANIZATION/ OFFICE SUPPLIES<br>206-7200-7203-2300-0000-000                      | 64.92    |
|          |           |                                       |                     |      | REPAIR VACUUM CLEANER<br>206-7200-7202-2250-0000-000                              | 102.78   |
|          |           |                                       |                     |      | REPAIR VACUUM CLEANER<br>206-7200-7203-2250-0000-000                              | 102.77   |
|          |           |                                       |                     |      | SHIPPING SERVICE<br>206-7200-7202-2300-0000-000                                   | 3.23     |
|          |           |                                       |                     |      | SHIPPING SERVICE<br>206-7200-7203-2300-0000-000                                   | 3.22     |
|          |           |                                       |                     |      | UTENSILS FOR CHILDCARE<br>206-7200-7202-2305-0000-000                             | 148.13   |
|          |           |                                       | C. CLERK-3244-1/16  |      | C. CLERK- S. SANCHEZ<br>BANNERS (MILITARY PROGRAM)<br>762-2314-000                | 675.00   |
|          |           |                                       |                     |      | IIMC MEMBERSHIP<br>100-6010-6010-2270-0000-000                                    | 95.00    |
|          |           |                                       |                     |      | AIRFARE- C. CLERK WORKSHOP<br>100-6010-6010-2280-0000-000                         | 229.47   |
|          |           |                                       |                     |      | SHELF UNIT<br>100-6010-6010-2300-0000-000   | 93.06    |
|          |           |                                       |                     |      | BRACKETS FOR MILITARY BANNERS<br>762-2314-000                                     | 1,985.83 |
|          |           |                                       |                     |      | USE TAX<br>762-2314-000   | 136.96   |
|          |           |                                       |                     |      | USE TAX<br>762-2210-000   | -136.96  |
|          |           |                                       |                     |      | BRACKETS FOR MILITARY BANNERS<br>762-2314-000                                     | 1,985.83 |
|          |           |                                       |                     |      | USE TAX<br>762-2314-000   | 136.96   |

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| Voucher  | Date      | Vendor                                | Invoice              | PO # | Description/Account               | Amount  |
|----------|-----------|---------------------------------------|----------------------|------|-----------------------------------|---------|
| 18634700 | 2/24/2016 | 092931 U.S. BANK CORPORATE PAYMENT SY | (Continued)          |      | USE TAX                           |         |
|          |           |                                       | CM- 5350- 01/16      |      | 762-2210-000                      | -136.96 |
|          |           |                                       |                      |      | CM- D. MILLER                     |         |
|          |           |                                       |                      |      | REGIS. STATE OF COUNTY            |         |
|          |           |                                       |                      |      | 100-6300-9050-2280-0000-000       | 80.00   |
|          |           |                                       |                      |      | FOIL CERTIFICATES- BUSINESS FOCU: |         |
|          |           |                                       |                      |      | 100-6300-9050-2301-0000-000       | 37.70   |
|          |           |                                       |                      |      | FOIL CERTIFICATES- BUSINESS FOCU: |         |
|          |           |                                       |                      |      | 100-6020-6020-2301-0000-000       | 37.70   |
|          |           |                                       |                      |      | USE TAX                           |         |
|          |           |                                       |                      |      | 100-6300-9050-2301-0000-000       | 3.02    |
|          |           |                                       |                      |      | USE TAX                           |         |
|          |           |                                       |                      |      | 100-6020-6020-2301-0000-000       | 3.01    |
|          |           |                                       |                      |      | USE TAX                           |         |
|          |           |                                       |                      |      | 762-2210-000                      | -6.03   |
|          |           |                                       |                      |      | REGIS.- GLOBAL RETAIL REAL ESTATE |         |
|          |           |                                       |                      |      | 100-6020-6020-2280-0000-000       | 570.00  |
|          |           |                                       | COMM SVC- 1342-01/16 |      | COMM SVC- D. FARRAR               |         |
|          |           |                                       |                      |      | OFFICE SUPPLIES                   |         |
|          |           |                                       |                      |      | 100-6200-6200-2300-0000-000       | 45.65   |
|          |           |                                       |                      |      | STAFF UNIFORMS                    |         |
|          |           |                                       |                      |      | 100-6200-6202-1170-0000-000       | 959.57  |
|          |           |                                       |                      |      | CEU'S CONFERENCE REGIS.           |         |
|          |           |                                       |                      |      | 100-6200-6200-1160-0000-000       | 20.00   |
|          |           |                                       | COMM SVCS-1380-1/16  |      | COMM SVCS- K. PHELPS              |         |
|          |           |                                       |                      |      | SUPPLIES FOR LUQUE EVENTS         |         |
|          |           |                                       |                      |      | 100-6200-6215-2301-0000-000       | 9.06    |
|          |           |                                       |                      |      | PAPER FOR SENIORS NEWSLETTERS     |         |
|          |           |                                       |                      |      | 100-6200-6212-2301-0000-000       | 79.93   |
|          |           |                                       |                      |      | AMAZON PRIME MEMBERSHIP           |         |
|          |           |                                       |                      |      | 100-6200-6214-2301-0000-000       | 106.92  |
|          |           |                                       |                      |      | HYGIENE KITS- XMAS BASKETS        |         |
|          |           |                                       |                      |      | 762-2318-001                      | 955.35  |
|          |           |                                       |                      |      | USE TAX                           |         |

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| Voucher  | Date      | Vendor                                | Invoice              | PO # | Description/Account                   | Amount  |
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| 18634700 | 2/24/2016 | 092931 U.S. BANK CORPORATE PAYMENT SY | (Continued)          |      |                                       |         |
|          |           |                                       |                      |      | 762-2318-001                          | 76.43   |
|          |           |                                       |                      |      | ADMISSION TO SKYTOWN                  |         |
|          |           |                                       |                      |      | 100-6200-6209-2301-0000-000 ENVELOPES | 297.00  |
|          |           |                                       |                      |      | FOR MARKETING                         |         |
|          |           |                                       |                      |      | 100-6200-6214-2354-0000-000           | 87.47   |
|          |           |                                       |                      |      | PIZZAS FOR DAY CAMP                   |         |
|          |           |                                       |                      |      | 100-6200-6209-2301-0000-000           | 47.52   |
|          |           |                                       |                      |      | AIRFARE- REVENUE SCHOOL               |         |
|          |           |                                       |                      |      | 100-6200-6202-2280-0000-000           | 624.46  |
|          |           |                                       |                      |      | SHUTTLE SERVICE- REVENUE SCHOOL       |         |
|          |           |                                       |                      |      | 100-6200-6202-2280-0000-000           | 184.00  |
|          |           |                                       |                      |      | USE TAX                               |         |
|          |           |                                       |                      |      | 762-2210-000                          | -76.43  |
|          |           |                                       |                      |      | SUPPLIES FOR LUQUE CENTER             |         |
|          |           |                                       |                      |      | 100-6200-6213-2301-0000-000           | 38.57   |
|          |           |                                       |                      |      | SUPPLIES FOR LUQUE REC CENTER         |         |
|          |           |                                       |                      |      | 100-6200-6215-2301-0000-000           | 268.66  |
|          |           |                                       | COUNCIL-4958-01/16   |      | COUNCIL- A. FLORES                    |         |
|          |           |                                       |                      |      | DINNER (COUNCIL MTG 1/5/16)           |         |
|          |           |                                       |                      |      | 100-6000-6000-2280-0001-000           | 52.21   |
|          |           |                                       |                      |      | SUPPER SHUTTLE (LCC COMMITTEE MTG)    |         |
|          |           |                                       |                      |      | 100-6000-6000-2280-0000-000           | 30.00   |
|          |           |                                       |                      |      | AIRFARE- LCC COMMITTEE MTG)           |         |
|          |           |                                       |                      |      | 100-6000-6000-2280-0000-000           | 356.95  |
|          |           |                                       |                      |      | IPAD CHARGER                          |         |
|          |           |                                       |                      |      | 100-6000-6000-2310-0000-000           | 14.56   |
|          |           |                                       |                      |      | SUPPER SHUTTLE CREDIT                 |         |
|          |           |                                       |                      |      | 100-6000-6000-2280-0000-000           | -30.00  |
|          |           |                                       |                      |      | AIRFARE CREDIT (LCC MTG)              |         |
|          |           |                                       |                      |      | 100-6000-6000-2280-0000-000           | -252.98 |
|          |           |                                       |                      |      | DINNER (COUNCIL MTG 1/19/16)          |         |
|          |           |                                       |                      |      | 100-6000-6000-2280-0001-000           | 45.72   |
|          |           |                                       | DEV SVCS-5316- 01/16 |      | DEV SVCS- M. TOMICH                   |         |
|          |           |                                       |                      |      | BUS. LICENSE WEB RENEWAL              |         |

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| Voucher  | Date      | Vendor                                | Invoice           | PO # | Description/Account   | Amount |
|----------|-----------|---------------------------------------|-------------------|------|---|--------|
| 18634700 | 2/24/2016 | 092931 U.S. BANK CORPORATE PAYMENT SY | (Continued)       |      | 100-6300-6301-2301-0000-000<br>2016 CEQA/PLANNING BOOKS                         | 24.30  |
|          |           |                                       | ELEC- 3629- 01/16 |      | 100-6300-6301-2270-0000-000<br>ELEC- C. JIMENEZ<br>TOOLS FOR T & D DIVISION     | 315.13 |
|          |           |                                       | ELEC- 4201- 01/16 |      | 520-8000-8004-2301-0921-000<br>ELEC- R. GALLEGOS<br>AIRFARE- PENALTY PROCEDURES | 379.84 |
|          |           |                                       |                   |      | 520-8000-8001-2280-0930-200<br>MONTHLY WATER SERVICES                           | 366.46 |
|          |           |                                       | FIRE- 5098- 01/16 |      | 520-8000-8009-2225-0548-000<br>FIRE- D. BENFIELD<br>FURNITURE CARTS             | 222.82 |
|          |           |                                       |                   |      | 100-6090-6091-2301-0000-000<br>PELICAN CASES                                    | 34.62  |
|          |           |                                       | FIRE- 6381- 01/16 |      | 100-6090-6091-2301-0000-000<br>FIRE- K. VALENTIN<br>CAKE PROMOTION              | 88.56  |
|          |           |                                       |                   |      | 100-6090-6091-2301-0000-000<br>NOISE METER                                      | 22.99  |
|          |           |                                       |                   |      | 100-6090-6091-2301-0000-000<br>USE TAX  | 23.28  |
|          |           |                                       |                   |      | 100-6090-6091-2301-0000-000<br>USE TAX  | 1.86   |
|          |           |                                       |                   |      | 762-2210-000<br>EMERGENCY LIGHTS ME214  | -1.86  |
|          |           |                                       |                   |      | 100-6090-6091-2210-0000-000<br>EMERGENCY LIGHTS MT211                           | 100.96 |
|          |           |                                       |                   |      | 100-6090-6091-2210-0000-000<br>USE TAX  | 341.25 |
|          |           |                                       |                   |      | 100-6090-6091-2210-0000-000<br>USE TAX  | 26.15  |
|          |           |                                       | HR- 4231- 01/16   |      | 762-2210-000<br>HR- T. COOPER   | -26.15 |

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| Voucher  | Date      | Vendor                                | Invoice           | PO # | Description/Account            | Amount |
|----------|-----------|---------------------------------------|-------------------|------|--------------------------------|--------|
| 18634700 | 2/24/2016 | 092931 U.S. BANK CORPORATE PAYMENT SY | (Continued)       |      |                                |        |
|          |           |                                       |                   |      | INK RIBBON                     |        |
|          |           |                                       |                   |      | 100-6030-6030-2300-0000-000    | 19.93  |
|          |           |                                       |                   |      | USE TAX                        |        |
|          |           |                                       |                   |      | 100-6030-6030-2300-0000-000    | 1.59   |
|          |           |                                       |                   |      | USE TAX                        |        |
|          |           |                                       |                   |      | 762-2210-000                   | -1.59  |
|          |           |                                       |                   |      | MANDATED STATE/FEDERAL POSTER€ |        |
|          |           |                                       |                   |      | 100-6030-6030-2300-0000-000    | 333.48 |
|          |           |                                       |                   |      | USE TAX                        |        |
|          |           |                                       |                   |      | 100-6030-6030-2300-0000-000    | 26.68  |
|          |           |                                       |                   |      | USE TAX                        |        |
|          |           |                                       |                   |      | 762-2210-000                   | -26.68 |
|          |           |                                       |                   |      | SUBSCRIPTION RENEWAL           |        |
|          |           |                                       |                   |      | 100-6030-6030-2350-0000-000    | 300.00 |
|          |           |                                       |                   |      | SHREDDER REPAIR                |        |
|          |           |                                       |                   |      | 100-6030-6030-2240-0000-000    | 205.00 |
|          |           |                                       | I.S.- 8716- 01/16 |      | I.S.- P. EVANS                 |        |
|          |           |                                       |                   |      | VOICE RECOGNITION SOFTWARE     |        |
|          |           |                                       |                   |      | 606-6040-6044-2315-0000-000    | 345.48 |
|          |           |                                       |                   |      | WIRELESS KEYBOARD & MOUSE      |        |
|          |           |                                       |                   |      | 606-6040-6044-4900-0000-000    | 75.59  |
|          |           |                                       | LIB- 4859- 01/16  |      | LIB- E. PEDROZA                |        |
|          |           |                                       |                   |      | WEEKLY ROTARY MTG LUNCH'S      |        |
|          |           |                                       |                   |      | 100-6200-6250-2280-0000-000    | 37.41  |
|          |           |                                       |                   |      | POSTAGE/ LBT MEETING           |        |
|          |           |                                       |                   |      | 100-6200-6250-2301-0000-000    | 6.88   |
|          |           |                                       | PD- 0103- 01/16   |      | PD- E. WICKMAN                 |        |
|          |           |                                       |                   |      | CNG FUEL                       |        |
|          |           |                                       |                   |      | 100-6070-6071-2210-0000-000    | 355.60 |
|          |           |                                       | PD- 0441- 01/16   |      | PD- M. CHAVEZ                  |        |
|          |           |                                       |                   |      | CNG FUEL                       |        |
|          |           |                                       |                   |      | 100-6070-6071-2210-0000-000    | 34.87  |
|          |           |                                       |                   |      | MOLD TRAINING CLASS            |        |
|          |           |                                       |                   |      | 100-6070-6071-1160-0000-000    | 15.00  |

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| Voucher  | Date      | Vendor                                | Invoice         | PO # | Description/Account   | Amount |
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| 18634700 | 2/24/2016 | 092931 U.S. BANK CORPORATE PAYMENT SY | (Continued)     |      |   |        |
|          |           |                                       | PD- 1945- 01/16 |      | PD- R. CARNELL<br>CNG FUEL<br>100-6070-6071-2210-0000-000           | 31.27  |
|          |           |                                       | PD- 2441- 01/16 |      | PD- A. RIVERA<br>CNG FUEL<br>100-6070-6071-2210-0000-000            | 268.27 |
|          |           |                                       | PD- 3734- 01/16 |      | PD- T. HEARD<br>CNG FUEL<br>100-6070-6071-2210-0000-000             | 59.48  |
|          |           |                                       | PD- 4959- 01/16 |      | PD- R. WICKMAN<br>HEATER FOR RECORDS<br>100-6070-6071-2301-0000-000 | 53.94  |
|          |           |                                       |                 |      | MONITOR FOR DISPATCH<br>100-6070-6071-2300-0000-000                 | 169.95 |
|          |           |                                       |                 |      | USE TAX<br>100-6070-6071-2300-0000-000                              | 13.60  |
|          |           |                                       |                 |      | USE TAX<br>762-2210-000   | -13.60 |
|          |           |                                       |                 |      | POSTAGE/SHIPPING<br>100-6070-6071-2300-0000-000                     | 42.42  |
|          |           |                                       |                 |      | BARRICADE TAPE<br>100-6070-6071-1180-0000-000                       | 220.99 |
|          |           |                                       |                 |      | USE TAX<br>100-6070-6071-1180-0000-000                              | 14.88  |
|          |           |                                       |                 |      | USE TAX<br>762-2210-000   | -14.88 |
|          |           |                                       |                 |      | RAIN COATS<br>100-6070-6071-1180-0000-000                           | 252.85 |
|          |           |                                       |                 |      | USE TAX<br>100-6070-6071-1180-0000-000                              | 19.67  |
|          |           |                                       |                 |      | USE TAX<br>762-2210-000   | -19.67 |
|          |           |                                       |                 |      | TAPE FOR PATROL<br>100-6070-6071-2300-0000-000                      | 12.33  |

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| Voucher  | Date      | Vendor                                | Invoice         | PO # | Description/Account                             | Amount   |
|----------|-----------|---------------------------------------|-----------------|------|---|----------|
| 18634700 | 2/24/2016 | 092931 U.S. BANK CORPORATE PAYMENT SY | (Continued)     |      | CAT TRAPS                                       |          |
|          |           |                                       |                 |      | 100-6070-6071-2301-0000-000                     | 109.62   |
|          |           |                                       | PD- 5050- 01/16 |      | PD- A. BETANCUR<br>PROPERTY PROFILE             |          |
|          |           |                                       |                 |      | 100-6070-6071-2350-0000-000                     | 50.00    |
|          |           |                                       |                 |      | WINDSHIELD REPLACED                             |          |
|          |           |                                       |                 |      | 608-6150-8700-2210-6071-000                     | 150.00   |
|          |           |                                       |                 |      | MOLD CLASS- CODE COMPLIANCE                     |          |
|          |           |                                       | PD- 5076- 01/16 |      | 100-6070-6071-1160-0000-000                     | 15.00    |
|          |           |                                       |                 |      | PD- L. AVALOS<br>RIFLE RACK                     |          |
|          |           |                                       |                 |      | 100-6070-6071-1180-0000-000                     | 462.93   |
|          |           |                                       |                 |      | CABLE SVC (K2C SUBSTATION)                      |          |
|          |           |                                       |                 |      | 100-6070-6071-2301-0000-000                     | 135.97   |
|          |           |                                       |                 |      | NASRO DUES (CARRILLO)                           |          |
|          |           |                                       |                 |      | 100-6070-6071-2270-0000-000                     | 40.00    |
|          |           |                                       |                 |      | NASRO DUES (S. SMITH)                           |          |
|          |           |                                       |                 |      | 100-6070-6071-2270-0000-000                     | 40.00    |
|          |           |                                       |                 |      | TRAINING (DOG BEHAVIOR)                         |          |
|          |           |                                       |                 |      | 100-6070-6071-1160-0000-000                     | 37.00    |
|          |           |                                       |                 |      | REGIS. CPCA TRAINING                            |          |
|          |           |                                       |                 |      | 100-6070-6071-1160-0000-000                     | 1,250.00 |
|          |           |                                       |                 |      | SAM GRANT REGISTRATION                          |          |
|          |           |                                       |                 |      | 100-6070-6071-2270-0000-000                     | 599.00   |
|          |           |                                       |                 |      | 91 EXPRESS LANES TRANSPONDER F                  |          |
|          |           |                                       |                 |      | 100-6070-6071-2210-0000-000                     | 30.00    |
|          |           |                                       |                 |      | FLOWERS- CHAPLAIN'S SPOUSE                      |          |
|          |           |                                       |                 |      | 100-6070-6071-2301-0000-000                     | 65.00    |
|          |           |                                       |                 |      | CACEO DUES                                      |          |
|          |           |                                       | PW- 9927- 01/16 |      | 100-6070-6071-2270-0000-000                     | 85.00    |
|          |           |                                       |                 |      | PW- A. HUSSAIN<br>FLOORING SUPPLIES- CHILD CARE |          |
|          |           |                                       |                 |      | 522-8200-8200-2210-0000-000                     | 16.80    |
|          |           |                                       |                 |      | CNG FUEL  |          |

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| Voucher  | Date      | Vendor                                | Invoice         | PO # | Description/Account   | Amount |
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| 18634700 | 2/24/2016 | 092931 U.S. BANK CORPORATE PAYMENT SY | (Continued)     |      |   |        |
|          |           |                                       | ST- 6681- 01/16 |      | 522-8200-8200-2210-0000-000<br>ST- L. NUNEZ<br>SEMINAR REGISTRATION       | 41.98  |
|          |           |                                       |                 |      | 522-8200-8200-1160-0000-000<br>SEMINAR REGISTRATION                       | 198.00 |
|          |           |                                       | ST- 7740- 01/16 |      | 210-6150-6160-1160-0000-000<br>ST- R. ARABELO<br>CNG FUEL                 | 198.00 |
|          |           |                                       | ST- 9458- 01/16 |      | 210-6150-6160-2210-0000-000<br>ST- A. PAGDILAO<br>SCAN TOOL FOR AUTO SHOP | 182.51 |
|          |           |                                       |                 |      | 608-6150-8700-2210-8700-000<br>STENCIL                                    | 809.19 |
|          |           |                                       |                 |      | 520-8000-8005-2301-0930-200<br>PROPANE TANK                               | 95.70  |
|          |           |                                       |                 |      | 722-6150-8215-2301-0000-000<br>CNG FUEL                                   | 77.84  |
|          |           |                                       |                 |      | 522-8200-8200-2210-0000-000<br>CNG FUEL                                   | 65.66  |
|          |           |                                       |                 |      | 608-6150-8700-2210-6211-000<br>CNG FUEL                                   | 86.91  |
|          |           |                                       | W- 1295- 01/16  |      | 210-6150-6160-2210-0000-000<br>W- J. GARCIA<br>BACKFLOW DEVICE MAINT.     | 924.96 |
|          |           |                                       |                 |      | 521-8100-8101-2301-0000-000<br>USE TAX                                    | 171.00 |
|          |           |                                       |                 |      | 521-8100-8101-2301-0000-000<br>USE TAX                                    | 13.16  |
|          |           |                                       |                 |      | 762-2210-000<br>TEST BACKFLOW DEVICE                                      | -13.16 |
|          |           |                                       |                 |      | 521-8100-8101-2301-0000-000<br>PLUGS FOR BACKFLOW                         | 30.56  |
|          |           |                                       | W- 4266- 01/16  |      | 521-8100-8101-2301-0000-000<br>W- G. BARAJAS                              | 33.14  |

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| 18634700 | 2/24/2016 | 092931 U.S. BANK CORPORATE PAYMENT SY | (Continued)     |      | DAILY JOURNALS                         |                  |
|          |           |                                       |                 |      | 521-8300-8300-2300-0000-000            | 400.48           |
|          |           |                                       |                 |      | SELF ADHESIVE CARRIER STRIPS           |                  |
|          |           |                                       |                 |      | 100-6150-6151-2301-0000-000            | 108.98           |
|          |           |                                       |                 |      | USE TAX                                |                  |
|          |           |                                       |                 |      | 100-6150-6151-2301-0000-000            | 8.00             |
|          |           |                                       |                 |      | USE TAX                                |                  |
|          |           |                                       |                 |      | 762-2210-000                           | -8.00            |
|          |           |                                       |                 |      | SAFETY SEMINAR                         |                  |
|          |           |                                       | W- 9192- 01/16  |      | 522-8200-8200-1160-0000-000            | 225.00           |
|          |           |                                       |                 |      | W- J. SHIMMIN                          |                  |
|          |           |                                       |                 |      | AWWEE WORKSHOP                         |                  |
|          |           |                                       |                 |      | 521-8100-8110-1160-0000-000            | 10.00            |
|          |           |                                       |                 |      | TABLE TENTS- CONSERVATION OUTREACH     |                  |
|          |           |                                       |                 |      | 521-8100-8110-2341-0000-000            | 229.50           |
|          |           |                                       |                 |      | CNG FUE                                |                  |
|          |           |                                       |                 |      | 100-6150-6205-2210-0000-000            | 22.31            |
|          |           |                                       |                 |      | LODGING- QWEL TRAINING                 |                  |
|          |           |                                       | WW- 8118- 01/16 |      | 521-8100-8110-2280-0000-000            | 121.50           |
|          |           |                                       |                 |      | WW- M. GUERRERO                        |                  |
|          |           |                                       |                 |      | BATTERY BACK UP- SCADA MONITOR         |                  |
|          |           |                                       |                 |      | 522-8200-8200-2255-0000-000 ELECTRICAL | 219.99           |
|          |           |                                       |                 |      | SUPPLY CONNECTORS                      |                  |
|          |           |                                       |                 |      | 522-8200-8200-2255-0000-000            | 349.74           |
|          |           |                                       |                 |      | CNG FUEL                               |                  |
|          |           |                                       |                 |      | 522-8200-8200-2210-0000-000            | 50.33            |
|          |           |                                       |                 |      | <b>Total :</b>                         | <b>22,720.74</b> |

1 Vouchers for bank code : boa

Bank total : 22,720.74

1 Vouchers in this report

Total vouchers : 22,720.74

vchlist  
03/14/2016 2:25:33PM

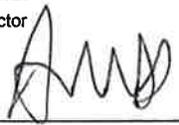
Voucher List  
City of Colton

Bank code : boa

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
|---------|------|--------|---------|------|---------------------|--------|
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Anita Agramonte  
Finance Director



Aurelio De La Torre  
City Treasurer

vchlist  
03/10/2016 5:02:21PM

Voucher List  
City of Colton

Bank code : boa

| Voucher | Date      | Vendor                  | Invoice           | PO #   | Description/Account   | Amount                              |
|---------|-----------|-------------------------|-------------------|--------|---|-------------------------------------|
| 154720  | 3/10/2016 | 093033 MAYON, LLC       | 02/26/16-03/10/16 |        | FIN- PROF ACCOUNTING SERVICE<br>100-6040-6041-2350-0000-000       | 2,300.00<br><b>Total : 2,300.00</b> |
| 154721  | 3/10/2016 | 093757 ACCOUNTEMP       | 44973792          | 015962 | W- TEMP EMPLOYEE- W. CONSERVATION<br>521-8300-8300-2350-0000-000  | 1,072.37<br><b>Total : 1,072.37</b> |
| 154722  | 3/10/2016 | 058517 AETNA            | 31084413          |        | RETIREE HEALTH PREMIUMS<br>100-6030-6030-1150-0000-000            | 1,140.00<br><b>Total : 1,140.00</b> |
| 154723  | 3/10/2016 | 059314 AETNA            | 31083684          |        | RETIREE HEALTH PREMIUMS<br>100-6030-6030-1150-0000-000            | 1,446.24<br><b>Total : 1,446.24</b> |
| 154724  | 3/10/2016 | 059697 AGRAMONTE, ANITA | 03/03/16-03/03/16 |        | FIN- PARKING/PER DIEM (CSMFO CONF)<br>100-6040-6041-2280-0000-000 | 25.40<br><b>Total : 25.40</b>       |
| 154725  | 3/10/2016 | 059965 AGUIRRE, JESUS   | REBATE- TURF      |        | WATER CONSERVATION REBATE<br>521-8100-8110-2041-0000-000          | 515.00<br><b>Total : 515.00</b>     |
| 154726  | 3/10/2016 | 000289 AIRGAS USA, LLC  | 9047483280        | 015718 | W- OXYGEN & WELDING SUPPLIES<br>521-8100-8101-2301-0000-000       | 429.72                              |
|         |           |                         | 9047483281        | 015718 | W- OXYGEN & WELDING SUPPLIES<br>521-8100-8101-2301-0000-000       | 173.24                              |
|         |           |                         | 9047876544        | 015718 | W- OXYGEN & WELDING SUPPLIES<br>521-8100-8101-2301-0000-000       | 106.69                              |
|         |           |                         | 9932766202        | 015718 | W- OXYGEN & WELDING SUPPLIES<br>521-8100-8101-2301-0000-000       | 91.23                               |
|         |           |                         | 9933495961        | 015718 | W- OXYGEN & WELDING SUPPLIES<br>521-8100-8101-2301-0000-000       | 91.23<br><b>Total : 892.11</b>      |

Bank code : boa

| Voucher | Date      | Vendor                               | Invoice  | PO #                                 | Description/Account  | Amount  |
|---------|-----------|--------------------------------------|--|--------------------------------------|--|---|
| 154727  | 3/10/2016 | 060260 AKINREMI, BABATUNDE           | REBATE- PLANT/DRIP                                   |                                      | WATER CONSERVATION REBATE<br>521-8100-8110-2041-0000-000   | 400.00<br><b>Total : 400.00</b>                           |
| 154728  | 3/10/2016 | 092555 ALL STAR TROPHIES & AWARDS    | 183  | 016172                               | COMM SVCS- TROPHIES<br>100-6200-6204-2301-0000-000<br>100-6200-6204-2301-0000-000  | 1,924.00<br>153.92<br><b>Total : 2,077.92</b>             |
| 154729  | 3/10/2016 | 020563 ALLIED REFRIGERATION          | 484896   | 015908                               | BM- COOLANT SUPPLIES<br>605-6150-6211-2250-6211-000  | 127.03<br><b>Total : 127.03</b>                           |
| 154730  | 3/10/2016 | 047771 AMERICAN PLANNING ASSOCIATION | 172433-1613  |                                      | DEV SVCS- APA MEMBERSHIP<br>100-6300-6301-2270-0000-000  | 555.00<br><b>Total : 555.00</b>                           |
| 154731  | 3/10/2016 | 092985 AMS                           | 12601822-00  | 015568                               | BM- HARDWARE SUPPLIES<br>605-6150-6211-2250-6211-000   | 19.84<br><b>Total : 19.84</b>                             |
| 154732  | 3/10/2016 | 092644 ANDERSON, DEBORAH             | FEB 16   | 015725                               | COMM SVCS- CONTRACT INSTRUCTO<br>100-6200-6202-2350-0000-000   | 328.30<br><b>Total : 328.30</b>                           |
| 154733  | 3/10/2016 | 044956 ANGELICA HEALTHCARE SERVICES  | 1400529994<br>1400530756<br>1400531534<br>1400532311 | 015432<br>015432<br>015432<br>015432 | FIRE- LINEN SUPPLIES<br>100-6090-6091-2301-0000-000<br>FIRE- LINEN SUPPLIES<br>100-6090-6091-2301-0000-000<br>FIRE- LINEN SUPPLIES<br>100-6090-6091-2301-0000-000<br>FIRE- LINEN SUPPLIES<br>100-6090-6091-2301-0000-000 | 38.82<br>38.82<br>38.82<br>38.82<br><b>Total : 155.28</b> |
| 154735  | 3/10/2016 | 046028 AT & T                        | 2516474-0216<br>3700339-0216                         | 054153                               | ELEC- TELEPHONE SERVICES<br>520-8000-8001-2310-0930-200<br>ELEC- TELEPHONE SERVICES  | 88.94   |

Bank code : boa

| Voucher | Date      | Vendor        | Invoice      | PO #   | Description/Account                                     | Amount |
|---------|-----------|---------------|--------------|--------|---|--------|
| 154735  | 3/10/2016 | 046028 AT & T | (Continued)  |        |   |        |
|         |           |               | 3700340-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 18.69  |
|         |           |               | 3702643-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 35.49  |
|         |           |               | 3702739-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 19.27  |
|         |           |               | 3704863-0216 | 054153 | 520-8000-8024-2310-0930-200<br>W- TELEPHONE SERVICES    | 19.27  |
|         |           |               | 3813148-0216 | 054153 | 521-8100-8101-2310-0000-000<br>FIRE- TELEPHONE SERVICES | 33.61  |
|         |           |               | 4218472-0216 | 054153 | 100-6090-6091-2310-0000-000<br>ELEC- TELEPHONE SERVICES | 90.93  |
|         |           |               | 4219818-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 18.72  |
|         |           |               | 4220768-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 34.99  |
|         |           |               | 4221190-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 18.71  |
|         |           |               | 4221864-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 19.19  |
|         |           |               | 4230547-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 18.63  |
|         |           |               | 4300092-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 16.82  |
|         |           |               | 4330024-0216 | 054153 | 520-8000-8009-2225-0548-000<br>ELEC- TELEPHONE SERVICES | 213.30 |
|         |           |               | 4330127-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 36.43  |
|         |           |               | 4339203-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 18.73  |
|         |           |               | 4339427-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 18.63  |
|         |           |               | 4339720-0116 | 054153 | 520-8000-8024-2310-0930-200<br>PW- TELEPHONE SERVICES   | 18.73  |
|         |           |               | 4497448-0216 | 054153 | 100-6150-6151-2300-0000-000<br>ELEC- TELEPHONE SERVICES | 54.00  |

Bank code : boa

| Voucher | Date      | Vendor        | Invoice      | PO #   | Description/Account  | Amount |
|---------|-----------|---------------|--------------|--------|--|--------|
| 154735  | 3/10/2016 | 046028 AT & T | (Continued)  |        |  |        |
|         |           |               | 4510114-0216 | 054153 | 520-8000-8001-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 254.14 |
|         |           |               | 5140443-0216 | 054153 | 520-8000-8001-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 0.03   |
|         |           |               | 5141675-0116 | 054153 | 520-8000-8024-2310-0930-200<br>PW- TELEPHONE SERVICES      | 18.07  |
|         |           |               | 5141921-0216 | 054153 | 100-6150-6151-2300-0000-000<br>ELEC- TELEPHONE SERVICES    | 54.00  |
|         |           |               | 6862546-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7830962-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.71  |
|         |           |               | 7831436-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 16.75  |
|         |           |               | 7832613-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7832679-0216 | 054153 | 520-8000-8024-2310-0930-200<br>C. CARE- TELEPHONE SERVICES | 18.63  |
|         |           |               | 7832709-0216 | 054153 | 206-7200-7202-2310-0000-000<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833501-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833610-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833649-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833652-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833824-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 35.37  |
|         |           |               | 7833826-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833829-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833835-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |

Bank code : boa

| Voucher | Date      | Vendor        | Invoice      | PO #   | Description/Account  | Amount |
|---------|-----------|---------------|--------------|--------|--|--------|
| 154735  | 3/10/2016 | 046028 AT & T | (Continued)  |        |  |        |
|         |           |               | 7833902-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833911-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833917-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833923-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7833944-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7834069-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7834206-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7834208-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7834218-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7834230-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7834317-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 7837951-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |
|         |           |               | 8243506-0216 | 054153 | 520-8000-8024-2310-0930-200<br>C. CARE- TELEPHONE SERVICES | 18.63  |
|         |           |               | 8250742-0216 | 054153 | 206-7200-7202-2310-0000-000<br>ELEC- TELEPHONE SERVICES    | 121.31 |
|         |           |               | 8251278-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 16.75  |
|         |           |               | 8252094-0216 | 054153 | 520-8000-8009-2225-0548-000<br>ELEC- TELEPHONE SERVICES    | 294.98 |
|         |           |               | 8257703-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 35.37  |
|         |           |               | 8720497-0216 | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES    | 18.63  |

Bank code : boa

| Voucher | Date      | Vendor   | Invoice            | PO #   | Description/Account                                     | Amount          |
|---------|-----------|--|--------------------|--------|---|-----------------|
| 154735  | 3/10/2016 | 046028 AT & T  | (Continued)        |        |   |                 |
|         |           |  | 8751438-0116       | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 18.63           |
|         |           |  | 8755362-0116       | 054153 | 520-8000-8024-2310-0930-200<br>ELEC- TELEPHONE SERVICES | 18.67           |
|         |           |  |                    | 054153 | 520-8000-8024-2310-0930-200                             | 35.45           |
|         |           |  |                    |        | <b>Total :</b>  | <b>2,197.06</b> |
| 154736  | 3/10/2016 | 000205 AT&T  | 8410909-0216       |        | VW- TELEPHONE SERVICES                                  |                 |
|         |           |  |                    | 054152 | 522-8200-8200-2310-0000-000                             | 33.29           |
|         |           |  |                    |        | <b>Total :</b>  | <b>33.29</b>    |
| 154737  | 3/10/2016 | 060113 AT&T  | 4330627-0216       |        | C. CARE- PHONE SERVICE                                  |                 |
|         |           |  |                    |        | 206-7200-7202-2310-0000-000                             | 98.30           |
|         |           |  |                    |        | <b>Total :</b>  | <b>98.30</b>    |
| 154738  | 3/10/2016 | 093447 AVAYA INC.  | 2733630998         |        | I.S.- PHONE SYSTEM MAINT.                               |                 |
|         |           |  |                    | 015603 | 606-6040-6044-2310-0000-000                             | 2,275.90        |
|         |           |  |                    |        | <b>Total :</b>  | <b>2,275.90</b> |
| 154739  | 3/10/2016 | 001527 BEST BEST & KRIEGER                               | 766328             |        | ECON DEV- LEGAL SERVICES                                |                 |
|         |           |  | 766414             |        | 898-9000-9000-2350-0000-000<br>RISK- CLAIM EXPENSES     | 7,959.50        |
|         |           |  |                    |        | 607-6040-8601-2290-0000-000                             | 374.70          |
|         |           |  |                    |        | <b>Total :</b>  | <b>8,334.20</b> |
| 154740  | 3/10/2016 | 003689 BORN SHEUER, ROBBIE                               | 03/02/16           |        | PD- REIMBURSE FOR SHELVES                               |                 |
|         |           |  |                    |        | 100-6070-6071-2301-0000-000                             | 151.51          |
|         |           |  |                    |        | <b>Total :</b>  | <b>151.51</b>   |
| 154741  | 3/10/2016 | 060240 BURGESS, ROSY                                     | REBATE- DISHWASHER |        | PUBLIC BEN- ENERGY EFFICIENCY REBATE                    |                 |
|         |           |  |                    |        | 526-8000-8035-2041-0930-010                             | 75.00           |
|         |           |  |                    |        | <b>Total :</b>  | <b>75.00</b>    |
| 154742  | 3/10/2016 | 059707 CALIFORNIA DISTRICT ATTORNEYS, ASSOCI/ DA# 215101 |                    |        | ASSET FORFEITURE DISTRIBUTION                           |                 |
|         |           |  |                    |        | 762-2300-000  | 13.43           |
|         |           |  |                    |        | <b>Total :</b>  | <b>13.43</b>    |

Bank code : boa

| Voucher | Date      | Vendor                                | Invoice            | PO #   | Description/Account   | Amount                                |
|---------|-----------|---------------------------------------|--------------------|--------|---|---------------------------------------|
| 154743  | 3/10/2016 | 045069 CALIFORNIA PARKS & REC SOCIETY | 124909             |        | COMM SVCS- MEMBERSHIP RENEWAL<br>100-6200-6200-2270-0000-000        | 145.00<br><b>Total : 145.00</b>       |
| 154744  | 3/10/2016 | 060259 CARY, ANGEL                    | 00461214           |        | REFUND CREDIT BALANCE<br>520-2450-232                               | 886.43<br><b>Total : 886.43</b>       |
| 154745  | 3/10/2016 | 060100 CASTANEDA, JAVIER              | REBATE- DISHWASHER |        | PUBLIC BEN- ENERGY EFFICIENCY REBATE<br>526-8000-8035-2041-0930-010 | 75.00<br><b>Total : 75.00</b>         |
| 154746  | 3/10/2016 | 045027 CDW GOVERNMENT                 | CCZ5818            | 054158 | HR- COMPUTER ACCESSORIES<br>100-6030-6030-2300-0000-000             | 617.64<br><b>Total : 617.64</b>       |
| 154747  | 3/10/2016 | 060258 CERDA, ABEL                    | REBATE- WASHER     |        | WATER CONSERVATION REBATE<br>521-8100-8110-2041-0000-000            | 75.00<br><b>Total : 75.00</b>         |
| 154748  | 3/10/2016 | 049181 CITY NEWS GROUP                | 23160              |        | C. CLERK- LEGAL PUBLICATIONS<br>100-6010-6010-2340-0000-000         | 51.80<br><b>Total : 51.80</b>         |
| 154749  | 3/10/2016 | 001005 CITY OF COLTON                 | CK#312941-313035   |        | WORKERS COMP CLAIMS<br>607-1110-000                                 | 76,129.54<br><b>Total : 76,129.54</b> |
| 154750  | 3/10/2016 | 033508 CITY OF SAN BERNARDINO         | 121-93224-02/16    |        | W- HYDRANT METER CHARGE<br>521-8100-8101-2331-0000-000              | 528.15<br><b>Total : 528.15</b>       |
| 154751  | 3/10/2016 | 093630 CIVICPLUS MARKETING            | 157535             | 016187 | PD- ANNUAL RENEWAL FEE<br>100-6070-6071-2315-0000-000               | 1,653.75<br><b>Total : 1,653.75</b>   |
| 154752  | 3/10/2016 | 000128 CLINICAL LAB OF S B INC        | 948140             | 015771 | W- LABORATORY SAMPLING & ANALYSIS<br>521-8100-8101-2350-0000-000    | 2,379.50                              |

Bank code : boa

| Voucher | Date      | Vendor                                | Invoice                 | PO #                       | Description/Account  | Amount   |
|---------|-----------|---------------------------------------|-------------------------|----------------------------|--|--|
| 154752  | 3/10/2016 | 000128 000128 CLINICAL LAB OF S B INC | (Continued)             |                            |  | <b>Total : 2,379.50</b>  |
| 154753  | 3/10/2016 | 049605 COLLINS, MATTHEW               | 03/24/15-03/25/15       |                            | PD- PER DIEM (REISSUE CK#147397)<br>100-6070-6071-1160-0000-000  | 146.00<br><b>Total : 146.00</b>  |
| 154754  | 3/10/2016 | 038079 COLTON DISPOSAL                | DEC 15                  |                            | SOLID WASTE- DISPOSAL SERVICES<br>523-6150-6163-2350-0000-000<br>100-5307-000<br>100-6779-000<br>100-6805-000<br>100-7835-000<br>100-7836-000  | 230,143.79<br>-48,061.91<br>-4,069.44<br>-8,777.33<br>-52,500.00<br>-20,000.00<br><b>Total : 96,735.11</b> |
| 154755  | 3/10/2016 | 000491 COLTON TRUCK SUPPLY            | 5260400044              | 054161                     | AUTOMOTIVE PARTS<br>608-6150-8700-2210-8000-000  | 40.46<br><b>Total : 40.46</b>  |
| 154756  | 3/10/2016 | 031653 CONFIRE JPA                    | 2016064                 | 015563                     | FIRE- CONFIRE SERVICES<br>100-6090-6091-2350-0000-000  | 33,240.13<br><b>Total : 33,240.13</b>  |
| 154757  | 3/10/2016 | 093586 CONTROLTEC, INC.               | 7203                    |                            | CENTER TRACK SOFTWARE & MAINT.<br>206-7200-7203-2315-0000-000<br>206-7200-7202-2315-0000-000   | 1,302.78<br>1,302.78<br><b>Total : 2,605.56</b>  |
| 154758  | 3/10/2016 | 046366 CORONA, MANUEL A.              | FEB 16                  | 015728                     | COMM SVCS- CONTRACT INSTRUCTOI<br>100-6200-6202-2350-0000-000  | 737.10<br><b>Total : 737.10</b>  |
| 154759  | 3/10/2016 | 040945 CSR COMPANY                    | 15641<br>15642<br>15677 | 015519<br>015519<br>015519 | BM- MAINTENANCE AND REPAIRS<br>605-6150-6211-2350-0000-000<br>BM- MAINTENANCE AND REPAIRS<br>605-6150-6211-2350-0000-000<br>BM- MAINTENANCE AND REPAIRS<br>605-6150-6211-2350-0000-000 | 95.00<br>95.00<br>2,475.00   |

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| Voucher | Date      | Vendor                          | Invoice  | PO #   | Description/Account  | Amount  |
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| 154759  | 3/10/2016 | 040945 CSR COMPANY              | (Continued)<br>15698                                     | 015519   | BM- MAINTENANCE AND REPAIRS<br>605-6150-6211-2350-0000-000   | 1,585.88<br><b>Total : 4,250.88</b>                     |
| 154760  | 3/10/2016 | 041030 CUES                     | 450503   | 015711   | WW- PARTS FOR VIDEO SYSTEM<br>522-8200-8200-2257-0000-000  | 1,432.08<br><b>Total : 1,432.08</b>                     |
| 154761  | 3/10/2016 | 000139 CULLIGAN WATER CONDITION | 569493   | 015710   | WW- SOFTENER SUPPLIES<br>522-8200-8200-2301-0000-000   | 44.40<br><b>Total : 44.40</b>                           |
| 154762  | 3/10/2016 | 092722 D & B AUTOMOBILE REPAIR  | 11471  | 054164   | AUTOMOBILE REPAIRS<br>608-6150-8700-2210-6205-000  | 994.80<br><b>Total : 994.80</b>                         |
| 154763  | 3/10/2016 | 003952 DAILY JOURNAL CORP       | B2844060<br>B2844062<br>B2844068                         |  | C. CLERK- LEGAL PUBLICATION<br>100-6010-6010-2340-0000-000<br>C. CLERK- LEGAL PUBLICATION<br>100-6010-6010-2340-0000-000<br>C. CLERK- LEGAL PUBLICATION<br>100-6010-6010-2340-0000-000   | 145.20<br>127.60<br>123.20<br><b>Total : 396.00</b>     |
| 154764  | 3/10/2016 | 001897 DAN'S LAWNMOWER          | 100435<br>100438<br>100442<br>100443<br>100444<br>100445 | 054165<br>054165<br>054165<br>054165<br>054165<br>054165 | PARKS- LAWN & GARDEN SUPPLIES<br>100-6150-6205-2301-0000-000<br>PARKS- LAWN & GARDEN SUPPLIES<br>100-6150-6205-2301-0000-000 | 205.42<br>81.60<br>357.45<br>180.64<br>320.04<br>298.42 |

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| Voucher | Date      | Vendor                                | Invoice                                | PO #                       | Description/Account  | Amount  |
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| 154764  | 3/10/2016 | 001897 001897 DAN'S LAWNMOWER         | (Continued)                            |                            |  | <b>Total : 1,443.57</b>                             |
| 154765  | 3/10/2016 | 059654 DELTA DENTAL INSURANCE COMPANY | BE001529028                            |                            | DENTAL PREMIUMS<br>762-2030-000  | 2,920.07<br><b>Total : 2,920.07</b>                 |
| 154766  | 3/10/2016 | 003660 DELTA DENTAL OF CALIFORNIA     | BE001527172                            |                            | DENTAL PREMIUMS<br>762-2030-000<br>100-6030-6030-1150-0000-000   | 14,258.69<br>339.44<br><b>Total : 14,598.13</b>     |
| 154767  | 3/10/2016 | 000149 DUNN-EDWARDS CORP              | 2018248659<br>2018250773<br>2018251197 | 015792<br>015792<br>015792 | PARKS- CREDIT<br>100-6150-6205-2301-0000-000<br>PARKS- PAINT SUPPLIES<br>100-6150-6205-2301-0000-000<br>PARKS- PAINT SUPPLIES<br>100-6150-6205-2301-0000-000 | -15.10<br>243.05<br>243.05<br><b>Total : 471.00</b> |
| 154768  | 3/10/2016 | 000149 DUNN-EDWARDS CORP              | 2018250343                             | 054167                     | ST- PAINT SUPPLIES<br>210-6150-6160-2301-0000-000  | 141.45<br><b>Total : 141.45</b>                     |
| 154769  | 3/10/2016 | 004951 FARRAR, DEBRA                  | 03/10/16-03/11/16                      |                            | COMM SVCS- PER DIEM (CPRS CONF)<br>100-6200-6200-2280-0000-000   | 52.00<br><b>Total : 52.00</b>                       |
| 154770  | 3/10/2016 | 013964 FEDERAL EXPRESS CORPORATION    | 5-318-81518                            |                            | MAILING SERVICE<br>521-8300-8300-2300-0000-000   | 65.48<br><b>Total : 65.48</b>                       |
| 154771  | 3/10/2016 | 001422 FERGUSON ENTERPRISES INC #1350 | 2905574                                | 054171                     | W- PLUMBING SUPPLIES<br>521-8100-8101-2301-0000-000  | 61.85<br><b>Total : 61.85</b>                       |
| 154772  | 3/10/2016 | 060028 FLOYD, DAVID                   | REBATE- SHOWERHEAD                     |                            | WATER CONSERVATION REBATE<br>521-8100-8110-2041-0000-000   | 50.00   |

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| Voucher | Date      | Vendor                     | Invoice   | PO #   | Description/Account                              | Amount         |
|---------|-----------|----------------------------|-----------|--------|--|----------------|
| 154772  | 3/10/2016 | 060028 060028 FLOYD, DAVID |           |        | (Continued)                                      | Total : 50.00  |
| 154773  | 3/10/2016 | 093928 FLYERS ENERGY, LLC  | 16-199300 | 054201 | WW- EQUIPMENT                                    | 115.50         |
|         |           |                            | 16-199304 | 054201 | 522-8200-8200-2255-0000-000<br>WW- OPEN TOP DRUM | 88.51          |
|         |           |                            | 16-199306 | 054201 | 522-8200-8200-2255-0000-000<br>WW- OPEN TOP DRUM | 88.51          |
|         |           |                            |           |        | Total :  | 292.52         |
| 154774  | 3/10/2016 | 000157 GENUINE AUTO PARTS  | 138180    | 054176 | AUTOMOTIVE PARTS                                 | 210.93         |
|         |           |                            | 138604    | 054176 | 608-6150-8700-2210-6071-000<br>AUTOMOTIVE PARTS  | 3.55           |
|         |           |                            | 138727    | 054176 | 608-6150-8700-2210-6071-000<br>AUTOMOTIVE PARTS  | 18.98          |
|         |           |                            | 138770    | 054176 | 210-6150-6160-2301-0000-000<br>AUTO- CREDIT      | -10.79         |
|         |           |                            | 138771    | 054176 | 210-6150-6160-2301-0000-000<br>AUTOMOTIVE PARTS  | 182.52         |
|         |           |                            | 139547    | 054176 | 210-6150-6160-2301-0000-000<br>AUTOMOTIVE PARTS  | 69.15          |
|         |           |                            | 139996    | 054176 | 608-6150-8700-2210-8101-000<br>AUTOMOTIVE PARTS  | 40.81          |
|         |           |                            | 140537    | 054176 | 608-6150-8700-2210-6200-000<br>AUTOMOTIVE PARTS  | 14.89          |
|         |           |                            | 140552    | 054176 | 608-6150-8700-2210-8200-000<br>AUTOMOTIVE PARTS  | 184.83         |
|         |           |                            | 140553    | 054176 | 608-6150-8700-2210-8000-000<br>AUTOMOTIVE PARTS  | 5.31           |
|         |           |                            |           |        | Total :  | 720.18         |
| 154775  | 3/10/2016 | 093069 GLOBALSTAR USA      | 1.7135560 | 015535 | FIRE- SATELLITE PHONE SVC                        | 363.45         |
|         |           |                            |           |        | 100-6090-6094-2310-0000-000                      | Total : 363.45 |
| 154776  | 3/10/2016 | 000160 GRAYBAR ELECTRIC CO | 983389252 |        | C. CARE- ELECTRICAL SUPPLIES                     |                |

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| 154776  | 3/10/2016 | 000160 GRAYBAR ELECTRIC CO        | (Continued) |        |                                |                 |
|         |           |                                   |             | 054178 | 206-7200-7203-2301-0000-000    | 23.37           |
|         |           |                                   |             |        | <b>Total :</b>                 | <b>23.37</b>    |
| 154777  | 3/10/2016 | 092270 HAAKER EQUIPMENT COMPANY   | C19003      |        | AUTO- PARTS & REPAIR ON VACTOR |                 |
|         |           |                                   |             | 015697 | 522-8200-8200-2257-0000-000    | 102.60          |
|         |           |                                   | C19204      |        | AUTO- PARTS & REPAIR ON VACTOR |                 |
|         |           |                                   |             | 015697 | 522-8200-8200-2257-0000-000    | 2,125.50        |
|         |           |                                   |             |        | <b>Total :</b>                 | <b>2,228.10</b> |
| 154778  | 3/10/2016 | 093326 HARRIETTE COGGS STUCKEY    | FEB 16      |        | COMM SVCS- CONTRACT INSTRUCTOI |                 |
|         |           |                                   |             | 016031 | 100-6200-6202-2350-0000-000    | 196.00          |
|         |           |                                   |             |        | <b>Total :</b>                 | <b>196.00</b>   |
| 154779  | 3/10/2016 | 025906 HOME DEPOT                 | 1121081     |        | ST- HARDWARE SUPPLIES          |                 |
|         |           |                                   |             | 015836 | 210-6150-6160-2301-0000-000    | 586.07          |
|         |           |                                   | 5563144     |        | PARKS- HARDWARE SUPPLIES       |                 |
|         |           |                                   |             | 015790 | 100-6150-6205-2301-0000-000    | 249.79          |
|         |           |                                   |             |        | <b>Total :</b>                 | <b>835.86</b>   |
| 154780  | 3/10/2016 | 025906 HOME DEPOT                 | 0015846     |        | BM- HARDWARE SUPPLIES          |                 |
|         |           |                                   |             | 054182 | 605-6150-6211-2250-6212-000    | 64.93           |
|         |           |                                   | 4121311     |        | C. CARE- HARDWARE SUPPLIES     |                 |
|         |           |                                   |             | 054180 | 206-7200-7203-2250-0000-000    | 38.69           |
|         |           |                                   |             |        | <b>Total :</b>                 | <b>103.62</b>   |
| 154781  | 3/10/2016 | 000372 HOUR GLASS & MIRROR INC.   | 31680       |        | BM- GLASS REPAIRS              |                 |
|         |           |                                   |             | 054186 | 605-6150-6211-2250-6212-000    | 346.00          |
|         |           |                                   |             |        | <b>Total :</b>                 | <b>346.00</b>   |
| 154782  | 3/10/2016 | 000164 HUB CONST SPECIALTIES, INC | A11001297   |        | ST- MAINTENANCE MATERIALS      |                 |
|         |           |                                   |             | 054187 | 210-6150-6160-2301-0000-000    | 181.75          |
|         |           |                                   | A11001779   |        | ST- MAINTENANCE MATERIALS      |                 |
|         |           |                                   |             | 054187 | 210-6150-6160-2301-0000-000    | 167.68          |
|         |           |                                   |             |        | <b>Total :</b>                 | <b>349.43</b>   |
| 154783  | 3/10/2016 | 019129 IE ALARM SYSTEMS           | 92256       |        | BM- FIRE ALARM SYSTEM SERVICE  |                 |
|         |           |                                   |             | 015715 | 605-6150-6211-2250-8101-000    | 60.00           |

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| 154783  | 3/10/2016 | 019129 019129 IE ALARM SYSTEMS        | (Continued)      |                  |  | <b>Total : 60.00</b>                          |
| 154784  | 3/10/2016 | 094002 INDUCTIVE AUTOMATION, LLC      | 1068357          | 016072           | W- SCADA SOFTWARE RENEWAL<br>521-8100-8101-2350-0000-000   | 8,611.00<br><b>Total : 8,611.00</b>           |
| 154785  | 3/10/2016 | 093769 INDUSTRIAL RUBBER & SUPPLY LLC | 28117            | 015704           | WW- HOSES & FITTINGS SUPPLIES<br>522-8200-8200-2255-0000-000                                       | 242.73<br><b>Total : 242.73</b>               |
| 154786  | 3/10/2016 | 000276 INLAND WATER WORKS SUPPLY      | 281232<br>281350 | 054189<br>054189 | W- PIPE SUPPLIES<br>521-8100-8101-2301-0000-000<br>W- PIPE SUPPLIES<br>521-8100-8101-2301-0000-000 | 607.28<br>183.60<br><b>Total : 790.88</b>     |
| 154787  | 3/10/2016 | 093841 INTERWEST CONSULTING GROUP INC | 25960            | 015978           | DEV SVCS- PLAN CHECK SVCS<br>100-6300-6302-2350-0000-000   | 1,514.90<br><b>Total : 1,514.90</b>           |
| 154788  | 3/10/2016 | 060222 LAWRENCE, DONNA LYNN           | REBATE- TURF #2  |                  | WATER CONSERVATION REBATE<br>521-8100-8110-2041-0000-000   | 800.00<br><b>Total : 800.00</b>               |
| 154789  | 3/10/2016 | 093056 LAWSON PRODUCTS                | 9303878244       | 016130           | WW- HARDWARE PARTS<br>522-8200-8200-2301-0000-000  | 925.44<br><b>Total : 925.44</b>               |
| 154790  | 3/10/2016 | 093878 LKQ/KEYSTONE AUTOMOTIVE INDUST | 72813894         | 015576           | AUTOMOTIVE PARTS<br>608-6150-8700-2301-0000-000  | 64.80<br><b>Total : 64.80</b>                 |
| 154791  | 3/10/2016 | 041927 LOU'S TIRE SERVICE             | 78860<br>79293   | 054196<br>054196 | AUTOMOTIVE TIRES<br>608-6150-8700-2210-8101-000<br>AUTOMOTIVE TIRES<br>608-6150-8700-2210-6160-000 | 1,729.97<br>167.34<br><b>Total : 1,897.31</b> |

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|----------------|-----------|---------------------------------------|-------------------|--------|---|-----------------|
| 154792         | 3/10/2016 | 059246 LOYA, MICHAEL                  | RECERT FEES- 2016 |        | FIRE- REIMBURSE RECERT FEES<br>100-6090-6091-1161-0000-000    | 260.00          |
| <b>Total :</b> |           |                                       |                   |        |   | <b>260.00</b>   |
| 154793         | 3/10/2016 | 041081 MISSION LINEN SUPPLY & UNIFORM | 501846373         | 054197 | WW- UNIFORM RENTAL SERVICES<br>522-8200-8200-1170-0000-000    | 214.93          |
|                |           |                                       | 501859292         | 054197 | W- UNIFORM RENTAL SERVICES<br>100-6150-6205-1170-0000-000     | 45.73           |
|                |           |                                       | 501864249         | 054197 | W- UNIFORM RENTAL SERVICES<br>521-8100-8101-1170-0000-000     | 267.31          |
|                |           |                                       | 501891591         | 054197 | WW- UNIFORM RENTAL SERVICES<br>522-8200-8200-1170-0000-000    | 214.37          |
|                |           |                                       | 501909386         | 054197 | W- UNIFORM RENTAL SERVICES<br>521-8100-8101-1170-0000-000     | 268.43          |
|                |           |                                       | 501954837         | 054197 | W- UNIFORM RENTAL SERVICES<br>521-8100-8101-1170-0000-000     | 265.08          |
| <b>Total :</b> |           |                                       |                   |        |   | <b>1,275.85</b> |
| 154794         | 3/10/2016 | 041081 MISSION LINEN SUPPLY & UNIFORM | 501855506         | 015582 | BM- RUG RENTALS- CITY HALL<br>605-6150-6211-2250-6211-000     | 30.56           |
|                |           |                                       | 501864252         | 015580 | AUTO- UNIFORM RENTAL SVC<br>608-6150-8700-1170-0000-000       | 28.39           |
|                |           |                                       |                   | 015580 | 608-6150-8700-2301-0000-000                                   | 15.28           |
|                |           |                                       | 501864253         | 015581 | BM- UNIFORM RENTAL SVC<br>605-6150-6211-1170-0000-000         | 15.55           |
|                |           |                                       | 501954840         | 015580 | AUTO- UNIFORM RENTAL SVC<br>608-6150-8700-1170-0000-000       | 27.80           |
|                |           |                                       |                   | 015580 | 608-6150-8700-2301-0000-000                                   | 14.97           |
|                |           |                                       | 501954841         | 015581 | BM- UNIFORM RENTAL SVC<br>605-6150-6211-1170-0000-000         | 15.55           |
| <b>Total :</b> |           |                                       |                   |        |   | <b>148.10</b>   |
| 154795         | 3/10/2016 | 093781 NBS GOVERNMENT FINANCE GROUP   | 1160149           | 015782 | W- PROF SVCS- WATER RATE STUDY<br>522-8200-8200-2350-0000-000 | 3,112.50        |
|                |           |                                       | 1160150           | 015782 | W- PROF SVCS- WATER RATE STUDY<br>521-8100-8101-2350-0000-000 | 2,260.00        |
|                |           |                                       |                   | 015782 | 522-8200-8200-2350-0000-000                                   | 427.50          |

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|---------|-----------|--------|---|--------|--|-------------------------|
| 154795  | 3/10/2016 | 093781 | 093781 NBS GOVERNMENT FINANCE GROUP (Continued) |        |  | <b>Total : 5,800.00</b> |
| 154796  | 3/10/2016 | 093220 | NESTLE WATERS NORTH AMERICA                     |        |  |                         |
|         |           |        | 06A0034312421                                   | 054155 | C. CARE- BOTTLE WATER SERVICE<br>206-7200-7203-2305-0000-000 | 30.61                   |
|         |           |        | 06B0030671358                                   | 054155 | LIB- BOTTLE WATER SERVICES<br>100-6200-6250-2301-0000-000    | 10.76                   |
|         |           |        | 06B0030671663                                   | 054155 | ELEC- BOTTLE WATER SERVICES<br>520-8000-8009-2225-0548-000   | 54.19                   |
|         |           |        | 06B0030671911                                   | 054155 | PURCH- BOTTLE WATER SERVICES<br>100-6040-6043-2301-0000-000  | 12.14                   |
|         |           |        | 06B0030672000                                   | 054155 | BM- BOTTLE WATER SERVICES<br>605-6150-6211-2301-0000-000     | 11.22                   |
|         |           |        |   | 054155 | 608-6150-8700-2301-0000-000                                  | 11.22                   |
|         |           |        |   |        | <b>Total :</b>   | <b>130.14</b>           |
| 154797  | 3/10/2016 | 093924 | NINA MEZA GERMAN                                |        |  |                         |
|         |           |        | FEB 16  | 015730 | COMM SVCS- CONTRACT INSTRUCTO<br>100-6200-6202-2350-0000-000 | 263.90                  |
|         |           |        |   |        | <b>Total :</b>   | <b>263.90</b>           |
| 154798  | 3/10/2016 | 047535 | NOVAK, JAKE                                     |        |  |                         |
|         |           |        | TUIT 15/16                                      |        | FIRE- TUITION REIMBURSEMENT<br>100-6090-6091-1160-0000-000   | 125.00                  |
|         |           |        | TUIT 15/16- 2                                   |        | FIRE- TUITION REIMBURSEMENT<br>100-6090-6091-1160-0000-000   | 95.00                   |
|         |           |        |   |        | <b>Total :</b>   | <b>220.00</b>           |
| 154799  | 3/10/2016 | 045033 | OFFICE DEPOT                                    |        |  |                         |
|         |           |        | 817706234001                                    | 015914 | PW- OFFICE SUPPLIES<br>100-6150-6151-2301-0000-000           | 71.24                   |
|         |           |        |   |        | <b>Total :</b>   | <b>71.24</b>            |
| 154800  | 3/10/2016 | 093581 | O'REILLY AUTO PARTS                             |        |  |                         |
|         |           |        | 3177-383346                                     | 054198 | AUTOMOTIVE PARTS<br>608-6150-8700-2210-6071-000              | 21.56                   |
|         |           |        | 3177-385448                                     | 054198 | AUTOMOTIVE PARTS<br>608-6150-8700-2210-6205-000              | 68.32                   |
|         |           |        | 3177-385648                                     | 054198 | BM- ELECTRICAL SUPPLIES<br>608-6150-8700-2210-6071-000       | 17.24                   |
|         |           |        | 3177-386315                                     | 054198 | AUTOMOTIVE PARTS<br>608-6150-8700-2210-8000-000              | 28.53                   |

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|-------------|-----------|------------------------------------|-----------------------------------|--------|--|------------------|--------------------------|--|
| Voucher     | Date      | Vendor                             | Invoice                           | PO #   | Description/Account  | Amount           |                          |  |
| 154800      | 3/10/2016 | 093581 093581 O'REILLY AUTO PARTS  | (Continued)                       |        |  |                  | <b>Total :</b> 135.65    |  |
| 154801      | 3/10/2016 | 093839 P & P UNIFORMS              | 403232/4                          | 054200 | PD- UNIFORM (J. NASSAR)<br>100-6070-6071-1170-0000-000   | 167.35           | <b>Total :</b> 167.35    |  |
| 154802      | 3/10/2016 | 001712 PACIFIC ALARM SERVICE       | 117582                            | 054225 | BM- ALARM SERVICES<br>605-6150-6211-2250-6071-000  | 58.00            | <b>Total :</b> 58.00     |  |
| 154803      | 3/10/2016 | 060132 PEARSON, MARYANN            | REBATE- MULCH                     |        | WATER CONSERVATION REBATE<br>521-8100-8110-2041-0000-000   | 300.00           | <b>Total :</b> 300.00    |  |
| 154804      | 3/10/2016 | 046537 POLICE TRAINING CONSULTANTS | 04/04/16-04/08/16                 |        | PD- TUITION- BASIC SNIPER/OBSERVE<br>100-6070-6071-1160-0000-000                                       | 550.00           | <b>Total :</b> 550.00    |  |
| 154805      | 3/10/2016 | 059550 PRECIADO, JESSICA           | REBATE- WASHER                    |        | PUBLIC BEN- ENERGY EFFICIENCY RE<br>526-8000-8035-2041-0930-010  | 75.00            | <b>Total :</b> 75.00     |  |
| 154806      | 3/10/2016 | 059579 RAMIREZ, ALEXANDER          | REBATE- WINDOWS                   |        | PUBLIC BEN- WEATHERIZATION REBA<br>526-8000-8035-2041-0930-010   | 85.91            | <b>Total :</b> 85.91     |  |
| 154807      | 3/10/2016 | 050451 RCCD, INC                   | 052406                            |        | REFUND UNUSED CFD DEPOSIT<br>762-2315-000  | 32,693.75        | <b>Total :</b> 32,693.75 |  |
| 154808      | 3/10/2016 | 093905 RIGHT OF WAY INC.           | 20436                             | 054205 | W- TRAFFIC CONTROL EQUIPMENT<br>521-8100-8101-1180-0000-000  | 546.97           | <b>Total :</b> 546.97    |  |
| 154809      | 3/10/2016 | 003162 RIVERSIDE HIGHLAND WATER CO | 01014-01- 12/15<br>01014-01-02/16 |        | W- ASSESSMENT FEES<br>521-8100-8101-2331-0000-000<br>W- ASSESSMENT FEES<br>521-8100-8101-2331-0000-000 | 437.04<br>437.04 |                          |  |

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| Voucher | Date      | Vendor | Invoice  | PO #        | Description/Account   | Amount                |
|---------|-----------|--------|--|-------------|---|-----------------------|
| 154809  | 3/10/2016 | 003162 | 003162 RIVERSIDE HIGHLAND WATER CO                 | (Continued) |   | <b>Total : 874.08</b> |
| 154810  | 3/10/2016 | 016258 | ROYAL WHOLESALE ELECTRIC                           |             |   |                       |
|         |           |        | 6441-497002  | 015489      | BM- ELECTRICAL SUPPLIES<br>605-6150-6211-2250-6211-000          | 985.50                |
|         |           |        | 6441-497003  | 015489      | BM- ELECTRICAL SUPPLIES<br>605-6150-6211-2250-6211-000          | 59.28                 |
|         |           |        | 6441-497212  | 015489      | BM- ELECTRICAL SUPPLIES<br>605-6150-6211-2250-6211-000          | 492.75                |
|         |           |        | 6441-498299  | 015489      | BM- ELECTRICAL SUPPLIES<br>605-6150-6211-2250-6211-000          | 512.51                |
|         |           |        | 6441-498300  | 015489      | BM- ELECTRICAL SUPPLIES<br>605-6150-6211-2250-6211-000          | 512.51                |
|         |           |        | 6441-499113  | 015489      | BM- ELECTRICAL SUPPLIES<br>605-6150-6211-2250-6211-000          | 142.65                |
|         |           |        |  |             | <b>Total :</b>  | <b>2,705.20</b>       |
| 154811  | 3/10/2016 | 060229 | SAN BERNARDINO COUNTY                              | 04/28/16    | PD- TUITION (DISPATCHER WELLNESS<br>100-6070-6071-1160-0000-000 | 100.00                |
|         |           |        |  |             | <b>Total :</b>  | <b>100.00</b>         |
| 154812  | 3/10/2016 | 060229 | SAN BERNARDINO COUNTY                              | 04/20/16    | TUITION (MASS CASUALTY INCIDENTS<br>100-6070-6071-1160-0000-000 | 65.00                 |
|         |           |        |  |             | <b>Total :</b>  | <b>65.00</b>          |
| 154813  | 3/10/2016 | 059708 | SAN BERNARDINO COUNTY, DISTRICT ATTOF DA# 215101   |             | ASSET FORTEITURE DISTRIBUTION<br>762-2300-000                   | 134.32                |
|         |           |        |  |             | <b>Total :</b>  | <b>134.32</b>         |
| 154814  | 3/10/2016 | 059708 | SAN BERNARDINO COUNTY, DISTRICT ATTOF DA# 215101 - |             | ASSET FORTEITURE DISTRIBUTION<br>762-2300-000                   | 59.00                 |
|         |           |        |  |             | <b>Total :</b>  | <b>59.00</b>          |
| 154815  | 3/10/2016 | 014714 | SAN BERNARDINO VALLEY                              |             |   |                       |
|         |           |        | 3601257-2015                                       |             | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000         | 50.00                 |
|         |           |        | 3601259-2015                                       |             | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000         | 50.00                 |
|         |           |        | 3601260- 2015                                      |             | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000         | 50.00                 |

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| Voucher | Date      | Vendor                       | Invoice                     | PO #   | Description/Account  | Amount           |
|---------|-----------|------------------------------|-----------------------------|--------|--|------------------|
| 154815  | 3/10/2016 | 014714 SAN BERNARDINO VALLEY | (Continued)<br>3601261-2015 |        | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000            | 50.00            |
|         |           |                              | 3602405-2015                |        | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000            | 50.00            |
|         |           |                              | 3602793-2015                |        | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000            | 50.00            |
|         |           |                              | 3603367-2015                |        | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000            | 50.00            |
|         |           |                              | 3603598-2015                |        | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000            | 50.00            |
|         |           |                              | 3603914-2015                |        | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000            | 50.00            |
|         |           |                              | 3603915-2015                |        | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000            | 50.00            |
|         |           |                              | 3603957- 2015               |        | W- 2015 GROUNDWATER FEES<br>521-8100-8101-2241-0000-000            | 50.00            |
|         |           |                              |                             |        | <b>Total :</b>   | <b>550.00</b>    |
| 154816  | 3/10/2016 | 047469 SBSB TRAINING CENTER  | 05/11/16                    |        | PD- TUITION- DISPATCHER/GATEKEEPERS<br>100-6070-6071-1160-0000-000 | 50.00            |
|         |           |                              |                             |        | <b>Total :</b>   | <b>50.00</b>     |
| 154817  | 3/10/2016 | 047469 SBSB TRAINING CENTER  | 05/10/16                    |        | PD- TUITION- SCHOOL BASED INCIDENTS<br>100-6070-6071-1160-0000-000 | 50.00            |
|         |           |                              |                             |        | <b>Total :</b>   | <b>50.00</b>     |
| 154818  | 3/10/2016 | 094000 SECUREWORKS INC.      | SWXUS1CN012883              | 016068 | I.S.- CYBER SECURITY SERVICES<br>606-6040-6044-2350-0000-000       | 21,684.00        |
|         |           |                              |                             |        | <b>Total :</b>   | <b>21,684.00</b> |
| 154819  | 3/10/2016 | 092670 SO CAL LOCKSMITH      | 32418                       | 054209 | AUTO- LOCK PARTS AND SERVICE<br>608-6150-8700-2210-6160-000        | 17.19            |
|         |           |                              | 34444                       | 054209 | BM- LOCK PARTS AND SERVICES<br>605-6150-6211-2250-6211-000         | 100.40           |
|         |           |                              |                             |        | <b>Total :</b>   | <b>117.59</b>    |

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|----------------|-----------|-----------------------------------|---------------------|--------|-------------------------------|---------------|
| 154820         | 3/10/2016 | 025294 SOUTH COAST AIR QUALITY    | 2906798             |        | WW- AQMD FEES                 |               |
|                |           |                                   |                     |        | 522-8200-8200-2241-0000-000   | 122.53        |
|                |           |                                   | 2906799             |        | WW- GEN- DIESEL FEES          |               |
|                |           |                                   |                     |        | 522-8200-8200-2241-0000-000   | 346.54        |
|                |           |                                   | 2906800             |        | WW- FLAT FEE EMMISIONS        |               |
|                |           |                                   |                     |        | 522-8200-8200-2241-0000-000   | 121.44        |
| <b>Total :</b> |           |                                   |                     |        |                               | <b>590.51</b> |
| 154821         | 3/10/2016 | 000228 SOUTHERN CALIFORNIA EDISON | 2-01-522-0452-0116  |        | STORM W.- ELECTRIC SERVICE    |               |
|                |           |                                   |                     | 015915 | 722-6150-8215-2320-0000-000   | 26.15         |
|                |           |                                   | 2-01-522-0452-1215  |        | STORM W.- ELECTRIC SERVICE    |               |
|                |           |                                   |                     | 015915 | 722-6150-8215-2320-0000-000   | 24.83         |
| <b>Total :</b> |           |                                   |                     |        |                               | <b>50.98</b>  |
| 154822         | 3/10/2016 | 003181 SOUTHERN CALIFORNIA GAS CO | 059-421-7122-3-0116 |        | BM- NATURAL GAS VEHICLES      |               |
|                |           |                                   |                     | 054211 | 605-6150-6211-2320-0000-000   | 108.25        |
|                |           |                                   | 061-521-7100-2-0116 |        | BM- NATURAL GAS VEHICLES      |               |
|                |           |                                   |                     | 054211 | 605-6150-6211-2320-0000-000   | 65.29         |
|                |           |                                   | 063-621-7100-8-0116 |        | BM- NATURAL GAS VEHICLES      |               |
|                |           |                                   |                     | 054211 | 605-6150-6211-2320-0000-000   | 47.27         |
|                |           |                                   | 162-347-7713-0-0116 |        | BM- NATURAL GAS VEHICLES      |               |
|                |           |                                   |                     | 054211 | 605-6150-6211-2320-0000-000   | 13.00         |
| <b>Total :</b> |           |                                   |                     |        |                               | <b>233.81</b> |
| 154823         | 3/10/2016 | 000234 SQUIRES LUMBER COMPANY     | 306473              |        | BM- MAINTENANCE MATERIAL      |               |
|                |           |                                   |                     | 054212 | 605-6150-6211-2250-6205-000   | 7.13          |
|                |           |                                   | 306883              |        | BM- MAINTENANCE MATERIAL      |               |
|                |           |                                   |                     | 054212 | 605-6150-6211-2250-6250-000   | 8.63          |
|                |           |                                   | 306898              |        | BM- MAINTENANCE MATERIAL      |               |
|                |           |                                   | 306983              |        | 605-6150-6211-2250-6250-000   | 9.70          |
|                |           |                                   |                     | 054212 | C. CARE- MAINTENANCE MATERIAL |               |
|                |           |                                   |                     |        | 206-7200-7203-2250-0000-000   | 74.49         |
| <b>Total :</b> |           |                                   |                     |        |                               | <b>99.95</b>  |
| 154824         | 3/10/2016 | 000234 SQUIRES LUMBER COMPANY     | 306741              |        | PARKS- MAINTENANCE MATERIAL   |               |
|                |           |                                   |                     | 015795 | 100-6150-6205-2301-0000-000   | 31.29         |
|                |           |                                   | 306745              |        | PARKS- CREDIT                 |               |

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|---------|-----------|--|---------------------|--------|---------------------------------|-------------------|
| 154824  | 3/10/2016 | 000234 SQUIRES LUMBER COMPANY                          | (Continued)         |        |                                 |                   |
|         |           |  |                     | 015795 | 100-6150-6205-2301-0000-000     | -20.51            |
|         |           |  | 306749              |        | ST- MAINTENANCE MATERIAL        |                   |
|         |           |  |                     | 015835 | 210-6150-6160-2301-0000-000     | 4.62              |
|         |           |  | 306821              |        | ST- MAINTENANCE MATERIAL        |                   |
|         |           |  |                     | 015835 | 210-6150-6160-2301-0000-000     | 5.39              |
|         |           |  | 306831              |        | ST- MAINTENANCE MATERIAL        |                   |
|         |           |  |                     | 015835 | 210-6150-6160-2301-0000-000     | 8.19              |
|         |           |  | 306845              |        | ST- MAINTENANCE MATERIAL        |                   |
|         |           |  |                     | 015835 | 210-6150-6160-2301-0000-000     | 38.87             |
|         |           |  | 306854              |        | PARKS- MAINTENANCE MATERIAL     |                   |
|         |           |  |                     | 015795 | 100-6150-6205-2301-0000-000     | 24.81             |
|         |           |  | 306855              |        | PARKS- MAINTENANCE MATERIAL     |                   |
|         |           |  |                     | 015795 | 100-6150-6205-2301-0000-000     | 34.54             |
|         |           |  | 306880              |        | ST- MAINTENANCE MATERIAL        |                   |
|         |           |  |                     | 015835 | 210-6150-6160-2301-0000-000     | 35.61             |
|         |           |  |                     |        | <b>Total :</b>                  | <b>162.81</b>     |
| 154825  | 3/10/2016 | 059709 STATE TREASURER, SBC AUDITOR/CONTROL DA# 215101 |                     |        | ASSET FORFEITURE DISTRIBUTION   |                   |
|         |           |  |                     |        | 762-2300-000                    | 322.37            |
|         |           |  |                     |        | <b>Total :</b>                  | <b>322.37</b>     |
| 154826  | 3/10/2016 | 001515 STATE WATER RESOURCES CONTROL                   | C-06-4122-110- 2/16 |        | WW- RIX FULL-SCALE LOAN PAYMENT |                   |
|         |           |  |                     |        | 522-8200-8200-2500-0000-000     | 301,339.33        |
|         |           |  |                     |        | 522-8200-8200-2510-0000-000     | 8,437.50          |
|         |           |  |                     |        | <b>Total :</b>                  | <b>309,776.83</b> |
| 154827  | 3/10/2016 | 092338 STEWART, HOPE                                   | FEB 16              |        | COMM SVCS- CONTRACT INSTRUCTO   |                   |
|         |           |  |                     | 015731 | 100-6200-6202-2350-0000-000     | 172.90            |
|         |           |  |                     |        | <b>Total :</b>                  | <b>172.90</b>     |
| 154828  | 3/10/2016 | 093833 SWISHER HYGIENE FRANCHISE CORP                  | 6H02696893          |        | COMM SVCS- RESTROOM MAINT. SVC  |                   |
|         |           |  |                     | 016134 | 100-6200-6217-2350-0000-000     | 95.00             |
|         |           |  |                     |        | <b>Total :</b>                  | <b>95.00</b>      |
| 154829  | 3/10/2016 | 093976 TALBERT, TYRON D.                               | FEB 16              |        | COMM SVCS- CONTRACT INSTRUCTO   |                   |
|         |           |  |                     | 015767 | 100-6200-6202-2350-0000-000     | 42.00             |

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|---------|-----------|---------------------------------|-----------------|--------|---|----------------------|
| 154829  | 3/10/2016 | 093976 093976 TALBERT, TYRON D. | (Continued)     |        |   | <b>Total : 42.00</b> |
| 154830  | 3/10/2016 | 092585 TESTAMERICA LABORATORIES | 1415430-10-2015 | 016075 | WW- LABORATORY SAMPLING<br>522-8200-8200-2350-0000-000  | 3,176.00             |
|         |           |                                 | 1415430-11-2015 | 016075 | WW- LABORATORY SAMPLING<br>522-8200-8200-2350-0000-000  | 3,784.50             |
|         |           |                                 | 1415430-1-2016  | 016075 | WW- LABORATORY SAMPLING<br>522-8200-8200-2350-0000-000  | 3,479.00             |
|         |           |                                 | 1415430-12-2015 | 016075 | WW- LABORATORY SAMPLING<br>522-8200-8200-2350-0000-000  | 2,692.50             |
|         |           |                                 | 1415430-5-2015  | 016075 | WW- LABORATORY SAMPLING<br>522-8200-8200-2350-0000-000  | 1,639.00             |
|         |           |                                 | 1415430-7-2015  | 016075 | WW- LABORATORY SAMPLING<br>522-8200-8200-2350-0000-000  | 5,495.00             |
|         |           |                                 | 1415430-8-2015  | 016075 | WW- LABORATORY SAMPLING<br>522-8200-8200-2350-0000-000  | 3,038.00             |
|         |           |                                 | 1415430-9-2015  | 016075 | WW- LABORATORY SAMPLING<br>522-8200-8200-2350-0000-000  | 2,830.50             |
|         |           |                                 |                 |        | <b>Total :</b>  | <b>26,134.50</b>     |
| 154831  | 3/10/2016 | 093644 THE ALTUM GROUP          | 2621            | 054226 | DEV SVCS- PROF SVCS- COLTON MED<br>762-2337-000         | 970.00               |
|         |           |                                 | 3070            | 054226 | DEV SVCS- PROF SVCS- COLTON MED<br>762-2337-000         | 23,744.25            |
|         |           |                                 |                 |        | <b>Total :</b>  | <b>24,714.25</b>     |
| 154832  | 3/10/2016 | 044192 TRISTAR RISK MANAGEMENT  | 87829           |        | RISK- QTRLY WORKERS COMP<br>607-6040-8601-2350-0000-000 | 16,605.00            |
|         |           |                                 |                 |        | <b>Total :</b>  | <b>16,605.00</b>     |
| 154833  | 3/10/2016 | 036062 VERIZON CALIFORNIA       | 8845048-0216    | 015625 | ELEC- LINE/MODEM CHARGES<br>520-8000-8024-2310-0930-200 | 63.53                |
|         |           |                                 |                 |        | <b>Total :</b>  | <b>63.53</b>         |
| 154834  | 3/10/2016 | 093406 VERIZON WIRELESS         | 9760714171      | 054219 | FIRE- CELLULAR SERVICES<br>100-6090-6091-2310-0000-000  | 143.32               |
|         |           |                                 | 9760714173      |        | COUNCIL- CELLULAR SERVICES                              |                      |

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|---------|-----------|-----------------------------------|-------------|--------|-------------------------------|-------------------|
| 154834  | 3/10/2016 | 093406 VERIZON WIRELESS           | (Continued) |        |                               |                   |
|         |           |                                   |             | 054219 | 100-6000-6000-2310-0000-000   | 76.02             |
|         |           |                                   | 9760714174  |        | COUNCIL- CELLULAR SERVICES    |                   |
|         |           |                                   |             | 054219 | 100-6000-6000-2310-0000-000   | 165.81            |
|         |           |                                   | 9760714175  |        | CM- CELLULAR SERVICES         |                   |
|         |           |                                   |             | 054219 | 100-6020-6020-2310-0000-000   | 27.44             |
|         |           |                                   |             |        | <b>Total :</b>                | <b>412.59</b>     |
| 154835  | 3/10/2016 | 000750 WESCO DISTRIBUTION INC     | 678391      |        | ELEC INV- WIRE                |                   |
|         |           |                                   |             | 015811 | 520-1500-154                  | 101,501.96        |
|         |           |                                   |             |        | 520-1500-154                  | 8,120.16          |
|         |           |                                   | 678392      |        | ELEC INV- WIRE                |                   |
|         |           |                                   |             | 015811 | 520-1500-154                  | 16,767.25         |
|         |           |                                   |             |        | 520-1500-154                  | 1,341.38          |
|         |           |                                   |             |        | <b>Total :</b>                | <b>127,730.75</b> |
| 154836  | 3/10/2016 | 003646 WILLDAN FINANCIAL SERVICES | 010-29766   |        | CFD- ADMIN CONSULTING SERVICE |                   |
|         |           |                                   |             | 015750 | 703-7500-7501-2380-0000-000   | 882.27            |
|         |           |                                   |             | 015750 | 744-7500-7507-2380-0000-000   | 771.45            |
|         |           |                                   |             | 015750 | 745-7500-7508-2380-0000-000   | 872.38            |
|         |           |                                   |             | 015750 | 781-7400-7403-2380-0000-000   | 630.93            |
|         |           |                                   |             |        | <b>Total :</b>                | <b>3,157.03</b>   |
| 154837  | 3/10/2016 | 003646 WILLDAN FINANCIAL SERVICES | 010-30141   |        | ARBITRAGE REBATE SVCS         |                   |
|         |           |                                   |             |        | 520-8000-8001-2350-0923-000   | 1,250.00          |
|         |           |                                   |             |        | <b>Total :</b>                | <b>1,250.00</b>   |
| 154838  | 3/10/2016 | 003646 WILLDAN FINANCIAL SERVICES | 010-30273   |        | CFD- PHASE 2 REMINDER LETTERS |                   |
|         |           |                                   |             |        | 744-7500-7507-2380-0000-000   | 10.49             |
|         |           |                                   |             |        | 745-7500-7508-2380-0000-000   | 20.98             |
|         |           |                                   |             |        | <b>Total :</b>                | <b>31.47</b>      |
| 154839  | 3/10/2016 | 002761 XEROX CORPORATION          | 083635917   |        | COPIER LEASE (VARIOUS DEPT'S) |                   |
|         |           |                                   |             | 015883 | 100-6010-6010-2420-0000-000   | 861.94            |
|         |           |                                   |             |        | 100-6010-6010-2420-0000-000   | 68.96             |
|         |           |                                   |             |        | <b>Total :</b>                | <b>930.90</b>     |

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|----------|-----------|-----------------------------------|-----------------|------|--|---|
| 6705600  | 3/3/2016  | 003111 SO CALIF PUBLIC POWER AUTH | MAG F 0116      |      | POWER COSTS- MAGNOLIA POWER<br>520-8000-8006-2330-0555-400 | 20,451.00<br><b>Total : 20,451.00</b>   |
| 11414908 | 3/2/2016  | 048436 COLTON PUBLIC UTILITIES    | 11414908        |      | W- ELECTRIC TOU BILLS<br>521-8100-8101-2320-0000-000       | 60,753.76<br><b>Total : 60,753.76</b>   |
| 66836000 | 2/26/2016 | 048436 COLTON PUBLIC UTILITIES    | 02/18/16- 68    |      | RETIREMENT CONTRIBUTION<br>762-2080-000                    | 118,751.94<br><b>Total : 118,751.94</b> |
| 66836100 | 2/26/2016 | 000214 PERS-PAYROLL REPORT        | 2/18/16- 69     |      | RETIREMENT CONTRIBUTION<br>762-2080-000                    | 27,019.69<br><b>Total : 27,019.69</b>   |
| 66836200 | 2/26/2016 | 000214 PERS-PAYROLL REPORT        | 02/18/16- 70    |      | RETIREMENT CONTRIBUTION<br>762-2080-000                    | 38,067.45<br><b>Total : 38,067.45</b>   |
| 66836300 | 2/26/2016 | 000214 PERS-PAYROLL REPORT        | 02/18/16- 25056 |      | RETIREMENT CONTRIBUTION<br>762-2080-000                    | 4,408.65<br><b>Total : 4,408.65</b>     |
| 66836400 | 2/26/2016 | 000214 PERS-PAYROLL REPORT        | 02/18/16- 25057 |      | RETIREMENT CONTRIBUTION<br>762-2080-000                    | 6,015.39<br><b>Total : 6,015.39</b>     |
| 66836500 | 2/26/2016 | 000214 PERS-PAYROLL REPORT        | 02/18/16- 26038 |      | RETIREMENT CONTRIBUTION<br>762-2080-000                    | 22,860.54<br><b>Total : 22,860.54</b>   |
| 66836600 | 2/26/2016 | 000214 PERS-PAYROLL REPORT        | 02/18/16- 15025 |      | RETIREMENT CONTR. PPE 02/12/16<br>762-2080-000             | 1,661.07<br><b>Total : 1,661.07</b>     |
| 66836700 | 2/26/2016 | 000214 PERS-PAYROLL REPORT        | 02/18/16- 15026 |      | RETIREMENT CONTR. PPE 02/12/16<br>762-2080-000             | 5,597.49                                |

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|---|-----------|--------|-------------------------------|--|--|--|
| 66836700                                | 2/26/2016 | 000214 | 000214 PERS-PAYROLL REPORT    |  | (Continued)  | <b>Total : 5,597.49</b>                                      |
| 67082900                                | 3/3/2016  | 003672 | CALIFORNIA PUBLIC EMPLOYEES'  | MARCH 16                               | HEALTH BENEFITS<br>762-2020-000<br>100-6030-6030-2380-0000-000<br>100-6030-6030-1150-0000-000  | 32,246.97<br>204.90<br>15,384.20<br><b>Total : 47,836.07</b> |
| 67284600                                | 3/8/2016  | 003893 | ING                           | PP 03/03/16                            | 457 DEF COMP & LOAN PAYMENT<br>762-2040-000<br>762-2045-000  | 8,588.62<br>583.93<br><b>Total : 9,172.55</b>                |
| 112811854                               | 3/3/2016  | 000245 | KAISER FOUNDATION HEALTH PLAN | 107795-0000-03/16                      | HEALTH PREMIUMS- ACTIVE<br>762-2020-000  | 63,350.01<br><b>Total : 63,350.01</b>                        |
| 112811860                               | 3/3/2016  | 000245 | KAISER FOUNDATION HEALTH PLAN | 107795-0002- 03/16                     | RETIREE HEALTH PREMIUMS<br>100-6030-6030-1150-0000-000   | 16,091.46<br><b>Total : 16,091.46</b>                        |
| 112811868                               | 3/3/2016  | 000245 | KAISER FOUNDATION HEALTH PLAN | 107795-0001- 3/16                      | RETIREE HEALTH PREMIUMS<br>100-6030-6030-1150-0000-000   | 3,332.07<br><b>Total : 3,332.07</b>                          |
| 400281788                               | 3/4/2016  | 093712 | SIEMENS INDUSTRY INC.         | 5610011482<br>5620007713<br>5620008941 | ST- TRAFFIC SIGNAL MAINT.<br>210-6150-6160-2460-0000-000<br>ST- TRAFFIC SIGNAL MAINT.<br>210-6150-6160-2460-0000-000<br>ST- TRAFFIC SIGNAL MAINT.<br>210-6150-6160-2460-0000-000 | 4,165.00<br>8,881.84<br>2,283.00<br><b>Total : 15,329.84</b> |
| <b>135 Vouchers for bank code : boa</b> |           |        |                               |  |  | <b>Bank total : 1,330,013.86</b>                             |
| <b>135 Vouchers in this report</b>      |           |        |                               |  |  | <b>Total vouchers : 1,330,013.86</b>                         |

Bank code : boa

| Voucher | Date | Vendor | Invoice | PO # | Description/Account | Amount |
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\_\_\_\_\_  
Anita Agramonte  
Finance Director

  
\_\_\_\_\_  
Aurelio De La Torre  
City Treasurer

Bank code : boa

| Voucher | Date      | Vendor                               | Invoice             | PO #   | Description/Account            | Amount          |
|---------|-----------|--------------------------------------|---------------------|--------|--------------------------------|-----------------|
| 154840  | 3/17/2016 | 092955 12MILESOUT                    | 21557               |        | I.S.- VIDEO STREAMING SERVICES |                 |
|         |           |                                      |                     | 015653 | 606-6040-6044-2240-0000-000    | 600.00          |
|         |           |                                      |                     |        | <b>Total :</b>                 | <b>600.00</b>   |
| 154841  | 3/17/2016 | cbc0540 ABNEY, ERIKA                 | 00590310            |        | CLOSING BILL CREDIT            |                 |
|         |           |                                      |                     |        | 520-2450-232                   | 129.62          |
|         |           |                                      |                     |        | <b>Total :</b>                 | <b>129.62</b>   |
| 154842  | 3/17/2016 | 058493 AETNA                         | AT0066- APRIL 16    |        | RETIREE HEALTH PREMIUMS        |                 |
|         |           |                                      |                     |        | 100-6030-6030-1150-0000-000    | 1,426.93        |
|         |           |                                      |                     |        | <b>Total :</b>                 | <b>1,426.93</b> |
| 154843  | 3/17/2016 | 093774 AMERICAN NATIONAL RED CROSS & | 10431032            |        | COMM SVCS- FIRST AID TRAINING  |                 |
|         |           |                                      |                     | 015530 | 100-6200-6202-1160-0000-000    | 340.20          |
|         |           |                                      |                     |        | <b>Total :</b>                 | <b>340.20</b>   |
| 154844  | 3/17/2016 | 047137 ANDERSON, GAREN               | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT      |                 |
|         |           |                                      |                     |        | 100-6030-6030-1150-0000-000    | 680.37          |
|         |           |                                      |                     |        | <b>Total :</b>                 | <b>680.37</b>   |
| 154845  | 3/17/2016 | 001139 ANIMAL EMERGENCY CLINIC       | JAN 16              |        | PD- VETERINARIAN SERVICES      |                 |
|         |           |                                      |                     | 015561 | 100-6070-6071-2350-0000-000    | 70.00           |
|         |           |                                      |                     |        | <b>Total :</b>                 | <b>70.00</b>    |
| 154846  | 3/17/2016 | 093989 ANIXTER POWER SOLUTIONS INC.  | 3106127-00          |        | ELEC INV- HARDWARE SUPPLIES    |                 |
|         |           |                                      |                     | 016094 | 520-1500-154                   | 732.00          |
|         |           |                                      |                     |        | 520-1500-154                   | 58.56           |
|         |           |                                      | 3106127-01          |        | ELEC INV- HARDWARE SUPPLIES    |                 |
|         |           |                                      |                     | 016094 | 520-1500-154                   | 277.50          |
|         |           |                                      |                     |        | 520-1500-154                   | 22.20           |
|         |           |                                      |                     |        | <b>Total :</b>                 | <b>1,090.26</b> |
| 154847  | 3/17/2016 | 046028 AT & T                        | 0001454-0316        |        | I.S.- TELEPHONE SERVICES       |                 |
|         |           |                                      |                     | 054153 | 606-6040-6044-2310-0000-000    | 1,092.91        |
|         |           |                                      | 2532447-0216        |        | TELEPHONE SERVICES             |                 |
|         |           |                                      |                     | 054153 | 100-6070-6071-2310-0000-000    | 553.81          |

Bank code : boa

| Voucher | Date      | Vendor        | Invoice      | PO #   | Description/Account  | Amount |
|---------|-----------|---------------|--------------|--------|--|--------|
| 154847  | 3/17/2016 | 046028 AT & T | (Continued)  |        |  |        |
|         |           |               | 2545539-0216 | 054153 | PD- TELEPHONE SERVICES<br>100-6070-6071-2310-0000-000        | 48.81  |
|         |           |               | 2545540-0216 | 054153 | PD- TELEPHONE SERVICES<br>100-6070-6071-2310-0000-000        | 48.81  |
|         |           |               | 3438452-0216 | 054153 | PD- TELEPHONE SERVICES<br>100-6070-6071-2310-0000-000        | 399.07 |
|         |           |               | 3701325-0316 | 054153 | I.S.- TELEPHONE SERVICES<br>606-6040-6044-2310-0000-000      | 16.28  |
|         |           |               | 3701428-0216 | 054153 | COMM SVCS- TELEPHONE SERVICES<br>100-6200-6250-2310-0000-000 | 95.48  |
|         |           |               | 3704162-0316 | 054153 | C. CARE- TELEPHONE SERVICES<br>206-7200-7202-2310-0000-000   | 102.73 |
|         |           |               | 4221867-0216 | 054153 | COMM SVCS- TELEPHONE SERVICES<br>100-6200-6250-2310-0000-000 | 18.63  |
|         |           |               | 5129287-0216 | 054153 | I.S.- TELEPHONE SERVICES<br>606-6040-6044-2310-0000-000      | 393.87 |
|         |           |               | 5141132-0216 | 054153 | PD- TELEPHONE SERVICES<br>100-6070-6071-2310-0000-000        | 333.12 |
|         |           |               | 5141746-0216 | 054153 | C. CARE- TELEPHONE SERVICES<br>206-7200-7202-2310-0000-000   | 18.63  |
|         |           |               | 7833573-0216 | 054153 | COMM SVC- TELEPHONE SERVICES<br>100-6200-6250-2310-0000-000  | 18.63  |
|         |           |               | 7837506-0216 | 054153 | PD- TELEPHONE SERVICES<br>100-6070-6071-2310-0000-000        | 16.75  |
|         |           |               | 7838104-0316 | 054153 | ELEC- TELEPHONE SERVICES<br>606-6040-6044-2310-0000-000      | 110.16 |
|         |           |               | 8243147-0216 | 054153 | FIRE- TELEPHONE SERVICES<br>100-6090-6094-2310-0000-000      | 269.81 |
|         |           |               | 8249576-0216 | 054153 | LIB- TELEPHONE SERVICES<br>100-6200-6250-2310-0000-000       | 18.63  |
|         |           |               | 8252211-0216 | 054153 | PD- TELEPHONE SERVICES<br>100-6070-6071-2310-0000-000        | 25.72  |
|         |           |               | 8720162-0216 | 054153 | I. S.- TELEPHONE SERVICES<br>606-6040-6044-2310-0000-000     | 18.63  |
|         |           |               | 8798315-0216 | 054153 | COMM SVC- TELEPHONE SERVICES<br>100-6200-6250-2310-0000-000  | 18.63  |

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| Voucher | Date      | Vendor                         | Invoice             | PO #   | Description/Account   | Amount                                |
|---------|-----------|--------------------------------|---------------------|--------|---|---------------------------------------|
| 154847  | 3/17/2016 | 046028 046028 AT & T           | (Continued)         |        |   | <b>Total : 3,619.11</b>               |
| 154848  | 3/17/2016 | 093746 AT & T                  | 287254304436X022716 | 015458 | ELEC- PHONE SURVEILLANCE CAMER<br>520-8000-8004-2301-0921-000   | 29.01<br><b>Total : 29.01</b>         |
| 154849  | 3/17/2016 | 000205 AT&T                    | 2710100-0216        | 054152 | PD- TELEPHONE SERVICES<br>100-6070-6071-2310-0000-000           | 33.29                                 |
|         |           |                                | 2710101-0216        | 054152 | PD- TELEPHONE SERVICES<br>100-6070-6071-2310-0000-000           | 33.30                                 |
|         |           |                                | 7830875-0216        | 054152 | DEV SVCS- TELEPHONES SERVICES<br>100-6300-6301-2310-0000-000    | 37.59<br><b>Total : 104.18</b>        |
| 154850  | 3/17/2016 | cbc0552 AUSTIN, GEORGE         | 00270875            |        | CLOSING BILL CREDIT<br>520-2450-232                             | 83.57<br><b>Total : 83.57</b>         |
| 154851  | 3/17/2016 | 092800 AUTOMATIONDIRECT.COM    | 6794226             | 015752 | ELEC- EQUIPMENT PARTS<br>520-8000-8009-2225-0548-000            | 311.00<br><b>Total : 311.00</b>       |
| 154852  | 3/17/2016 | 092435 B. L. ELECTRICALS, INC. | 2016/20             | 016186 | ELEC- MAINT. OF BREAKERS & METER<br>520-8000-8009-2225-0548-000 | 24,975.00<br><b>Total : 24,975.00</b> |
| 154853  | 3/17/2016 | cbc0518 BARBOUR, LACEY         | 00290520            |        | CLOSING BILL CREDIT<br>520-2450-232                             | 60.38<br><b>Total : 60.38</b>         |
| 154854  | 3/17/2016 | 003632 BEACHTEL, MIKE          | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000        | 2,138.40<br><b>Total : 2,138.40</b>   |
| 154855  | 3/17/2016 | 042098 BICKERS, DENNIS R       | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000        | 2,858.58<br><b>Total : 2,858.58</b>   |

Bank code : boa

| Voucher | Date      | Vendor                              | Invoice             | PO #   | Description/Account                | Amount          |
|---------|-----------|-------------------------------------|---------------------|--------|------------------------------------|-----------------|
| 154856  | 3/17/2016 | 033590 BIO-TOX LABORATORIES         | 31663               |        | PD- LAB ANALYSIS                   |                 |
|         |           |                                     |                     | 015557 | 100-6070-6071-2350-0000-000        | 782.00          |
|         |           |                                     |                     |        | <b>Total :</b>                     | <b>782.00</b>   |
| 154857  | 3/17/2016 | 013839 BLINKINSOP, DOUGLAS          | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT          |                 |
|         |           |                                     |                     |        | 100-6030-6030-1150-0000-000        | 1,942.62        |
|         |           |                                     |                     |        | <b>Total :</b>                     | <b>1,942.62</b> |
| 154858  | 3/17/2016 | 093756 BRAUGHTON CONSTRUCTION INC.  | 2780                |        | PD- EMERGENCY BOARD UPS            |                 |
|         |           |                                     |                     | 016044 | 100-6070-6071-2240-0000-000        | 355.00          |
|         |           |                                     |                     |        | <b>Total :</b>                     | <b>355.00</b>   |
| 154859  | 3/17/2016 | 093948 BRAUN BLAISING MCLAUGHLIN &  | 15938               |        | ELEC- LEGAL SERVICES               |                 |
|         |           |                                     |                     | 015814 | 520-8000-8001-2350-0923-000        | 602.30          |
|         |           |                                     |                     |        | <b>Total :</b>                     | <b>602.30</b>   |
| 154860  | 3/17/2016 | cbc0535 BURTON, CECILIA             | 00271020            |        | CLOSING BILL CREDIT                |                 |
|         |           |                                     |                     |        | 520-2450-232                       | 106.88          |
|         |           |                                     |                     |        | <b>Total :</b>                     | <b>106.88</b>   |
| 154861  | 3/17/2016 | 060264 CAMPA, JANICE                | REBATE- A/C UPGRADE |        | PUBLIC BEN- RESIDENTIAL A/C REBATE |                 |
|         |           |                                     |                     |        | 526-8000-8035-2041-0930-010        | 800.00          |
|         |           |                                     |                     |        | <b>Total :</b>                     | <b>800.00</b>   |
| 154862  | 3/17/2016 | cbc0530 CAMPANA, NANCY              | 00730690            |        | CLOSING BILL CREDIT                |                 |
|         |           |                                     |                     |        | 520-2450-232                       | 44.01           |
|         |           |                                     |                     |        | <b>Total :</b>                     | <b>44.01</b>    |
| 154863  | 3/17/2016 | cbc0533 CARRERA, GUADALUPE          | 00570280            |        | CLOSING BILL CREDIT                |                 |
|         |           |                                     |                     |        | 520-2450-232                       | 183.05          |
|         |           |                                     |                     |        | <b>Total :</b>                     | <b>183.05</b>   |
| 154864  | 3/17/2016 | 092703 CASTLE ANALYTICAL LABORATORY | 602124              |        | ELEC- TESTING OIL SAMPLES          |                 |
|         |           |                                     |                     | 015605 | 520-8000-8004-2301-0921-000        | 45.00           |
|         |           |                                     |                     |        | <b>Total :</b>                     | <b>45.00</b>    |
| 154865  | 3/17/2016 | 092018 CB TYRES RECYCLING RESOURCES | 18334               |        | ST- TIRE DISPOSAL SERVICE          |                 |
|         |           |                                     |                     | 015797 | 210-6150-6160-2350-0000-000        | 28.00           |

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| Voucher | Date      | Vendor                              | Invoice              | PO #   | Description/Account   | Amount                                |
|---------|-----------|-------------------------------------|----------------------|--------|---|---------------------------------------|
| 154865  | 3/17/2016 | 092018 CB TYRES RECYCLING RESOURCES | (Continued)<br>18336 | 015797 | ST- TIRE DISPOSAL SERVICE<br>210-6150-6160-2350-0000-000            | 35.00<br><b>Total : 63.00</b>         |
| 154866  | 3/17/2016 | cbc0247 CC STAFFING                 | 00790295             |        | CLOSING BILL CREDIT<br>520-2450-232                                 | 151.59<br><b>Total : 151.59</b>       |
| 154867  | 3/17/2016 | 045027 CDW GOVERNMENT               | CGP7489              | 016200 | COMM SVCS- PRINTER & TONER<br>100-6200-6213-2300-0000-000           | 273.10<br>21.84                       |
|         |           |                                     | CGZ2340              | 016200 | COMM SVCS- PRINTER PROTECTION I<br>100-6200-6213-2300-0000-000      | 9.92<br><b>Total : 304.86</b>         |
| 154868  | 3/17/2016 | 060262 CERDA, ABEL                  | REBATE- WASHER       |        | PUBLIC BEN- ENERGY EFFICIENCY REBATE<br>526-8000-8035-2041-0930-010 | 75.00<br><b>Total : 75.00</b>         |
| 154869  | 3/17/2016 | 093729 CHILDCARE CAREERS, LLC       | 231276               | 015460 | C. CARE- TEACHERS & AIDES<br>206-7200-7202-2350-0000-000            | 186.23<br><b>Total : 186.23</b>       |
| 154870  | 3/17/2016 | 046237 COAST FITNESS REPAIR SHOP    | 59817                | 016137 | COMM SVCS- SERVICE GYM EQUIP.<br>100-6200-6208-2350-0000-000        | 300.00                                |
|         |           |                                     | 61795                | 016137 | COMM SVCS- SERVICE GYM EQUIP.<br>100-6200-6208-2350-0000-000        | 300.00<br><b>Total : 600.00</b>       |
| 154871  | 3/17/2016 | 093545 COLLECTOR SOLUTIONS, INC.    | 2015706              | 015654 | C/S- ELECTRONIC COLLECTION SVC<br>100-6040-6042-2670-0000-000       | 16,022.14<br><b>Total : 16,022.14</b> |
| 154872  | 3/17/2016 | cbc0548 CONTRERAS, VICTOR           | 00850278             |        | CLOSING BILL CREDIT<br>520-2450-232                                 | 71.12<br><b>Total : 71.12</b>         |

Bank code : boa

| Voucher | Date      | Vendor                                | Invoice             | PO #   | Description/Account   | Amount                              |
|---------|-----------|---------------------------------------|---------------------|--------|---|-------------------------------------|
| 154873  | 3/17/2016 | cbc0521 D. FERMIN                     | 00700095            |        | CLOSING BILL CREDIT<br>520-2450-232                             | 458.31<br><b>Total : 458.31</b>     |
| 154874  | 3/17/2016 | cbc0522 DEJAN, BERTHA                 | 00269764            |        | CLOSING BILL CREDIT<br>520-2450-232                             | 43.90<br><b>Total : 43.90</b>       |
| 154875  | 3/17/2016 | 003456 DEVINE, JERRY                  | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000        | 1,295.08<br><b>Total : 1,295.08</b> |
| 154876  | 3/17/2016 | cbc0537 DON ST. JEAN                  | 00731414            |        | CLOSING BILL CREDIT<br>520-2450-232                             | 115.42<br><b>Total : 115.42</b>     |
| 154877  | 3/17/2016 | 093981 DRIFTWOOD DAIRY INC.           | 4619683             | 015828 | COMM SVCS- MILK- SNACK PROGRAM<br>100-6200-6215-2301-0000-000   | 62.31<br><b>Total : 62.31</b>       |
| 154878  | 3/17/2016 | 044718 ELLISON, PHILIP                | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000        | 1,829.91<br><b>Total : 1,829.91</b> |
| 154879  | 3/17/2016 | 093628 ENERGY MANAGEMENT LLC          | 02-2016             | 016065 | ELEC- PROF SVCS- BIOGAS SUPPLIES<br>520-8000-8001-2350-0923-000 | 1,125.00<br><b>Total : 1,125.00</b> |
| 154880  | 3/17/2016 | 003140 ENTWISTLE, ROGER               | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000        | 2,138.40<br><b>Total : 2,138.40</b> |
| 154881  | 3/17/2016 | cbc0538 EVANS, BRIAN                  | 00590185            |        | CLOSING BILL CREDIT<br>520-2450-232                             | 53.71<br><b>Total : 53.71</b>       |
| 154882  | 3/17/2016 | 044801 EVERBANK COMMERCIAL FINANCE IN | 3603955             | 015587 | C/S- MAINTENANCE ON COPIER<br>100-6040-6042-2420-0000-000       | 317.30                              |

Bank code : boa

| Voucher | Date      | Vendor  | Invoice                               | PO #          | Description/Account   | Amount   |
|---------|-----------|---------|---------------------------------------|---------------|---|--|
| 154882  | 3/17/2016 | 044801  | 044801 EVERBANK COMMERCIAL FINANCE IN | (Continued)   |   | <b>Total : 317.30</b>                          |
| 154883  | 3/17/2016 | 001422  | FERGUSON ENTERPRISES INC #1350        | 3035953       | 054171 BM- PLUMBING SUPPLIES<br>605-6150-6211-2250-6211-000                               | 1,227.30<br><b>Total : 1,227.30</b>            |
| 154884  | 3/17/2016 | cbc0529 | FERNANDEZ, TANIA                      | 00790820      | CLOSING BILL CREDIT<br>520-2450-232   | 171.47<br><b>Total : 171.47</b>                |
| 154885  | 3/17/2016 | 093728  | FIRE APPARATUS SOLUTIONS              | 9991          | 015586 FIRE- VEHICLE MAINTENANCE<br>100-6090-6091-2210-0000-000                           | 217.63   |
|         |           |         |                                       | 9992          | 015586 FIRE- VEHICLE MAINTENANCE<br>100-6090-6091-2210-0000-000                           | 190.20   |
|         |           |         |                                       | 9993          | 015586 FIRE- VEHICLE MAINTENANCE<br>100-6090-6091-2210-0000-000                           | 92.25<br><b>Total : 500.08</b>                 |
| 154886  | 3/17/2016 | 019353  | FLO-SYSTEMS, INC                      | F15740-15N338 | 015922 WW- REPLACEMENT PUMP<br>522-8200-8200-2256-0000-000<br>522-8200-8200-2256-0000-000 | 9,307.00<br>744.56<br><b>Total : 10,051.56</b> |
| 154887  | 3/17/2016 | 093928  | FLYERS ENERGY, LLC                    | 16-213674     | 054201 INV- FUEL, DIESEL, AND LUBRICANTS<br>100-1530-000                                  | 8,619.42                                       |
|         |           |         |                                       | 16-218852     | 054201 FIRE- DIESEL FUEL<br>100-6090-6091-2210-0000-000                                   | 453.72<br><b>Total : 9,073.14</b>              |
| 154888  | 3/17/2016 | 093488  | FRUIT GROWERS SUPPLY COMPANY          | 91743319      | 015452 FIRE- EQUIPMENT PARTS<br>100-6090-6091-2240-0000-000                               | 149.20<br><b>Total : 149.20</b>                |
| 154889  | 3/17/2016 | 093986  | FUN EXPRESS, LLC                      | 676420511-01  | COMM SVCS- SUPPLIES FOR EVENTS<br>100-6200-6214-2306-0000-000<br>762-2210-000             | 144.53<br>-10.71<br><b>Total : 133.82</b>      |

Bank code : boa

| Voucher        | Date      | Vendor                      | Invoice       | PO #   | Description/Account                                  | Amount          |
|----------------|-----------|-----------------------------|---------------|--------|--|-----------------|
| 154890         | 3/17/2016 | 049905 GARCIA, JESUS        | 00890580-2016 |        | C/S- LEVEL PAY PLAN REFUND<br>520-2450-232           | 152.55          |
| <b>Total :</b> |           |                             |               |        |  | <b>152.55</b>   |
| 154891         | 3/17/2016 | 092051 GE MOBILE WATER, INC | 98140891      | 015689 | ELEC- EQUIPMENT LEASE<br>520-8000-8009-2225-0548-000 | 7,696.70        |
| <b>Total :</b> |           |                             |               |        |  | <b>7,696.70</b> |
| 154892         | 3/17/2016 | 000157 GENUINE AUTO PARTS   | 137252        |        | AUTOMOTIVE- BRAKE LATHE                              |                 |
|                |           |                             |               | 016230 | 608-6150-8700-2210-6071-000                          | 4,764.77        |
|                |           |                             |               | 016230 | 608-6150-8700-2210-6151-000                          | 101.38          |
|                |           |                             |               | 016230 | 608-6150-8700-2210-6160-000                          | 709.65          |
|                |           |                             |               | 016230 | 608-6150-8700-2210-6200-000                          | 101.38          |
|                |           |                             |               | 016230 | 608-6150-8700-2210-6205-000                          | 608.27          |
|                |           |                             |               | 016230 | 608-6150-8700-2210-6211-000                          | 101.38          |
|                |           |                             |               | 016230 | 608-6150-8700-2210-8000-000                          | 1,216.54        |
|                |           |                             |               | 016230 | 608-6150-8700-2210-8101-000                          | 1,115.16        |
|                |           |                             |               | 016230 | 608-6150-8700-2210-8200-000                          | 1,317.91        |
|                |           |                             |               | 016230 | 608-6150-8700-2210-8700-000                          | 101.36          |
|                |           |                             |               |        | 608-6150-8700-2210-6071-000                          | 381.18          |
|                |           |                             |               |        | 608-6150-8700-2210-6151-000                          | 8.11            |
|                |           |                             |               |        | 608-6150-8700-2210-6160-000                          | 56.77           |
|                |           |                             |               |        | 608-6150-8700-2210-6211-000                          | 8.11            |
|                |           |                             |               |        | 608-6150-8700-2210-8000-000                          | 97.32           |
|                |           |                             |               |        | 608-6150-8700-2210-8101-000                          | 89.21           |
|                |           |                             |               |        | 608-6150-8700-2210-8200-000                          | 105.43          |
|                |           |                             |               |        | 608-6150-8700-2210-8700-000                          | 8.12            |
|                |           |                             |               |        | 608-6150-8700-2210-6200-000                          | 8.11            |
|                |           |                             |               |        | 608-6150-8700-2210-6205-000                          | 48.66           |
|                |           |                             | 137571        |        | AUTOMOTIVE PARTS                                     |                 |
|                |           |                             |               | 016216 | 608-6150-8700-2210-6071-000                          | 454.90          |
|                |           |                             |               | 016216 | 608-6150-8700-2210-6151-000                          | 9.68            |
|                |           |                             |               | 016216 | 608-6150-8700-2210-6160-000                          | 67.75           |
|                |           |                             |               | 016216 | 608-6150-8700-2210-6200-000                          | 9.68            |
|                |           |                             |               | 016216 | 608-6150-8700-2210-6205-000                          | 58.07           |
|                |           |                             |               | 016216 | 608-6150-8700-2210-6211-000                          | 9.68            |
|                |           |                             |               | 016216 | 608-6150-8700-2210-8000-000                          | 116.15          |

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| Voucher        | Date      | Vendor                    | Invoice     | PO #   | Description/Account         | Amount           |
|----------------|-----------|---------------------------|-------------|--------|-----------------------------|------------------|
| 154892         | 3/17/2016 | 000157 GENUINE AUTO PARTS | (Continued) |        |                             |                  |
|                |           |                           |             | 016216 | 608-6150-8700-2210-8101-000 | 106.47           |
|                |           |                           |             | 016216 | 608-6150-8700-2210-8200-000 | 125.82           |
|                |           |                           |             | 016216 | 608-6150-8700-2210-8700-000 | 9.68             |
|                |           |                           |             |        | 608-6150-8700-2210-6071-000 | 36.39            |
|                |           |                           |             |        | 608-6150-8700-2210-6151-000 | 0.77             |
|                |           |                           |             |        | 608-6150-8700-2210-6160-000 | 5.42             |
|                |           |                           |             |        | 608-6150-8700-2210-6200-000 | 0.77             |
|                |           |                           |             |        | 608-6150-8700-2210-6205-000 | 4.65             |
|                |           |                           |             |        | 608-6150-8700-2210-6211-000 | 0.77             |
|                |           |                           |             |        | 608-6150-8700-2210-8000-000 | 9.29             |
|                |           |                           |             |        | 608-6150-8700-2210-8101-000 | 8.52             |
|                |           |                           |             |        | 608-6150-8700-2210-8200-000 | 10.07            |
|                |           |                           |             |        | 608-6150-8700-2210-8700-000 | 0.78             |
| <b>Total :</b> |           |                           |             |        |                             | <b>11,994.13</b> |
| 154893         | 3/17/2016 | 000157 GENUINE AUTO PARTS | 129951      |        | AUTOMOTIVE PARTS            |                  |
|                |           |                           |             | 054176 | 100-6070-6071-2300-0000-000 | 18.89            |
|                |           |                           | 138646      |        | FIRE- CREDIT                |                  |
|                |           |                           |             | 054176 | 100-6090-6091-2210-0000-000 | -55.23           |
|                |           |                           | 138759      |        | AUTOMOTIVE PARTS            |                  |
|                |           |                           |             | 054176 | 608-6150-8700-2210-6160-000 | 151.03           |
|                |           |                           | 139394      |        | ST- AUTOMOTIVE PARTS        |                  |
|                |           |                           |             | 054176 | 210-6150-6160-2301-0000-000 | 12.72            |
|                |           |                           | 140611      |        | FIRE- AUTOMOTIVE PARTS      |                  |
|                |           |                           |             | 054176 | 100-6090-6091-2210-0000-000 | 13.90            |
|                |           |                           | 140712      |        | FIRE- AUTOMOTIVE PARTS      |                  |
|                |           |                           |             | 054176 | 100-6090-6091-2210-0000-000 | 1.66             |
|                |           |                           | 141247      |        | AUTOMOTIVE PARTS            |                  |
|                |           |                           |             | 054176 | 608-6150-8700-2210-8200-000 | 5.97             |
|                |           |                           | 141248      |        | AUTOMOTIVE PARTS            |                  |
|                |           |                           |             | 054176 | 608-6150-8700-2210-8200-000 | 17.12            |
|                |           |                           | 141409      |        | AUTOMOTIVE PARTS            |                  |
|                |           |                           |             | 054176 | 520-8000-8004-2301-0921-000 | 150.10           |
|                |           |                           | 141423      |        | FIRE- AUTOMOTIVE PARTS      |                  |
|                |           |                           |             | 054176 | 100-6090-6091-2210-0000-000 | 31.78            |
|                |           |                           | 141442      |        | AUTOMOTIVE PARTS            |                  |

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| 154893  | 3/17/2016 | 000157  | GENUINE AUTO PARTS             |           | (Continued)  |                    |
|         |           |         | 141443                         | 054176    | 608-6150-8700-2210-6160-000<br>AUTOMOTIVE PARTS                            | 138.68             |
|         |           |         | 141585                         | 054176    | 608-6150-8700-2210-6160-000<br>ELEC- AUTOMOTIVE PARTS                      | 73.06              |
|         |           |         | 141588                         | 054176    | 520-8000-8004-2301-0921-000<br>ELEC- AUTOMOTIVE PARTS                      | 101.26             |
|         |           |         | 141872                         | 054176    | 520-8000-8004-2301-0921-000<br>FIRE- AUTOMOTIVE PARTS                      | 6.40               |
|         |           |         | 141935                         | 054176    | 100-6090-6091-2210-0000-000<br>FIRE- AUTOMOTIVE PARTS                      | 24.18              |
|         |           |         |                                | 054176    | 100-6090-6091-2210-0000-000  | 12.94              |
|         |           |         |                                |           | <b>Total :</b>   | <b>704.46</b>      |
| 154894  | 3/17/2016 | cbc0551 | GOCIU, ALEXANDRU               | 00970465  | CLOSING BILL CREDIT<br>520-2450-232  | 73.07              |
|         |           |         |                                |           | <b>Total :</b>   | <b>73.07</b>       |
| 154895  | 3/17/2016 | 060263  | GODDARD, CHERYL                |           | REBATE- MULCH<br>WATER CONSERVCATION REBATE<br>521-8100-8110-2041-0000-000 | 185.15             |
|         |           |         |                                |           | <b>Total :</b>   | <b>185.15</b>      |
| 154896  | 3/17/2016 | 092564  | GORM INC.                      | 232962    | INV- JANITORIAL SUPPLIES<br>100-1500-000<br>100-1500-000                   | 1,993.96<br>159.52 |
|         |           |         |                                | 016166    |  |                    |
|         |           |         |                                |           | <b>Total :</b>   | <b>2,153.48</b>    |
| 154897  | 3/17/2016 | 000160  | GRAYBAR ELECTRIC CO            | 982145058 | BM- ELECTRIC PARTS<br>605-6150-6211-2250-6211-000                          | 11.71              |
|         |           |         | 983644883                      | 054178    | BM- ELECTRIC PARTS   |                    |
|         |           |         | 983963170                      | 054178    | 605-6150-6211-2250-6205-000  | 9.72               |
|         |           |         |                                | 054178    | ELEC- ELECTRIC PARTS<br>520-8000-8004-2301-0921-000                        | 68.72              |
|         |           |         |                                |           | <b>Total :</b>   | <b>90.15</b>       |
| 154898  | 3/17/2016 | 093952  | GREEN ACRES ADVERTISING DESIGN | 3451      | PUBLIC BEN - MARKETING FEES<br>526-8000-8035-2350-0923-000                 | 1,833.34           |
|         |           |         |                                | 015602    |  |                    |

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| 154898         | 3/17/2016 | 093952 GREEN ACRES ADVERTISING DESIGN | (Continued)  |        |                                     |                 |
|                |           |                                       |              | 015602 | 526-8000-8037-2350-0923-000         | 1,833.34        |
|                |           |                                       |              | 015602 | 526-8000-8038-2350-0923-000         | 1,833.32        |
| <b>Total :</b> |           |                                       |              |        |                                     | <b>5,500.00</b> |
| 154899         | 3/17/2016 | cbc0550 GREEN, LYNN                   | 00490635     |        | CLOSING BILL CREDIT<br>520-2450-232 | 201.21          |
| <b>Total :</b> |           |                                       |              |        |                                     | <b>201.21</b>   |
| 154900         | 3/17/2016 | cbc0524 HACES, ALBERTO                | 00882690     |        | CLOSING BILL CREDIT<br>520-2450-232 | 74.85           |
| <b>Total :</b> |           |                                       |              |        |                                     | <b>74.85</b>    |
| 154901         | 3/17/2016 | 092610 HD SUPPLY WATERWORKS           | F072598      |        | W. INV- HARDWARE SUPPLIES           |                 |
|                |           |                                       |              | 016129 | 521-1500-000                        | 4,944.38        |
|                |           |                                       |              |        | 521-1500-000                        | 395.54          |
| <b>Total :</b> |           |                                       |              |        |                                     | <b>5,339.92</b> |
| 154902         | 3/17/2016 | 044960 HERTZ EQUIPMENT RENTAL         | 28398653-001 |        | ST- EQUIPMENT RENTAL                |                 |
|                |           |                                       |              | 016145 | 210-6150-6160-2301-0000-000         | 450.00          |
|                |           |                                       |              |        | 210-6150-6160-2301-0000-000         | 36.00           |
| <b>Total :</b> |           |                                       |              |        |                                     | <b>486.00</b>   |
| 154903         | 3/17/2016 | 025906 HOME DEPOT                     | 1310579      |        | ELEC- CREDIT                        |                 |
|                |           |                                       |              | 015509 | 520-8000-8009-2225-0548-000         | -480.56         |
|                |           |                                       | 1564732      |        | ELEC- HARDWARE SUPPLIES             |                 |
|                |           |                                       |              | 015509 | 520-8000-8009-2225-0548-000         | 366.41          |
|                |           |                                       | 5010540      |        | ELEC- HARDWARE SUPPLIES             |                 |
|                |           |                                       |              | 015509 | 520-8000-8009-2225-0548-000         | 47.75           |
|                |           |                                       | 5564789      |        | ELEC- HARDWARE SUPPLIES             |                 |
|                |           |                                       |              | 015509 | 520-8000-8009-2225-0548-000         | 30.06           |
|                |           |                                       | 6564716      |        | PARKS- HARDWARE SUPPLIES            |                 |
|                |           |                                       |              | 015790 | 100-6150-6205-2301-0000-000         | 150.69          |
|                |           |                                       | W463023364   |        | ELEC- HARDWARE SUPPLIES             |                 |
|                |           |                                       |              | 015509 | 520-8000-8009-2225-0548-000         | 480.56          |
| <b>Total :</b> |           |                                       |              |        |                                     | <b>594.91</b>   |

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| 154904  | 3/17/2016 | 025906 HOME DEPOT              | 1021244             |        | ELEC- HARDWARE SUPPLIES        |                 |
|         |           |                                |                     | 054181 | 520-8000-8003-2255-0592-100    | 217.34          |
|         |           |                                | 3564264             |        | BM- HARDWARE SUPPLIES          |                 |
|         |           |                                |                     | 054182 | 605-6150-6211-2250-6205-000    | 12.47           |
|         |           |                                | 7020765             |        | ELEC- HARDWARE SUPPLIES        |                 |
|         |           |                                |                     | 054181 | 520-8000-8003-2301-0921-000    | 84.68           |
|         |           |                                | 8121393             |        | BM- HARDWARE SUPPLIES          |                 |
|         |           |                                |                     | 054182 | 605-6150-6211-2250-6217-000    | 16.94           |
|         |           |                                | 8583166             |        | ELEC- HARDWARE SUPPLIES        |                 |
|         |           |                                |                     | 054181 | 520-8000-8003-2301-0921-000    | 44.36           |
|         |           |                                |                     |        | <b>Total :</b>                 | <b>375.79</b>   |
| 154905  | 3/17/2016 | 092080 HORIBA INSTRUMENTS INC. | 5100166264          |        | ELEC- PARTS NEEDED POWER PLANT |                 |
|         |           |                                |                     | 015510 | 520-8000-8009-2225-0548-000    | 2,876.53        |
|         |           |                                |                     |        | <b>Total :</b>                 | <b>2,876.53</b> |
| 154906  | 3/17/2016 | 042382 HORN, WILLIAM A         | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT      |                 |
|         |           |                                |                     |        | 100-6030-6030-1150-0000-000    | 379.23          |
|         |           |                                |                     |        | <b>Total :</b>                 | <b>379.23</b>   |
| 154907  | 3/17/2016 | 037218 HOSE MAN                | 6179477-0001-06     |        | ELEC- HOSE REPAIRS             |                 |
|         |           |                                |                     | 054185 | 520-8000-8004-2301-0921-000    | 50.67           |
|         |           |                                |                     |        | <b>Total :</b>                 | <b>50.67</b>    |
| 154908  | 3/17/2016 | cbc0542 HUBBARD, KIMBERLY      | 00780090            |        | CLOSING BILL CREDIT            |                 |
|         |           |                                |                     |        | 520-2450-232                   | 127.78          |
|         |           |                                |                     |        | <b>Total :</b>                 | <b>127.78</b>   |
| 154909  | 3/17/2016 | cbc0545 HUCKEBA, JENNIFER      | 00740170            |        | CLOSING BILL CREDIT            |                 |
|         |           |                                |                     |        | 520-2450-232                   | 551.35          |
|         |           |                                |                     |        | <b>Total :</b>                 | <b>551.35</b>   |
| 154910  | 3/17/2016 | 044774 HUMPHREY, BRANDON       | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT      |                 |
|         |           |                                |                     |        | 100-6030-6030-1150-0000-000    | 2,677.74        |
|         |           |                                |                     |        | <b>Total :</b>                 | <b>2,677.74</b> |
| 154911  | 3/17/2016 | 016765 HYDRO SCAPE             | 13116-99            |        | PARKS- LANDSCAPING SUPPLIES    |                 |
|         |           |                                |                     | 015796 | 100-6150-6205-2301-0000-000    | 20.55           |

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| 154911  | 3/17/2016 | 016765 HYDRO SCAPE                    | (Continued)<br>9488707-00 |        | PARKS- LANDSCAPING SUPPLIES<br>100-6150-6205-2301-0000-000  | 87.18           |
|         |           |                                       | 9490588-00                | 015796 | PARKS- LANDSCAPING SUPPLIES<br>100-6150-6205-2301-0000-000  | 153.30          |
|         |           |                                       | 9499679-00                | 015796 | PARKS- LANDSCAPING SUPPLIES<br>100-6150-6205-2301-0000-000  | 375.20          |
|         |           |                                       | 9499791-00                | 015796 | PARKS- LANDSCAPING SUPPLIES<br>100-6150-6205-2301-0000-000  | 193.14          |
|         |           |                                       | 9500865-00                | 015796 | PARKS- LANDSCAPING SUPPLIES<br>100-6150-6205-2301-0000-000  | 420.43          |
|         |           |                                       | 9500865-01                | 015796 | PARKS- LANDSCAPING SUPPLIES<br>100-6150-6205-2301-0000-000  | 511.92          |
|         |           |                                       | 9508661-00                | 015796 | PARKS- LANDSCAPING SUPPLIES<br>100-6150-6205-2301-0000-000  | 165.56          |
|         |           |                                       |                           |        | <b>Total :</b>  | <b>1,927.28</b> |
| 154912  | 3/17/2016 | 093934 INDUSTRIAL SAFETY SUPPLY CORP. | 1030175                   |        | INV- SAFETY SUPPLIES<br>100-1500-000                        | 79.56           |
|         |           |                                       |                           | 016021 | 100-1500-000  | 16.57           |
|         |           |                                       |                           |        | <b>Total :</b>  | <b>96.13</b>    |
| 154913  | 3/17/2016 | 014247 INLAND OVERHEAD DOOR CO        | 39776                     |        | BM- OVERHEAD DOOR MAINT.<br>605-6150-6211-2250-6091-000     | 899.50          |
|         |           |                                       |                           | 016135 |   |                 |
|         |           |                                       |                           |        | <b>Total :</b>  | <b>899.50</b>   |
| 154914  | 3/17/2016 | 029976 INTERNAL CONTROL POLYGRAPH     | 10832                     |        | HR- PRE-EMPLOYMENT POLYGRAPH<br>100-6030-6030-2342-0000-000 | 140.00          |
|         |           |                                       |                           |        | <b>Total :</b>  | <b>140.00</b>   |
| 154915  | 3/17/2016 | 059253 IRON MOUNTAIN ARCHIVE          | MGB1073                   |        | DEV SVCS- STORAGE SERVICES<br>100-6300-9050-2350-0000-000   | 105.50          |
|         |           |                                       | MJD8639                   |        | DEV SVCS- STORAGE SERVICES<br>100-6300-9050-2350-0000-000   | 105.50          |
|         |           |                                       |                           |        | <b>Total :</b>  | <b>211.00</b>   |
| 154916  | 3/17/2016 | cbc0543 JASSAN BANQUET                | 00490680                  |        | CLOSING BILL CREDIT   |                 |

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|-------------|-----------|---------------------------------------|-------------|--------|---|------------------|--|
| Voucher     | Date      | Vendor                                | Invoice     | PO #   | Description/Account   | Amount           |  |
| 154916      | 3/17/2016 | cbc0543 JASSAN BANQUET                | (Continued) |        | 520-2450-232  | 243.94           |  |
|             |           |                                       |             |        | <b>Total :</b>  | <b>243.94</b>    |  |
| 154917      | 3/17/2016 | 093456 KROGER                         | 0116047454  | 015419 | C. CARE- SUPPLIES<br>206-7200-7202-2305-0000-000                  | 61.75            |  |
|             |           |                                       | 0116047824  | 015421 | C. CARE- SUPPLIES FOR PRESCHOOL<br>206-7200-7203-2305-0000-000    | 215.63           |  |
|             |           |                                       | 0116047825  | 015421 | C. CARE- SUPPLIES FOR PRESCHOOL<br>206-7200-7203-2305-0000-000    | 281.64           |  |
|             |           |                                       |             |        | <b>Total :</b>  | <b>559.02</b>    |  |
| 154918      | 3/17/2016 | 094008 L3N CIVIL DESIGN               | 100.1601    | 016140 | W- ENGINEERING SVC & DESIGN<br>521-8100-8106-3890-0000-000        | 19,760.00        |  |
|             |           |                                       |             |        | <b>Total :</b>  | <b>19,760.00</b> |  |
| 154919      | 3/17/2016 | 059250 LANG, RON                      | 1069470.015 |        | REFUND CLEANING DEPOSIT<br>100-6747-000                           | 100.00           |  |
|             |           |                                       |             |        | <b>Total :</b>  | <b>100.00</b>    |  |
| 154920      | 3/17/2016 | cbc0517 LASHAWN, TIERIA               | 00800630    |        | CLOSING BILL CREDIT<br>520-2450-232                               | 22.25            |  |
|             |           |                                       |             |        | <b>Total :</b>  | <b>22.25</b>     |  |
| 154921      | 3/17/2016 | 039589 LAW ENFORCEMENT MEDICAL SERVIC | 12050       | 016123 | PD- BLOOD DRAW/SART KITS<br>100-6070-6071-2350-0000-000           | 1,330.00         |  |
|             |           |                                       |             |        | <b>Total :</b>  | <b>1,330.00</b>  |  |
| 154922      | 3/17/2016 | cbc0539 LEGGETT, CHRISTOPHER          | 00790605    |        | CLOSING BILL CREDIT<br>520-2450-232                               | 21.55            |  |
|             |           |                                       |             |        | <b>Total :</b>  | <b>21.55</b>     |  |
| 154923      | 3/17/2016 | cbc0525 LIU, TONY                     | 00128025    |        | CLOSING BILL CREDIT<br>520-2450-232                               | 128.18           |  |
|             |           |                                       |             |        | <b>Total :</b>  | <b>128.18</b>    |  |
| 154924      | 3/17/2016 | 093703 MAILFINANCE INC.               | N5806363    | 015884 | C. CLERK- LEASE ON FOLDING MACHINE<br>100-6010-6010-2420-0000-000 | 449.78           |  |

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| 154924  | 3/17/2016 | 093703 MAILFINANCE INC.               | (Continued)         |        | 100-6010-6010-2420-0000-000                              | 28.09           |
|         |           |                                       |                     |        | <b>Total :</b>   | <b>477.87</b>   |
| 154925  | 3/17/2016 | 013851 MARKS, CLIFTON                 | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000 | 2,431.50        |
|         |           |                                       |                     |        | <b>Total :</b>   | <b>2,431.50</b> |
| 154926  | 3/17/2016 | cbc0528 MAYO, SHANTEL                 | 00882665            |        | CLOSING BILL CREDIT<br>520-2450-232                      | 116.11          |
|         |           |                                       |                     |        | <b>Total :</b>   | <b>116.11</b>   |
| 154927  | 3/17/2016 | 058693 MILLER, DAWN                   | EXC MED 15/16       |        | CM- MEDICAL EXPENSE<br>100-6020-6020-1100-0000-000       | 279.00          |
|         |           |                                       |                     |        | <b>Total :</b>   | <b>279.00</b>   |
| 154928  | 3/17/2016 | 041081 MISSION LINEN SUPPLY & UNIFORM | 501909167           |        | PARKS- UNIFORM RENTAL SVC                                |                 |
|         |           |                                       | 501909387           | 015794 | 100-6150-6205-1170-0000-000                              | 55.00           |
|         |           |                                       | 501909391           | 015894 | ST- UNIFORM RENTAL SVC<br>210-6150-6160-1170-0000-000    | 6.36            |
|         |           |                                       | 501909392           | 015894 | ST- UNIFORM RENTAL SVC<br>210-6150-6160-1170-0000-000    | 48.57           |
|         |           |                                       | 501947966           | 015794 | PARKS- UNIFORM RENTAL SVC<br>100-6150-6205-1170-0000-000 | 73.62           |
|         |           |                                       | 501954838           | 015794 | PARKS- UNIFORM RENTAL SVC<br>100-6150-6205-1170-0000-000 | 201.52          |
|         |           |                                       | 501954842           | 015894 | ST- UNIFORM RENTAL SVC<br>210-6150-6160-1170-0000-000    | 6.36            |
|         |           |                                       | 501954843           | 015894 | ST- UNIFORM RENTAL SVC<br>210-6150-6160-1170-0000-000    | 48.57           |
|         |           |                                       | 501999802           | 015794 | PARKS- UNIFORM RENTAL SVC<br>100-6150-6205-1170-0000-000 | 73.62           |
|         |           |                                       | 501999806           | 015894 | ST- UNIFORM RENTAL SVC<br>210-6150-6160-1170-0000-000    | 6.36            |
|         |           |                                       | 501999807           | 015894 | ST- UNIFORM RENTAL SVC<br>210-6150-6160-1170-0000-000    | 48.22           |
|         |           |                                       |                     |        | PARKS- UNIFORM RENTAL SVC                                |                 |

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| Voucher        | Date      | Vendor                                | Invoice             | PO #   | Description/Account            | Amount          |
|----------------|-----------|---------------------------------------|---------------------|--------|--------------------------------|-----------------|
| 154928         | 3/17/2016 | 041081 MISSION LINEN SUPPLY & UNIFORM | (Continued)         |        |                                |                 |
|                |           |                                       |                     | 015794 | 100-6150-6205-1170-0000-000    | 73.62           |
| <b>Total :</b> |           |                                       |                     |        |                                | <b>641.82</b>   |
| 154929         | 3/17/2016 | 041081 MISSION LINEN SUPPLY & UNIFORM | 501598843           |        | PURCH- UNIFORM RENTAL SVC      |                 |
|                |           |                                       | 501820202           | 054197 | 100-6040-6043-1170-0000-000    | 5.03            |
|                |           |                                       | 501864251           | 054197 | PURCH- UNIFORM RENTAL SVC      |                 |
|                |           |                                       | 501899634           | 054197 | 100-6040-6043-1170-0000-000    | 31.31           |
|                |           |                                       | 501909388           | 054197 | PURCH- UNIFORM RENTAL SVC      |                 |
|                |           |                                       | 501954839           | 054197 | 100-6040-6043-1170-0000-000    | 31.31           |
|                |           |                                       | 501989705           | 054197 | PURCH- UNIFORM RENTAL SERVICES |                 |
|                |           |                                       |                     | 054197 | 100-6040-6043-1170-0000-000    | 31.31           |
|                |           |                                       |                     | 054197 | 605-6150-6211-2250-0000-000    | 45.69           |
| <b>Total :</b> |           |                                       |                     |        |                                | <b>221.65</b>   |
| 154930         | 3/17/2016 | cbc0544 MORGAN, KAYTLYN               | 00590380            |        | CLOSING BILL CREDIT            |                 |
|                |           |                                       |                     |        | 520-2450-232                   | 115.09          |
| <b>Total :</b> |           |                                       |                     |        |                                | <b>115.09</b>   |
| 154931         | 3/17/2016 | cbc0547 MUNOZ, RAMOND                 | 00800135            |        | CLOSING BILL CREDIT            |                 |
|                |           |                                       |                     |        | 520-2450-232                   | 16.57           |
| <b>Total :</b> |           |                                       |                     |        |                                | <b>16.57</b>    |
| 154932         | 3/17/2016 | 026185 MUSGRAVES, MICHAEL J           | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT      |                 |
|                |           |                                       |                     |        | 100-6030-6030-1150-0000-000    | 2,138.40        |
| <b>Total :</b> |           |                                       |                     |        |                                | <b>2,138.40</b> |
| 154933         | 3/17/2016 | 093737 NATIONAL METER & AUTOMATION IN | S1065863.001        |        | W- ANTENNAS- AMR METER PROJECT |                 |
|                |           |                                       | S1065863.003        | 016225 | 521-8100-8101-4940-0000-000    | 54,756.00       |
|                |           |                                       | S1065863.005        | 016225 | W- ANTENNAS- AMR METER PROJECT |                 |
|                |           |                                       |                     |        | 521-8100-8101-4940-0000-000    | 9,612.00        |
|                |           |                                       |                     |        | W- ANTENNAS- AMR METER PROJECT |                 |

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| Voucher | Date      | Vendor                                | Invoice             | PO #   | Description/Account            | Amount           |
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| 154933  | 3/17/2016 | 093737 NATIONAL METER & AUTOMATION IN | (Continued)         |        |                                |                  |
|         |           |                                       | S1065863.007        | 016225 | 521-8100-8101-4940-0000-000    | 5,684.44         |
|         |           |                                       |                     | 016225 | W- ANTENNAS- AMR METER PROJECT |                  |
|         |           |                                       |                     |        | 521-8100-8101-4940-0000-000    | 13,873.64        |
|         |           |                                       |                     |        | <b>Total :</b>                 | <b>83,926.08</b> |
| 154934  | 3/17/2016 | 059177 NEW YORK LIFE                  | MARCH 16            |        | SUPP. LIFE INSURANCE PREMIUMS  |                  |
|         |           |                                       |                     |        | 762-2205-000                   | 576.46           |
|         |           |                                       |                     |        | <b>Total :</b>                 | <b>576.46</b>    |
| 154935  | 3/17/2016 | 042690 NUNN, STEVE                    | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT      |                  |
|         |           |                                       |                     |        | 100-6030-6030-1150-0000-000    | 1,942.62         |
|         |           |                                       |                     |        | <b>Total :</b>                 | <b>1,942.62</b>  |
| 154936  | 3/17/2016 | 000681 OCLC, INC                      | 0000447855          |        | LIB- OCLC TCP/IP ACCESS        |                  |
|         |           |                                       |                     | 015424 | 100-6200-6250-2302-0000-000    | 48.45            |
|         |           |                                       |                     |        | <b>Total :</b>                 | <b>48.45</b>     |
| 154937  | 3/17/2016 | 045033 OFFICE DEPOT                   | 822218492001        |        | W- OFFICE SUPPLIES             |                  |
|         |           |                                       | 822218764001        | 054199 | 521-8300-8300-2300-0000-000    | 68.01            |
|         |           |                                       | 824041598001        | 054199 | W- OFFICE SUPPLIES             |                  |
|         |           |                                       |                     |        | 521-8300-8300-2300-0000-000    | 67.36            |
|         |           |                                       | 824771801001        | 054199 | ELEC- OFFICE SUPPLIES          |                  |
|         |           |                                       |                     |        | 520-8000-8009-2225-0548-000    | 50.76            |
|         |           |                                       | 824771899001        | 054199 | ELEC- OFFICE SUPPLIES          |                  |
|         |           |                                       |                     |        | 520-8000-8005-2300-0930-200    | 9.44             |
|         |           |                                       | 824922972001        | 054199 | ELEC- OFFICE SUPPLIES          |                  |
|         |           |                                       |                     |        | 526-8000-8035-2301-0921-000    | 325.43           |
|         |           |                                       | 824929800001        | 054199 | BM- JANITORIAL SUPPLIES        |                  |
|         |           |                                       |                     |        | 605-6150-6211-2250-6212-000    | 60.87            |
|         |           |                                       |                     |        | PD- OFFICE SUPPLIES            |                  |
|         |           |                                       | 825785863001        | 054199 | 100-6070-6071-2300-0000-000    | 120.91           |
|         |           |                                       |                     |        | PD- OFFICE SUPPLIES            |                  |
|         |           |                                       | 825785896001        | 054199 | 100-6070-6071-2300-0000-000    | 53.24            |
|         |           |                                       |                     |        | PD- OFFICE SUPPLIES            |                  |
|         |           |                                       | 826036896001        | 054199 | 100-6070-6071-2300-0000-000    | 6.97             |
|         |           |                                       |                     |        | COMM SVCS- OFFICE SUPPLIES     |                  |

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| Voucher | Date      | Vendor                         | Invoice             | PO #   | Description/Account                | Amount          |
|---------|-----------|--------------------------------|---------------------|--------|------------------------------------|-----------------|
| 154937  | 3/17/2016 | 045033 OFFICE DEPOT            | (Continued)         |        |                                    |                 |
|         |           |                                |                     | 054199 | 100-6200-6250-2302-0000-000        | 61.33           |
|         |           |                                |                     | 054199 | 100-6200-6202-2301-0000-000        | 81.29           |
|         |           |                                |                     | 054199 | 100-6200-6212-2301-0000-000        | 14.35           |
|         |           |                                |                     | 054199 | 100-6200-6201-2301-0000-000        | 15.91           |
|         |           | 826036947001                   |                     |        | COMM SVCS- OFFICE SUPPLIES         |                 |
|         |           |                                |                     | 054199 | 100-6200-6202-2301-0000-000        | 7.55            |
|         |           | 826036948001                   |                     |        | COMM SVCS- OFFICE SUPPLIES         |                 |
|         |           |                                |                     | 054199 | 100-6200-6202-2301-0000-000        | 102.58          |
|         |           | 826754702001                   |                     |        | COMM SVCS- OFFICE SUPPLIES         |                 |
|         |           |                                |                     | 054199 | 100-6200-6217-2301-0000-000        | 15.82           |
|         |           | 826754746001                   |                     |        | COMM SVCS- OFFICE SUPPLIES         |                 |
|         |           |                                |                     | 054199 | 100-6200-6217-2301-0000-000        | 21.97           |
|         |           | 826754747001                   |                     |        | COMM SVCS- OFFICE SUPPLIES         |                 |
|         |           |                                |                     | 054199 | 100-6200-6217-2301-0000-000        | 12.14           |
|         |           | 826754748001                   |                     |        | COMM SVCS- OFFICE SUPPLIES         |                 |
|         |           |                                |                     | 054199 | 100-6200-6217-2301-0000-000        | 4.85            |
|         |           | 827124287001                   |                     |        | FIN- OFFICE SUPPLIES               |                 |
|         |           |                                |                     | 054199 | 100-6040-6041-2300-0000-000        | 64.28           |
|         |           | 827266703001                   |                     |        | FIRE- OFFICE SUPPLIES              |                 |
|         |           |                                |                     | 054199 | 100-6090-6093-2300-0000-000        | 107.68          |
|         |           | 827356756001                   |                     |        | PD- OFFICE SUPPLIES                |                 |
|         |           |                                |                     | 054199 | 100-6070-6071-2300-0000-000        | 20.57           |
|         |           | 827404456001                   |                     |        | ELEC- OFFICE SUPPLIES              |                 |
|         |           |                                |                     | 054199 | 520-8000-8001-2300-0921-000        | 18.49           |
|         |           |                                |                     | 054199 | 520-8000-8002-2301-0921-000        | 58.54           |
|         |           |                                |                     | 054199 | 520-8000-8005-2341-0930-200        | 131.13          |
|         |           |                                |                     |        | <b>Total :</b>                     | <b>1,501.47</b> |
| 154938  | 3/17/2016 | 003643 OJEDA JR, FRANK L       | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT          |                 |
|         |           |                                |                     |        | 100-6030-6030-1150-0000-000        | 1,295.08        |
|         |           |                                |                     |        | <b>Total :</b>                     | <b>1,295.08</b> |
| 154939  | 3/17/2016 | 045075 ORIGINAL MOWBRAY'S TREE | 16763               |        | ELEC- TREE TRIMMING-LINE CLEARANCE |                 |
|         |           |                                |                     | 012560 | 520-8000-8004-2350-0923-000        | 1,008.00        |
|         |           |                                |                     |        | <b>Total :</b>                     | <b>1,008.00</b> |

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| 154940         | 3/17/2016 | 093839 P & P UNIFORMS        | 403180/4 |        | FIRE- UNIFORM (B. HUMPHREY) |               |
|                |           |                              |          | 054200 | 100-6090-6091-1170-0000-000 | 241.90        |
| <b>Total :</b> |           |                              |          |        |                             | <b>241.90</b> |
| 154941         | 3/17/2016 | 001712 PACIFIC ALARM SERVICE | R117578  |        | BM- ALARM SERVICE           |               |
|                |           |                              | R118272  | 054225 | 605-6150-6211-2250-6211-000 | 43.50         |
|                |           |                              | R118273  | 054225 | 605-6150-6211-2250-8001-000 | 76.00         |
|                |           |                              | R118274  | 054225 | 605-6150-6211-2250-8001-000 | 41.50         |
|                |           |                              | R118275  | 054225 | 605-6150-6211-2250-8001-000 | 134.00        |
|                |           |                              | R118276  | 054225 | 605-6150-6211-2250-8001-000 | 86.00         |
|                |           |                              | R118278  | 054225 | 605-6150-6211-2250-6211-000 | 162.00        |
|                |           |                              | R118279  | 054225 | 605-6150-6211-2250-6211-000 | 59.00         |
|                |           |                              | R118280  | 054225 | 605-6150-6211-2250-8001-000 | 111.00        |
|                |           |                              | R118281  | 054225 | 605-6150-6211-2250-8001-000 | 210.00        |
|                |           |                              | R118282  | 054225 | 605-6150-6211-2250-6211-000 | 43.50         |
|                |           |                              | R118283  | 054225 | 605-6150-6211-2250-6211-000 | 164.50        |
|                |           |                              | R118285  | 054225 | 605-6150-6211-2250-8001-000 | 88.00         |
|                |           |                              | R118286  | 054225 | 605-6150-6211-2250-6071-000 | 58.00         |
|                |           |                              | R118287  | 054225 | 605-6150-6211-2250-6071-000 | 48.50         |
|                |           |                              | R118288  | 054225 | 605-6150-6211-2250-6071-000 | 39.50         |
|                |           |                              | R118289  | 054225 | 605-6150-6211-2250-6071-000 | 92.50         |

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|---------|-----------|------------------------------|---------------------|--------|-----------------------------|-----------------|
| 154941  | 3/17/2016 | 001712 PACIFIC ALARM SERVICE | (Continued)         |        |                             |                 |
|         |           |                              |                     | 054225 | 605-6150-6211-2250-6071-000 | 38.50           |
|         |           |                              | R118290             |        | BM- ALARM SERVICE           |                 |
|         |           |                              |                     | 054225 | 605-6150-6211-2250-8200-000 | 365.50          |
|         |           |                              | R118291             |        | BM- ALARM SERVICE           |                 |
|         |           |                              |                     | 054225 | 605-6150-6211-2250-8101-000 | 134.00          |
|         |           |                              | R118707             |        | BM- ALARM SERVICES          |                 |
|         |           |                              |                     | 054225 | 605-6150-6211-2250-6211-000 | 57.00           |
|         |           |                              | R118708             |        | BM- ALARM SERVICE           |                 |
|         |           |                              |                     | 054225 | 605-6150-6211-2250-6202-000 | 260.00          |
|         |           |                              | R118709             |        | BM- ALARM SERVICE           |                 |
|         |           |                              |                     | 054225 | 605-6150-6211-2250-6091-000 | 61.00           |
|         |           |                              | R118710             |        | BM- ALARM SERVICES          |                 |
|         |           |                              |                     | 054225 | 605-6150-6211-2250-6211-000 | 147.00          |
|         |           |                              | R118711             |        | BM- ALARM SERVICE           |                 |
|         |           |                              |                     | 054225 | 605-6150-6211-2250-6213-000 | 48.50           |
|         |           |                              | R118712             |        | BM- ALARM SERVICE           |                 |
|         |           |                              |                     | 054225 | 605-6150-6211-2250-6213-000 | 41.00           |
|         |           |                              |                     |        | <b>Total :</b>              | <b>2,610.00</b> |
| 154942  | 3/17/2016 | cbc0553 PATES, SHERITA       | 00190270            |        | CLOSING BILL CREDIT         |                 |
|         |           |                              |                     |        | 520-2450-232                | 44.26           |
|         |           |                              |                     |        | <b>Total :</b>              | <b>44.26</b>    |
| 154943  | 3/17/2016 | 042107 PAY, COLIN            | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT   |                 |
|         |           |                              |                     |        | 100-6030-6030-1150-0000-000 | 2,608.86        |
|         |           |                              |                     |        | <b>Total :</b>              | <b>2,608.86</b> |
| 154944  | 3/17/2016 | cbc0513 PCS MOBIL INC        | 01942750            |        | CLOSING BILL CREDIT         |                 |
|         |           |                              |                     |        | 520-2450-232                | 229.14          |
|         |           |                              | 01942755            |        | CLOSING BILL CREDIT         |                 |
|         |           |                              |                     |        | 520-2450-232                | 215.84          |
|         |           |                              |                     |        | <b>Total :</b>              | <b>444.98</b>   |
| 154945  | 3/17/2016 | 045299 PETTEY, DAVID         | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT   |                 |
|         |           |                              |                     |        | 100-6030-6030-1150-0000-000 | 1,942.62        |

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|---------|-----------|----------------------------------|----------------------------------|--------------------------------------|---|---|
| 154945  | 3/17/2016 | 045299 045299 PETTEY, DAVID      | (Continued)                      |                                      |   | <b>Total : 1,942.62</b>                                     |
| 154946  | 3/17/2016 | 093499 PROFORMA EXPRESS GRAPHICS | 9015601099                       | 054202                               | PD- PRINTING SERVICES<br>100-6070-6071-2301-0000-000  | 412.39<br><b>Total : 412.39</b>                             |
| 154947  | 3/17/2016 | 093218 PROMINENT SYSTEMS INC.    | 18675                            | 016138                               | W- TREATMENT- PERCHLORATE<br>521-8100-8101-2309-0000-000  | 157,092.00<br><b>Total : 157,092.00</b>                     |
| 154948  | 3/17/2016 | 014316 PRUDENTIAL OVERALL SUPPLY | 22208400<br>22209827<br>22209828 | 054229<br>054229<br>054229<br>054229 | ELEC- UNIFORM RENTAL SERVICES<br>520-8000-8009-2225-0548-000<br>ELEC- UNIFORM RENTAL SERVICES<br>520-8000-8002-2301-0921-000<br>520-8000-8004-1170-0926-000<br>ELEC- UNIFORM RENTAL SERVICES<br>520-8000-8003-1170-0926-000 | 84.55<br>25.30<br>298.00<br>102.70<br><b>Total : 510.55</b> |
| 154949  | 3/17/2016 | cbc0520 PUENTES, AMERICA J.      | 00490480                         |                                      | CLOSING BILL CREDIT<br>520-2450-232   | 429.80<br><b>Total : 429.80</b>                             |
| 154950  | 3/17/2016 | cbc0541 RIVERA, PABLO            | 00580745                         |                                      | CLOSING BILL CREDIT<br>520-2450-232   | 33.03<br><b>Total : 33.03</b>                               |
| 154951  | 3/17/2016 | cbc0516 RODRIGUEZ, DESIRE        | 00121360                         |                                      | CLOSING BILL CREDIT<br>520-2450-232   | 405.49<br><b>Total : 405.49</b>                             |
| 154952  | 3/17/2016 | 016258 ROYAL WHOLESALE ELECTRIC  | 6441-499072                      | 015887                               | ELEC- ELECTRICAL SUPPLIES<br>520-8000-8009-2225-0548-000  | 1,047.82<br><b>Total : 1,047.82</b>                         |
| 154953  | 3/17/2016 | 093926 RRM DESIGN GROUP          | 0017-01-0116                     | 015047                               | DEV SVCS- DOWNTOWN DEV. CODE<br>225-6300-6305-2350-0000-000   | 4,381.42  |

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| Voucher | Date      | Vendor                                | Invoice             | PO #   | Description/Account   | Amount                          |
|---------|-----------|---------------------------------------|---------------------|--------|---|---------------------------------|
| 154953  | 3/17/2016 | 093926 093926 RRM DESIGN GROUP        |                     |        | (Continued)   | <b>Total : 4,381.42</b>         |
| 154954  | 3/17/2016 | cbc0523 RUIZ, JOSUE                   | 00491070            |        | CLOSING BILL CREDIT<br>520-2450-232                         | 40.02<br><b>Total : 40.02</b>   |
| 154955  | 3/17/2016 | 059232 RUIZ, JUAN                     | 00191775-2016       |        | C/S- LEVEL PAY PLAN REFUND<br>520-2450-232                  | 332.67<br><b>Total : 332.67</b> |
| 154956  | 3/17/2016 | 016597 SAN BERNARDINO COUNTY ASSESSOR | 107031              | 016141 | FIRE- WEED ABATEMENT<br>100-6090-6093-2300-0000-000         | 276.88<br><b>Total : 276.88</b> |
| 154957  | 3/17/2016 | cbc0549 SANDERS, JULIANA              | 00390245            |        | CLOSING BILL CREDIT<br>520-2450-232                         | 237.94<br><b>Total : 237.94</b> |
| 154958  | 3/17/2016 | cbc0515 SANTOS, GEORGINA              | 00840760            |        | CLOSING BILL CREDIT<br>520-2450-232                         | 85.47<br><b>Total : 85.47</b>   |
| 154959  | 3/17/2016 | cbc0519 SCOTT, SARA                   | 00590105            |        | CLOSING BILL CREDIT<br>520-2450-232                         | 65.04<br><b>Total : 65.04</b>   |
| 154960  | 3/17/2016 | cbc0536 SEIDMAN, BRENDA               | 00790725            |        | CLOSING BILL CREDIT<br>520-2450-232                         | 188.64<br><b>Total : 188.64</b> |
| 154961  | 3/17/2016 | 016974 SHAW, JOHN                     | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000    | 475.89<br><b>Total : 475.89</b> |
| 154962  | 3/17/2016 | 093642 SHRED-IT USA INC.              | 9409497840          | 015549 | PD- DOCUMENT DESTRUCTION SVC<br>100-6070-6071-2350-0000-000 | 120.60                          |
|         |           |                                       | 9409565159          | 015549 | PD- DOCUMENT DESTRUCTION SVC<br>100-6070-6071-2350-0000-000 | 152.76                          |

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| Voucher | Date      | Vendor                                | Invoice                                  | PO #                       | Description/Account   | Amount  |
|---------|-----------|---------------------------------------|--|----------------------------|---|---|
| 154962  | 3/17/2016 | 093642 093642 SHRED-IT USA INC.       | (Continued)                              |                            |   | <b>Total : 273.36</b>                         |
| 154963  | 3/17/2016 | 046087 SIERRA VISTA BAPTIST CHURCH    | 65 - 2016                                |                            | C. CARE- LEASE ON PRESCHOOL<br>206-7200-7203-2421-0000-000  | 1,625.00<br><b>Total : 1,625.00</b>           |
| 154964  | 3/17/2016 | 093734 SMART LEVELS MEDIA MAILING & P | 258434<br>258661                         | 015556<br>015556           | COMM SVCS- MARKETING MATERIALS<br>100-6200-6214-2354-0000-000<br>COMM SVCS- MARKETING MATERIALS<br>100-6200-6214-2354-0000-000  | 426.59<br>144.99<br><b>Total : 571.58</b>     |
| 154965  | 3/17/2016 | 093734 SMART LEVELS MEDIA MAILING & P | 259372                                   |                            | C. CARE- BUSINESS CARDS<br>206-7200-7202-2300-0000-000<br>206-7200-7203-2300-0000-000   | 25.33<br>25.33<br><b>Total : 50.66</b>        |
| 154966  | 3/17/2016 | cbc0527 SMITH, SASHEY                 | 00290875                                 |                            | CLOSING BILL CREDIT<br>520-2450-232   | 12.35<br><b>Total : 12.35</b>                 |
| 154967  | 3/17/2016 | 092670 SO CAL LOCKSMITH               | 32491                                    | 016199                     | INV- PADLOCKS<br>520-1500-154<br>520-1500-154   | 343.08<br>27.45<br><b>Total : 370.53</b>      |
| 154968  | 3/17/2016 | 092670 SO CAL LOCKSMITH               | 32272<br>32414<br>32514                  | 054209<br>054209<br>054209 | WW- LOCK PARTS AND SERVICES<br>522-8200-8200-2257-0000-000<br>COMM SVCS- LOCK PARTS AND SVC<br>100-6200-6212-2301-0000-000<br>ELEC- LOCK PARTS & SERVICE<br>520-8000-8002-2301-0921-000 | 25.56<br>7.56<br>4.05<br><b>Total : 37.17</b> |
| 154969  | 3/17/2016 | 003758 SOUTHERN CALIFORNIA EDISON     | 2-20-147-0325-0316<br>2-20-444-9151-0316 |                            | ELEC- ELECTRIC SERVICE<br>520-8000-8006-2330-0555-700<br>ELEC- ELECTRIC SERVICE<br>520-8000-8006-2330-0555-700  | 6,795.49<br>297.12                            |

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| Voucher        | Date      | Vendor                               | Invoice                           | PO #   | Description/Account   | Amount            |
|----------------|-----------|--------------------------------------|-----------------------------------|--------|---|-------------------|
| 154969         | 3/17/2016 | 003758 SOUTHERN CALIFORNIA EDISON    | (Continued)<br>2-25-757-6884-0316 |        | ELEC- ELECTRIC SERVICE<br>520-8000-8006-2330-0555-700         | 159.22            |
| <b>Total :</b> |           |                                      |                                   |        |   | <b>7,251.83</b>   |
| 154970         | 3/17/2016 | 003763 SOUTHERN CALIFORNIA EDISON    | 7500645770                        |        | ELEC- FIRM TRANSMISSION<br>520-8000-8006-2330-0555-700        | 16,920.00         |
|                |           |                                      | 7500645771                        |        | ELEC- FIRM TRANSMISSION<br>520-8000-8006-2330-0555-700        | 16,920.00         |
|                |           |                                      | 7500645772                        |        | ELEC- FIRM TRANSMISSION<br>520-8000-8006-2330-0555-700        | 101,520.00        |
|                |           |                                      | 7500645773                        |        | ELEC- FIRM TRANSMISSION<br>520-8000-8006-2330-0555-700        | 79,202.52         |
| <b>Total :</b> |           |                                      |                                   |        |   | <b>214,562.52</b> |
| 154971         | 3/17/2016 | 045534 SOUTHERN CALIFORNIA POOL GUYS | A194209                           | 015903 | COMM SVCS- SWIMMING POOL MAINT<br>100-6200-6203-2350-0000-000 | 800.00            |
| <b>Total :</b> |           |                                      |                                   |        |   | <b>800.00</b>     |
| 154972         | 3/17/2016 | 060151 SOVYANHADI, YOEDONO           | REBATE- MULCH                     |        | WATER CONSERVATION REBATE<br>521-8100-8110-2041-0000-000      | 225.96            |
| <b>Total :</b> |           |                                      |                                   |        |   | <b>225.96</b>     |
| 154973         | 3/17/2016 | 000234 SQUIRES LUMBER COMPANY        | 306764                            | 016171 | INV- TRASH CANS<br>100-1500-000<br>100-1500-000               | 479.76<br>38.38   |
| <b>Total :</b> |           |                                      |                                   |        |   | <b>518.14</b>     |
| 154974         | 3/17/2016 | 000234 SQUIRES LUMBER COMPANY        | 306612                            | 054212 | BM- MAINTENANCE MATERIAL<br>605-6150-6211-2250-6211-000       | 9.70              |
|                |           |                                      | 306613                            | 054212 | W- MAINTENANCE MATERIAL<br>521-8100-8101-2411-0000-000        | 45.42             |
|                |           |                                      | 306665                            | 054212 | VWV- MAINTENANCE MATERIAL<br>522-8200-8200-2255-0000-000      | 29.14             |
|                |           |                                      | 306682                            | 054212 | VWV- MAINTENANCE MATERIAL<br>522-8200-8200-2255-0000-000      | 47.62             |
|                |           |                                      | 306683                            |        | W- MAINTENANCE MATERIAL                                       |                   |

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|---------|-----------|-------------------------------|-------------|--------|-------------------------------|--------|
| 154974  | 3/17/2016 | 000234 SQUIRES LUMBER COMPANY | (Continued) |        |                               |        |
|         |           |                               |             | 054212 | 521-8100-8101-1180-0000-000   | 57.20  |
|         |           |                               | 306697      |        | W- MAINTENANCE MATERIAL       |        |
|         |           |                               |             | 054212 | 521-8100-8101-2411-0000-000   | 21.59  |
|         |           |                               | 306702      |        | WW- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 522-8200-8200-2255-0000-000   | 103.66 |
|         |           |                               | 306719      |        | WW- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 522-8200-8200-2257-0000-000   | 18.63  |
|         |           |                               | 306740      |        | PD- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 100-6070-6071-2301-0000-000   | 21.56  |
|         |           |                               | 306751      |        | WW- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 522-8200-8200-2257-0000-000   | 33.43  |
|         |           |                               | 306753      |        | WW- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 522-8200-8200-2257-0000-000   | 21.03  |
|         |           |                               | 306754      |        | WW- CREDIT                    |        |
|         |           |                               |             | 054212 | 522-8200-8200-2257-0000-000   | -7.01  |
|         |           |                               | 306756      |        | BM- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 605-6150-6211-2250-6211-000   | 8.93   |
|         |           |                               | 306770      |        | WW- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 522-8200-8200-2255-0000-000   | 35.61  |
|         |           |                               | 306856      |        | WW- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 522-8200-8200-2257-0000-000   | 67.22  |
|         |           |                               | 306860      |        | WW- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 522-8200-8200-2255-0000-000   | 102.30 |
|         |           |                               | 306877      |        | WW- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 522-8200-8200-2257-0000-000   | 55.60  |
|         |           |                               | 306881      |        | WW- MAINTENANCE MATERIAL      |        |
|         |           |                               |             | 054212 | 522-8200-8200-2257-0000-000   | 7.11   |
|         |           |                               | 307021      |        | C. CARE- MAINTENANCE MATERIAL |        |
|         |           |                               |             | 054212 | 206-7200-7202-2301-0000-000   | 8.68   |
|         |           |                               | 307027      |        | C. CARE- MAINTENANCE MATERIAL |        |
|         |           |                               |             | 054212 | 206-7200-7202-2301-0000-000   | 16.18  |
|         |           |                               | 307111      |        | ELEC- MAINTENANCE MATERIAL    |        |
|         |           |                               |             | 054212 | 520-8000-8003-2301-0921-000   | 18.38  |
|         |           |                               | 307115      |        | ELEC- MAINTENANCE MATERIAL    |        |
|         |           |                               |             | 054212 | 520-8000-8004-2301-0921-000   | 16.09  |
|         |           |                               | 307122      |        | ELEC- MAINTENANCE MATERIAL    |        |

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| Voucher | Date      | Vendor                               | Invoice      | PO #   | Description/Account              | Amount        |
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| 154974  | 3/17/2016 | 000234 SQUIRES LUMBER COMPANY        | (Continued)  |        |                                  |               |
|         |           |                                      |              | 054212 | 520-8000-8003-2301-0921-000      | 19.41         |
|         |           |                                      | 307125       |        | PD- MAINTENANCE MATERIAL         |               |
|         |           |                                      |              | 054212 | 100-6070-6071-2301-0000-000      | 6.87          |
|         |           |                                      | 307180       |        | COMM SVCS- MAINTENANCE MATERIA   |               |
|         |           |                                      |              | 054212 | 100-6200-6208-2301-0000-000      | 4.14          |
|         |           |                                      | 307245       |        | BM- MAINTENANCE MATERIAL         |               |
|         |           |                                      |              | 054212 | 605-6150-6211-2250-6211-000      | 19.95         |
|         |           |                                      | 929019       |        | W- MAINTENANCE MATERIAL          |               |
|         |           |                                      |              | 054212 | 608-6150-8700-2210-8101-000      | 12.70         |
|         |           |                                      | 929215       |        | W- MAINTENANCE MATERIAL          |               |
|         |           |                                      |              | 054212 | 521-8100-8101-2411-0000-000      | 74.41         |
|         |           |                                      |              |        | <b>Total :</b>                   | <b>875.55</b> |
| 154975  | 3/17/2016 | 002327 STATE OF CALIF / JUSTICE DEPT | 151046       |        | PD- FINGERPRINTING SERVICE       |               |
|         |           |                                      |              | 015550 | 100-6070-6071-2350-0000-000      | 64.00         |
|         |           |                                      |              |        | <b>Total :</b>                   | <b>64.00</b>  |
| 154976  | 3/17/2016 | 003079 STATE OF CALIF / JUSTICE DEPT | 152531       |        | C. CARE- FINGERPRINTING SERVICES |               |
|         |           |                                      |              | 054213 | 206-7200-7202-2350-0000-000      | 218.00        |
|         |           |                                      |              |        | <b>Total :</b>                   | <b>218.00</b> |
| 154977  | 3/17/2016 | 018487 STATER BROS MARKET            | C0220- 02/16 |        | SUPPLIES (VARIOUS DEPT'S)        |               |
|         |           |                                      |              | 054214 | 100-6070-6071-2301-0000-000      | 43.16         |
|         |           |                                      |              | 054214 | 100-6200-6202-1160-0000-000      | 24.61         |
|         |           |                                      |              | 054214 | 100-6200-6215-2301-0000-000      | 69.98         |
|         |           |                                      |              | 054214 | 206-7200-7203-2305-0000-000      | 416.16        |
|         |           |                                      |              | 054214 | 100-6090-6091-2301-0000-000      | 79.24         |
|         |           |                                      |              | 054214 | 206-7200-7202-2305-0000-000      | 28.32         |
|         |           |                                      |              | 054214 | 100-6200-6212-2301-0000-000      | 44.91         |
|         |           |                                      |              | 054214 | 100-6200-6213-2301-0000-000      | 1.78          |
|         |           |                                      |              | 054214 | 100-6200-6204-2301-0000-000      | 100.85        |
|         |           |                                      |              | 054214 | 206-7200-7204-2305-0000-000      | 16.79         |
|         |           |                                      |              |        | <b>Total :</b>                   | <b>825.80</b> |
| 154978  | 3/17/2016 | 024139 SUN BADGE CO                  | 366236       |        | PD- BADGE REPAIRS                |               |
|         |           |                                      |              | 015547 | 100-6070-6071-2350-0000-000      | 176.58        |

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| 154978  | 3/17/2016 | 024139 024139 SUN BADGE CO            | (Continued)                              |        |  | <b>Total : 176.58</b>  |
| 154979  | 3/17/2016 | 093833 SWISHER HYGIENE FRANCHISE CORP | 6H02712298                               | 016134 | COMM SVCS- RESTROOM MAINT.<br>100-6200-6217-2350-0000-000  | 116.60<br><b>Total : 116.60</b>                              |
| 154980  | 3/17/2016 | 093922 T & B PLANNING, INC.           | 16-4163<br>8087621<br>8468655<br>8468687 |        | DEV SVCS- PROF. PLANNING SVC<br>762-2327-000<br>DEV SVCS- PROF. PLANNING SVC<br>762-2327-000<br>DEV SVCS- PROF. PLANNING SVC<br>762-2327-000<br>DEV SVCS- PROF. PLANNING SVC<br>762-2327-000 | 1,694.48<br>20.20<br>0.11<br>2.16<br><b>Total : 1,716.95</b> |
| 154981  | 3/17/2016 | cbc0546 TEDMORI, HASSAN               | 00100440                                 |        | CLOSING BILL CREDIT<br>520-2450-232  | 37.68<br><b>Total : 37.68</b>                                |
| 154982  | 3/17/2016 | 093146 TIME WARNER CABLE              | 844840- 3/16                             |        | I.S.- CITY WIDE CABLE<br>606-6040-6044-2310-0000-000   | 594.76<br><b>Total : 594.76</b>                              |
| 154983  | 3/17/2016 | 093146 TIME WARNER CABLE              | 0470566386-02/16                         | 015948 | PD- CABLE SERVICE<br>100-6070-6071-2310-0000-000   | 243.05<br><b>Total : 243.05</b>                              |
| 154984  | 3/17/2016 | cbc0526 TORRES, GERARDO               | 00170260                                 |        | CLOSING BILL CREDIT<br>520-2450-232  | 84.88<br><b>Total : 84.88</b>                                |
| 154985  | 3/17/2016 | 060244 TORRES, MICHAEL                | #8-BASKETBALL-2016                       |        | COMM SVCS- BASKETBALL OFFICIAL<br>100-6200-6204-2350-0000-000  | 120.00<br><b>Total : 120.00</b>                              |
| 154986  | 3/17/2016 | 093955 TRAFFIC MANAGEMENT, INC.       | 270623                                   | 015668 | ELEC- SAFETY EQUIPMENT<br>520-8000-8004-1180-0926-000  | 447.85   |

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| 154986  | 3/17/2016 | 093955 093955 TRAFFIC MANAGEMENT, INC. | (Continued)         |        |  | <b>Total : 447.85</b> |
| 154987  | 3/17/2016 | 014681 UNDERGROUND SERVICE ALERT       | 220160155           |        | ELEC- SERVICE ALERTS   |                       |
|         |           |  |                     | 015521 | 520-8000-8001-2350-0923-000  | 37.51                 |
|         |           |  |                     | 015521 | 521-8100-8101-2301-0000-000  | 37.49                 |
|         |           |  |                     | 015521 | 522-8200-8200-2301-0000-000  | 37.50                 |
|         |           |  |                     |        | <b>Total :</b>   | <b>112.50</b>         |
| 154988  | 3/17/2016 | 046809 US POSTAL SERVICE               | SUMMER 2016         |        | REC- BROCHURE POSTAGE (SUMMER<br>100-6200-6202-2300-0000-000       | 3,000.00              |
|         |           |  |                     |        | <b>Total :</b>   | <b>3,000.00</b>       |
| 154989  | 3/17/2016 | 060228 VAZQUEZ, CESAR                  | OPT REIM FY15/17    |        | ELEC- OPTICAL REIMBURSEMENT<br>520-8000-8003-1101-0926-000         | 450.00                |
|         |           |  |                     |        | <b>Total :</b>   | <b>450.00</b>         |
| 154990  | 3/17/2016 | 093984 VCA CODE GROUP                  | 71610               |        | DEV SVCS- PLAN CHECK & INSPECTIONS                                 |                       |
|         |           |  |                     | 015870 | 100-6300-6302-2350-0000-000  | 5,753.33              |
|         |           |  |                     |        | <b>Total :</b>   | <b>5,753.33</b>       |
| 154991  | 3/17/2016 | cbc0531 VEGA-ORTIZ, VERONICA           | 00820274            |        | CLOSING BILL CREDIT<br>520-2450-232                                | 32.82                 |
|         |           |  |                     |        | <b>Total :</b>   | <b>32.82</b>          |
| 154992  | 3/17/2016 | cbc0532 VELAZQUEZ AGUIRRE, LUIS        | 00300180            |        | CLOSING BILL CREDIT<br>520-2450-232                                | 135.71                |
|         |           |  |                     |        | <b>Total :</b>   | <b>135.71</b>         |
| 154993  | 3/17/2016 | 060261 VELEZ, CONNIE                   | REBATE- A/C UPGRADE |        | PUBLIC BEN- RESIDENTIAL A/C UPGRADE<br>526-8000-8035-2041-0930-010 | 500.00                |
|         |           |  |                     |        | <b>Total :</b>   | <b>500.00</b>         |
| 154994  | 3/17/2016 | 093999 VERIZON BUSINESS SOLUTIONS      | 69702556            |        | PD- T-1 LINE CHARGES   |                       |
|         |           |  |                     | 016043 | 100-6070-6071-2310-0000-000  | 1,034.07              |
|         |           |  |                     |        | <b>Total :</b>   | <b>1,034.07</b>       |
| 154995  | 3/17/2016 | 036062 VERIZON CALIFORNIA              | 3810369-0216        |        | ELEC- LINE/MODEM CHARGES   |                       |
|         |           |  |                     | 015625 | 520-8000-8024-2310-0930-200  | 59.08                 |

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|---------|-----------|-----------------------------------|--------------|--------|---|----------------------|
| 154995  | 3/17/2016 | 036062 036062 VERIZON CALIFORNIA  | (Continued)  |        |   | <b>Total : 59.08</b> |
| 154996  | 3/17/2016 | 093406 VERIZON WIRELESS           | 9759745411   | 054219 | PD- CELLULAR SERVICES<br>100-6070-6071-2310-0000-000        | 698.22               |
|         |           |                                   | 9759759486   | 054219 | PD- CELLULAR SERVICES<br>100-6070-6071-2310-0000-000        | 1,465.32             |
|         |           |                                   | 9760714155   | 054219 | PD- CELLULAR SERVICES<br>100-6070-6071-2310-0000-000        | 1,131.22             |
|         |           |                                   | 9760714163   | 054219 | COMM SVCS- CELLULAR SERVICES<br>100-6200-6250-2310-0000-000 | 100.97               |
|         |           |                                   |              | 054219 | 100-6200-6202-2310-0000-000                                 | 190.74               |
|         |           |                                   |              |        | <b>Total :</b>  | <b>3,586.47</b>      |
| 154997  | 3/17/2016 | cbc#6800 VMJ INVESTMENTS          | 00270960     |        | CLOSING BILL CREDIT<br>520-2450-232                         | 147.38               |
|         |           |                                   |              |        | <b>Total :</b>  | <b>147.38</b>        |
| 154998  | 3/17/2016 | 093660 VOHNE LICHE KENNELS, INC.  | 10713        | 015456 | PD- HANDLER & K-9 TRAINING<br>100-6070-6071-1160-0000-000   | 350.00               |
|         |           |                                   |              |        | <b>Total :</b>  | <b>350.00</b>        |
| 154999  | 3/17/2016 | 093071 VOYAGER FLEET SYSTEMS INC. | 869246439609 | 054220 | FIRE & PD- FUEL<br>100-6090-6091-2210-0000-000              | 80.54                |
|         |           |                                   |              | 054220 | 100-6070-6071-2210-0000-000                                 | 167.00               |
|         |           |                                   |              |        | <b>Total :</b>  | <b>247.54</b>        |
| 155000  | 3/17/2016 | 000159 W W GRAINGER, INC          | 9024483019   | 054221 | ELEC- MAINTENANCE SUPPLIES<br>520-8000-8003-2301-0921-000   | 21.43                |
|         |           |                                   | 9030423991   | 054221 | BM- MAINTENANCE SUPPLIES<br>605-6150-6211-2250-6211-000     | 114.74               |
|         |           |                                   | 9034098005   | 054221 | BM- MAINTENANCE SUPPLIES<br>605-6150-6211-2250-6211-000     | 45.77                |
|         |           |                                   | 9035298190   | 054221 | ELEC- MAINTENANCE SUPPLIES<br>520-8000-8003-2301-0921-000   | 108.09               |
|         |           |                                   | 9035298208   | 054221 | PARKS- MAINTENANCE SUPPLIES<br>100-6150-6205-2301-0000-000  | 67.05                |
|         |           |                                   | 9038470499   |        | ELEC- MAINTENANCE SUPPLIES                                  |                      |

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| 155000  | 3/17/2016 | 000159 W W GRAINGER, INC           | (Continued) |        |   |                 |
|         |           |                                    | 9038470507  | 054221 | 520-8000-8003-2301-0921-000<br>ELEC- CREDIT               | 106.88          |
|         |           |                                    | 9040374259  | 054221 | 520-8000-8003-2301-0921-000<br>ELEC- MAINTENANCE SUPPLIES | -106.88         |
|         |           |                                    |             | 054221 | 520-8000-8003-2301-0921-000                               | 106.88          |
|         |           |                                    |             |        | <b>Total :</b>  | <b>463.96</b>   |
| 155001  | 3/17/2016 | 092064 WALTER'S WHOLESALE ELECTRIC | 1439742-00  |        | BM- ELECTRICAL SUPPLIES                                   |                 |
|         |           |                                    | 1440038-00  | 054222 | 605-6150-6211-2250-8200-000<br>BM- ELECTRICAL SUPPLIES    | 47.05           |
|         |           |                                    | 1440039-00  | 054222 | 605-6150-6211-2250-6205-000<br>BM- ELECTRICAL SUPPLIES    | 76.84           |
|         |           |                                    | 1440123-00  | 054222 | 605-6150-6211-2250-6211-000<br>BM- ELECTRICAL SUPPLIES    | 21.77           |
|         |           |                                    | 1440123-01  | 054222 | 605-6150-6211-2250-6211-000<br>BM- ELECTRICAL SUPPLIES    | 753.20          |
|         |           |                                    | 1440236-00  | 054222 | 605-6150-6211-2250-6211-000<br>BM- ELECTRICAL SUPPLIES    | 181.63          |
|         |           |                                    |             | 054222 | 605-6150-6211-2250-6211-000                               | 61.02           |
|         |           |                                    |             |        | <b>Total :</b>  | <b>1,141.51</b> |
| 155002  | 3/17/2016 | 000188 WAXIE                       | 75795165    |        | BM- JANITORIAL SUPPLIES                                   |                 |
|         |           |                                    |             | 054223 | 605-6150-6211-2250-6030-000                               | 43.61           |
|         |           |                                    |             |        | <b>Total :</b>  | <b>43.61</b>    |
| 155003  | 3/17/2016 | 000750 WESCO DISTRIBUTION INC      | 682117      |        | ELEC INV- HARDWARE SUPPLIES                               |                 |
|         |           |                                    |             | 016156 | 520-1500-154  | 754.70          |
|         |           |                                    |             |        | 520-1500-154  | 60.38           |
|         |           |                                    | 686213      |        | ELEC INV- HARDWARE SUPPLIES                               |                 |
|         |           |                                    |             | 016156 | 520-1500-154  | 22.77           |
|         |           |                                    |             |        | 520-1500-154  | 1.82            |
|         |           |                                    | 691105      |        | ELEC INV- HARDWARE SUPPLIES                               |                 |
|         |           |                                    |             | 016156 | 520-1500-154  | 11.13           |
|         |           |                                    |             |        | 520-1500-154  | 0.89            |
|         |           |                                    | 697253      |        | ELEC INV- HARDWARE SUPPLIES                               |                 |
|         |           |                                    |             | 016156 | 520-1500-154  | 429.70          |

Bank code : boa

| Voucher | Date      | Vendor                            | Invoice             | PO #   | Description/Account   | Amount           |
|---------|-----------|-----------------------------------|---------------------|--------|---|------------------|
| 155003  | 3/17/2016 | 000750 WESCO DISTRIBUTION INC     | (Continued)         |        | 520-1500-154  | 34.38            |
|         |           |                                   |                     |        | <b>Total :</b>  | <b>1,315.77</b>  |
| 155004  | 3/17/2016 | 003478 WESTERN WATER WORKS SUPPLY | 396472-00           | 016103 | W. INV- METER BOX COVERS<br>521-1500-000                        | 1,946.60         |
|         |           |                                   | 397482-00           |        | 521-1500-000  | 155.73           |
|         |           |                                   | 397482-01           | 016128 | W. INV- HARDWARE SUPPLIES<br>521-1500-000                       | 1,551.45         |
|         |           |                                   |                     |        | 521-1500-000  | 124.12           |
|         |           |                                   | 398760-00           | 016128 | W. INV- HARDWARE SUPPLIES<br>521-1500-000                       | 890.00           |
|         |           |                                   |                     |        | 521-1500-000  | 71.20            |
|         |           |                                   |                     | 016174 | W. INV- HARDWARE SUPPLIES<br>521-1500-000                       | 5,663.50         |
|         |           |                                   |                     |        | 521-1500-000  | 453.08           |
|         |           |                                   |                     |        | <b>Total :</b>  | <b>10,855.68</b> |
| 155005  | 3/17/2016 | 044739 WHITE, CRAIG               | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000        | 2,940.00         |
|         |           |                                   |                     |        | <b>Total :</b>  | <b>2,940.00</b>  |
| 155006  | 3/17/2016 | 003646 WILLDAN FINANCIAL SERVICES | 010-29213R          | 016007 | LLMD- LANDSCAPE & LIGHTING MAINT<br>702-6150-6210-2350-0000-000 | 1,186.09         |
|         |           |                                   |                     | 016007 | 701-6150-6220-2350-0000-000                                     | 691.91           |
|         |           |                                   | 010-29214R          | 016007 | STORM W- LANDSCAPE & LIGHTING M<br>722-6150-8215-2350-0000-000  | 2,312.18         |
|         |           |                                   |                     |        | <b>Total :</b>  | <b>4,190.18</b>  |
| 155007  | 3/17/2016 | 059700 WILLIAMS, KENNETH MICHAEL  | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000        | 2,138.40         |
|         |           |                                   |                     |        | <b>Total :</b>  | <b>2,138.40</b>  |
| 155008  | 3/17/2016 | 060265 WILLIS, VANESSA            | 2007501.015         |        | COMM SVCS- REFUND FITNESS FEE<br>100-6755-000                   | 4.00             |
|         |           |                                   |                     |        | <b>Total :</b>  | <b>4.00</b>      |

Bank code : boa

| Voucher  | Date      | Vendor                            | Invoice             | PO #   | Description/Account   | Amount  |
|----------|-----------|-----------------------------------|---------------------|--------|---|---|
| 155009   | 3/17/2016 | 046622 WILLMORE, KENT             | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000  | 2,431.50<br><b>Total : 2,431.50</b>             |
| 155010   | 3/17/2016 | cbc0534 WYATT, RANDY              | 00970170            |        | CLOSING BILL CREDIT<br>520-2450-232   | 551.65<br><b>Total : 551.65</b>                 |
| 155011   | 3/17/2016 | 002761 XEROX CORPORATION          | 083635916           | 015883 | C. CLERK- COPIER BASE CHARGE<br>100-6010-6010-2420-0000-000   | 32.24<br><b>Total : 32.24</b>                   |
| 155012   | 3/17/2016 | 044062 ZENDEJAS, ROBERT R         | HEALTH CR- 1ST 2016 |        | HR- RETIREE HEALTH CREDIT<br>100-6030-6030-1150-0000-000  | 2,138.40<br><b>Total : 2,138.40</b>             |
| 4946200  | 3/14/2016 | 003770 JONES CHEMICALS, INC       | 681136              | 054192 | WW- CHEMICAL SUPPLIES<br>521-8100-8101-2308-0000-000  | 3,570.14<br><b>Total : 3,570.14</b>             |
| 9368600  | 3/10/2016 | 035929 BANK OF AMERICA            | STATE 3/9/16-SUPPLE |        | STATE TAXES<br>762-2010-000   | 299.82<br><b>Total : 299.82</b>                 |
| 11417213 | 3/10/2016 | 048436 COLTON PUBLIC UTILITIES    | 11417213            |        | WW- ELECTRIC TOU BILL- WWTP<br>522-8200-8200-2320-0000-000  | 55,460.07<br><b>Total : 55,460.07</b>           |
| 16637400 | 3/10/2016 | 035929 BANK OF AMERICA            | FEDERAL 3/9/16-SUP  |        | FEDERAL TAXES<br>762-2200-000   | 1,663.74<br><b>Total : 1,663.74</b>             |
| 21422500 | 3/10/2016 | 009994 SHELL ENERGY NORTH AMERICA | 11.2015 RECALC T+55 |        | FIRM POWER, TRANSMISSION FEES<br>520-8000-8006-2330-0555-600<br>520-8000-8006-2330-0555-800<br>520-8000-8009-2321-0547-000<br>520-7905-000<br>520-8000-8006-2330-0555-400 | 10,659.30<br>530.14<br>69.14<br>69.14<br>-69.14 |

Bank code : boa

| Voucher  | Date      | Vendor | Invoice                           | PO #              | Description/Account  | Amount   |
|----------|-----------|--------|-----------------------------------|-------------------|--|--|
| 21422500 | 3/10/2016 | 009994 | 009994 SHELL ENERGY NORTH AMERICA | (Continued)       |  | <b>Total : 11,258.58</b>                         |
| 21427600 | 3/10/2016 | 009994 | SHELL ENERGY NORTH AMERICA        | 1.2016 RECALC T12 | ELEC- FIRM POWER, ISO FEES<br>520-8000-8006-2330-0555-600<br>520-8000-8006-2330-0555-800 | 12,407.21<br>-740.55<br><b>Total : 11,666.66</b> |
| 21427900 | 3/11/2016 | 003754 | SO CALIF PUBLIC POWER AUTH        | SJ0316            | POWER COSTS- SAN JUAN UNIT 3<br>520-8000-8006-2330-0555-300                              | 1,075,487.00<br><b>Total : 1,075,487.00</b>      |
| 67286500 | 3/8/2016  | 000214 | PERS-PAYROLL REPORT               | 03/03/16- 68      | RETIREMENT CONTRIBUTION<br>762-2080-000  | 119,100.06<br><b>Total : 119,100.06</b>          |
| 67286600 | 3/8/2016  | 000214 | PERS-PAYROLL REPORT               | 03/03/16- 69      | RETIREMENT CONTRIBUTION<br>762-2080-000  | 28,684.45<br><b>Total : 28,684.45</b>            |
| 67286700 | 3/8/2016  | 000214 | PERS-PAYROLL REPORT               | 03/03/16- 70      | RETIREMENT CONTRIBUTION<br>762-2080-000  | 38,052.54<br><b>Total : 38,052.54</b>            |
| 67286800 | 3/8/2016  | 000214 | PERS-PAYROLL REPORT               | 03/03/16- 25056   | RETIREMENT CONTRIBUTION<br>762-2080-000  | 4,606.34<br><b>Total : 4,606.34</b>              |
| 67286900 | 3/8/2016  | 000214 | PERS-PAYROLL REPORT               | 03/03/16- 25057   | RETIREMENT CONTRIBUTION<br>762-2080-000  | 6,029.51<br><b>Total : 6,029.51</b>              |
| 67287000 | 3/8/2016  | 000214 | PERS-PAYROLL REPORT               | 03/03/16- 26038   | RETIREMENT CONTRIBUTION<br>762-2080-000  | 22,963.84<br><b>Total : 22,963.84</b>            |
| 67287100 | 3/8/2016  | 000214 | PERS-PAYROLL REPORT               | 03/03/16- 15025   | RETIREMENT CONTRIBUTION<br>762-2080-000  | 1,693.23   |

Bank code : boa

| Voucher                                 | Date      | Vendor                            | Invoice             | PO # | Description/Account  | Amount  |
|---|-----------|-----------------------------------|---------------------|------|--|---|
| 67287100                                | 3/8/2016  | 000214 000214 PERS-PAYROLL REPORT | (Continued)         |      |  | <b>Total : 1,693.23</b>                               |
| 67287200                                | 3/8/2016  | 000214 PERS-PAYROLL REPORT        | 03/03/16- 15026     |      | RETIREMENT CONTRIBUTION<br>762-2080-000                                      | 5,831.38<br><b>Total : 5,831.38</b>                   |
| 1000227861                              | 3/10/2016 | 058819 CALIFORNIA INDEPENDENT     | 2016030831-31951084 |      | ELECTRIC TRANSMISSION SERVICE<br>520-8000-8006-2330-0555-710<br>520-7907-000 | 265,296.26<br>-221,571.69<br><b>Total : 43,724.57</b> |
| <b>189 Vouchers for bank code : boa</b> |           |                                   |                     |      |  | <b>Bank total : 2,133,534.21</b>                      |
| <b>189 Vouchers in this report</b>      |           |                                   |                     |      |  | <b>Total vouchers : 2,133,534.21</b>                  |

  
\_\_\_\_\_  
Anita Agramonte  
Finance Director

  
\_\_\_\_\_  
Aurelio De La Torre  
City Treasurer

**Voided Check  
History Listing**

Bank code: boa

| Check # | Date       | Vendor                        | Status | Clear/Void Date | Invoice       | Inv. Date  | Amount Paid | Check Total |
|---------|------------|-------------------------------|--------|-----------------|---------------|------------|-------------|-------------|
| 143834  | 07/17/2014 | 059390 ALEX SANCHEZ           | V      | 03/10/2016      | 1056324.015   | 07/01/2014 | 200.00      | 200.00      |
| 145151  | 10/02/2014 | 003096 DEIRDRE BENNETT        | V      | 03/10/2016      | 10/01-02 14   | 10/01/2014 | 288.96      | 288.96      |
| 146939  | 01/15/2015 | 059641 AKITA JONES            | V      | 03/10/2016      | 1058922.015   | 11/19/2014 | 5.00        | 5.00        |
| 147295  | 02/05/2015 | 031208 CITY OF SAN BERNARDINO | V      | 03/10/2016      | E15200240     | 02/05/2015 | 559.98      | 559.98      |
| 147343  | 02/05/2015 | 045951 SAN BERNARDINO COUNTY  | V      | 03/10/2016      | 02/10-12 2015 | 02/04/2015 | 100.00      | 100.00      |
| 147397  | 02/12/2015 | 049605 MATTHEW COLLINS        | V      | 03/10/2016      | 03/24-25 15   | 02/11/2015 | 146.00      | 146.00      |
| 147600  | 02/19/2015 | 059661 JOSE RAMIREZ           | V      | 03/10/2016      | 1059729.015   | 01/20/2015 | 100.00      | 100.00      |
| 148283  | 03/26/2015 | 059713 KELLY BARRON           | V      | 03/10/2016      | REBATE 2/7/15 | 02/07/2015 | 75.00       | 75.00       |
| 154113  | 02/04/2016 | cbc0455 MOSES MURRIETTA       | V      | 03/21/2016      | 00490465      | 01/05/2016 | 105.17      | 105.17      |
| 154734  | 03/10/2016 | 046028 AT & T                 | V      | 03/10/2016      |               |            | 0.00        | 0.00        |

**boa Total: 1,580.11**

10 checks in this report

**Total Checks: 1,580.11**

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u>        | <u>ACTIVITY ID</u> | <u>PAYMENT</u>          |
|------------------------|--------------------|-------------------------|
| <b>City Council</b>    |                    |                         |
| 109776                 | 6000               | 0.00                    |
| 109777                 | 6000               | 2,244.14 Regular Salary |
| 109778                 | 6000               | 259.27                  |
| 109779                 | 6000               | 942.98                  |
| 109780                 | 6000               | 274.04                  |
| 109781                 | 6000               | 274.04                  |
| 109782                 | 6000               | 1,441.61                |
| 109783                 | 6000               | 252.41                  |
| 109784                 | 6000               | 259.27                  |
| 935297                 | 6000               | 274.04                  |
|                        | <b>Subtotal</b>    | <b>6,221.80</b>         |
| <b>City Clerk</b>      |                    |                         |
| 109785                 | 6010               | 721.33                  |
| 109786                 | 6010               | 2,297.13 Regular Salary |
| 109787                 | 6010               | 1,589.12                |
|                        | <b>Subtotal</b>    | <b>4,607.58</b>         |
| <b>City Manager</b>    |                    |                         |
| 109788                 | 6020               | 1,975.34                |
| 109789                 | 6020               | 4,731.09 Regular Salary |
|                        | <b>Subtotal</b>    | <b>6,706.43</b>         |
| <b>Human Resources</b> |                    |                         |
| 109790                 | 6030               | 2,254.64                |
| 109791                 | 6030               | 3,226.31 Regular Salary |
| 109792                 | 6030               | 1,920.43                |
|                        | <b>Subtotal</b>    | <b>7,401.38</b>         |
| <b>Finance</b>         |                    |                         |
| 109793                 | 6040               | 4,568.44 Regular Salary |
| 109794                 | 6040               | 2,568.22                |
| 109795                 | 6040               | 1,541.84                |
| 109796                 | 6040               | 1,796.18                |
| 109797                 | 6040               | 1,364.24                |
| 109798                 | 6040               | 1,589.73                |
| 109799                 | 6040               | 1,530.72                |
| 109800                 | 6040               | 1,453.68                |
| 109801                 | 6040               | 1,276.63                |
| 109802                 | 6040               | 1,756.79                |
| 109803                 | 6040               | 1,237.92                |
| 109804                 | 6040               | 1,852.59                |
| 109805                 | 6040               | 1,432.77                |

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u> | <u>ACTIVITY ID</u> | <u>PAYMENT</u>          |
|-----------------|--------------------|-------------------------|
| 109806          | 6040               | 1,339.75                |
| 109807          | 6040               | 1,258.77                |
| 109808          | 6040               | 1,564.34                |
| 109809          | 6040               | 1,430.01                |
| 109810          | 6040               | 1,241.29                |
| 109811          | 6040               | 3,638.13 Regular Salary |
| 110100          | 6040               | 1,816.77                |
| 110101          | 6040               | 1,563.18                |
| 110102          | 6040               | 1,637.78                |
| 110103          | 6040               | 2,095.03                |
| 110104          | 6040               | 1,734.50                |
| 110105          | 6040               | 2,788.97                |
|                 | <b>Subtotal</b>    | <b>46,078.27</b>        |

**City Treasurer**

|        |                 |                 |
|--------|-----------------|-----------------|
| 109812 | 6060            | 1,350.62        |
|        | <b>Subtotal</b> | <b>1,350.62</b> |

**Police**

|        |      |          |
|--------|------|----------|
| 109813 | 6070 | 2,558.02 |
| 109814 | 6070 | 1,949.81 |
| 109815 | 6070 | 1,857.22 |
| 109816 | 6070 | 3,694.36 |
| 109817 | 6070 | 1,724.37 |
| 109818 | 6070 | 2,533.42 |
| 109819 | 6070 | 914.28   |
| 109820 | 6070 | 3,576.40 |
| 109821 | 6070 | 1,748.93 |
| 109822 | 6070 | 2,555.14 |
| 109823 | 6070 | 2,855.00 |
| 109824 | 6070 | 2,071.34 |
| 109825 | 6070 | 2,794.69 |
| 109826 | 6070 | 3,290.41 |
| 109827 | 6070 | 3,225.72 |
| 109828 | 6070 | 1,476.14 |
| 109829 | 6070 | 3,121.54 |
| 109830 | 6070 | 1,674.16 |
| 109831 | 6070 | 3,583.40 |
| 109832 | 6070 | 1,806.97 |
| 109833 | 6070 | 2,111.65 |
| 109834 | 6070 | 241.50   |
| 109835 | 6070 | 3,451.24 |
| 109836 | 6070 | 2,646.04 |
| 109837 | 6070 | 1,729.49 |
| 109838 | 6070 | 309.82   |
| 109839 | 6070 | 2,234.91 |
| 109840 | 6070 | 3,784.26 |
| 109841 | 6070 | 277.30   |
| 109842 | 6070 | 476.99   |

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u> | <u>ACTIVITY ID</u> | <u>PAYMENT</u>          |
|-----------------|--------------------|-------------------------|
| 109843          | 6070               | 3,144.40                |
| 109844          | 6070               | 1,703.63                |
| 109845          | 6070               | 3,642.84                |
| 109846          | 6070               | 1,874.25                |
| 109847          | 6070               | 2,279.18                |
| 109848          | 6070               | 2,674.92                |
| 109849          | 6070               | 1,197.27                |
| 109850          | 6070               | 3,323.66                |
| 109851          | 6070               | 1,821.61                |
| 109852          | 6070               | 3,020.80                |
| 109853          | 6070               | 2,161.19                |
| 109854          | 6070               | 2,945.89                |
| 109855          | 6070               | 1,448.28                |
| 109856          | 6070               | 3,548.55                |
| 109857          | 6070               | 2,846.06                |
| 109858          | 6070               | 2,387.75                |
| 109859          | 6070               | 1,660.43                |
| 109860          | 6070               | 479.91                  |
| 109861          | 6070               | 1,429.44                |
| 109862          | 6070               | 3,157.01                |
| 109863          | 6070               | 1,940.37                |
| 109864          | 6070               | 1,637.19                |
| 109865          | 6070               | 3,324.10                |
| 109866          | 6070               | 1,919.63                |
| 109867          | 6070               | 2,094.58                |
| 109868          | 6070               | 4,818.45 Regular Salary |
| 109869          | 6070               | 2,478.43                |
| 109870          | 6070               | 2,125.84                |
| 109871          | 6070               | 3,010.77                |
| 109872          | 6070               | 2,688.47                |
| 109873          | 6070               | 2,359.80                |
| 109874          | 6070               | 2,273.32                |
| 109875          | 6070               | 1,397.26                |
| 109876          | 6070               | 1,896.97                |
| 109877          | 6070               | 2,343.71                |
| 109878          | 6070               | 709.17                  |
| 109879          | 6070               | 2,996.29                |
| 109880          | 6070               | 1,648.99                |
| 109881          | 6070               | 2,493.98                |
| 109882          | 6070               | 3,115.39                |
| 109883          | 6070               | 3,012.34                |
| 109884          | 6070               | 134.13                  |
| 109885          | 6070               | 3,117.54                |
| 109886          | 6070               | 2,192.72                |
| 109887          | 6070               | 1,870.87                |
| 109888          | 6070               | 2,504.84                |
| 109889          | 6070               | 2,564.60                |
| 109890          | 6070               | 2,459.33                |
| 935279          | 6070               | 1,383.43                |
| 935280          | 6070               | 792.82                  |

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u> | <u>ACTIVITY ID</u> | <u>PAYMENT</u>    |
|-----------------|--------------------|-------------------|
| 935281          | 6070               | 669.94            |
| 935282          | 6070               | 1,001.72          |
| 935283          | 6070               | 2,109.55          |
| 935284          | 6070               | 1,398.36          |
| 935298          | 6070               | 156.50            |
|                 | <b>Subtotal</b>    | <b>185,662.99</b> |

**Fire**

|        |      |                                  |
|--------|------|----------------------------------|
| 109891 | 6090 | 4,399.63 Regular Salary/Staffing |
| 109892 | 6090 | 2,928.21                         |
| 109893 | 6090 | 3,930.14                         |
| 109894 | 6090 | 4,549.67 Regular Salary/Staffing |
| 109895 | 6090 | 2,186.16                         |
| 109896 | 6090 | 2,580.89                         |
| 109897 | 6090 | 3,521.68                         |
| 109898 | 6090 | 4,328.28 Regular Salary/Staffing |
| 109899 | 6090 | 2,034.05                         |
| 109900 | 6090 | 3,113.95                         |
| 109901 | 6090 | 3,042.51                         |
| 109902 | 6090 | 4,081.32 Regular Salary/Staffing |
| 109903 | 6090 | 2,261.61                         |
| 109904 | 6090 | 4,223.92 Regular Salary/Staffing |
| 109905 | 6090 | 3,838.23                         |
| 109906 | 6090 | 2,362.63                         |
| 109907 | 6090 | 4,969.91 Regular Salary/Staffing |
| 109908 | 6090 | 2,359.14                         |
| 109909 | 6090 | 5,152.14 Regular Salary/Staffing |
| 109910 | 6090 | 4,456.43 Regular Salary          |
| 109911 | 6090 | 4,512.36 Regular Salary/Staffing |
| 109912 | 6090 | 2,414.23                         |
| 109913 | 6090 | 3,424.37                         |
| 109914 | 6090 | 3,766.42                         |
| 109915 | 6090 | 2,965.03                         |
| 109916 | 6090 | 6,824.25 Regular Salary/Staffing |
| 109917 | 6090 | 4,017.80 Regular Salary/OT       |
| 109918 | 6090 | 6,329.51 Regular Salary/Staffing |
| 109919 | 6090 | 4,407.49 Regular Salary/Staffing |
| 109920 | 6090 | 5,201.06 Regular Salary/Staffing |
| 109921 | 6090 | 4,855.61 Regular Salary/Staffing |
| 109922 | 6090 | 3,256.51                         |
| 109923 | 6090 | 3,526.39                         |
| 109924 | 6090 | 4,735.24 Regular Salary/Staffing |
| 935285 | 6090 | 1,266.30                         |
| 935286 | 6090 | 1,202.88                         |
| 935287 | 6090 | 1,621.71                         |
| 935288 | 6090 | 455.95                           |
| 935289 | 6090 | 644.64                           |
| 935290 | 6090 | 1,974.86                         |
| 935291 | 6090 | 822.59                           |
| 935292 | 6090 | 293.57                           |

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u> | <u>ACTIVITY ID</u> | <u>PAYMENT</u>    |
|-----------------|--------------------|-------------------|
| 935293          | 6090               | 128.10            |
| 935294          | 6090               | 1,060.74          |
| 935295          | 6090               | 516.03            |
| 109925          | 6090               | 3,579.84          |
|                 | <b>Subtotal</b>    | <b>144,123.98</b> |

**Public Works**

|        |                 |                         |
|--------|-----------------|-------------------------|
| 109926 | 6150            | 407.47                  |
| 109927 | 6150            | 1,194.56                |
| 109928 | 6150            | 2,508.56                |
| 109929 | 6150            | 1,734.23                |
| 109930 | 6150            | 1,366.57                |
| 109931 | 6150            | 252.90                  |
| 935299 | 6150            | 1,288.81                |
| 935300 | 6150            | 1,298.09                |
| 935301 | 6150            | 1,361.05                |
| 935302 | 6150            | 427.32                  |
| 935303 | 6150            | 659.97                  |
| 935304 | 6150            | 1,365.02                |
| 109932 | 6150            | 1,479.24                |
| 109933 | 6150            | 3,625.17 Regular Salary |
| 109934 | 6150            | 2,732.70                |
| 935305 | 6150            | 2,080.44                |
| 109935 | 6150            | 2,083.62                |
| 109936 | 6150            | 1,704.61                |
| 109937 | 6150            | 537.18                  |
| 109938 | 6150            | 2,536.13                |
| 109939 | 6150            | 1,735.65                |
| 109940 | 6150            | 732.26                  |
| 109941 | 6150            | 1,065.29                |
| 935306 | 6150            | 1,721.43                |
| 935307 | 6150            | 1,301.09                |
| 935308 | 6150            | 1,535.16                |
| 110106 | 6150            | 2,528.97                |
| 110107 | 6150            | 2,034.58                |
| 110108 | 6150            | 2,150.71                |
| 935333 | 6150            | 515.29                  |
|        | <b>Subtotal</b> | <b>45,964.07</b>        |

**Community Services**

|        |      |        |
|--------|------|--------|
| 109942 | 6200 | 495.23 |
| 109943 | 6200 | 630.91 |
| 109944 | 6200 | 92.70  |
| 109945 | 6200 | 149.80 |
| 109946 | 6200 | 208.16 |
| 109947 | 6200 | 316.06 |
| 109948 | 6200 | 38.03  |
| 109949 | 6200 | 784.17 |
| 109950 | 6200 | 47.54  |

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u> | <u>ACTIVITY ID</u> | <u>PAYMENT</u>          |
|-----------------|--------------------|-------------------------|
| 109951          | 6200               | 381.49                  |
| 109952          | 6200               | 3,298.19 Regular Salary |
| 109953          | 6200               | 1,583.63                |
| 109954          | 6200               | 554.09                  |
| 109955          | 6200               | 104.13                  |
| 109956          | 6200               | 617.06                  |
| 109957          | 6200               | 284.06                  |
| 109958          | 6200               | 710.28                  |
| 109959          | 6200               | 487.20                  |
| 109960          | 6200               | 114.60                  |
| 109961          | 6200               | 157.23                  |
| 109962          | 6200               | 204.42                  |
| 109963          | 6200               | 507.47                  |
| 109964          | 6200               | 1,636.87                |
| 109965          | 6200               | 262.63                  |
| 109966          | 6200               | 297.64                  |
| 109967          | 6200               | 769.10                  |
| 109968          | 6200               | 254.28                  |
| 109969          | 6200               | 47.42                   |
| 109970          | 6200               | 1,761.58                |
| 109971          | 6200               | 1,998.48                |
| 109972          | 6200               | 130.87                  |
| 109973          | 6200               | 88.17                   |
| 109974          | 6200               | 85.57                   |
| 109975          | 6200               | 282.51                  |
| 109976          | 6200               | 447.27                  |
| 109977          | 6200               | 1,145.70                |
| 109978          | 6200               | 574.48                  |
| 109979          | 6200               | 309.17                  |
| 109980          | 6200               | 330.64                  |
| 109981          | 6200               | 263.07                  |
| 109982          | 6200               | 337.37                  |
| 109983          | 6200               | 376.53                  |
| 109984          | 6200               | 2,202.96                |
| 109985          | 6200               | 846.09                  |
| 109986          | 6200               | 561.76                  |
| 109987          | 6200               | 1,486.33                |
| 109988          | 6200               | 209.71                  |
| 935309          | 6200               | 158.46                  |
| 935310          | 6200               | 76.97                   |
| 935311          | 6200               | 670.62                  |
| 935312          | 6200               | 369.66                  |
| 935313          | 6200               | 165.45                  |
| 935314          | 6200               | 126.81                  |
| 935315          | 6200               | 40.75                   |
| 935316          | 6200               | 222.39                  |
| 935317          | 6200               | 81.49                   |
| 935318          | 6200               | 165.25                  |
| 935319          | 6200               | 284.39                  |
| 935320          | 6200               | 448.50                  |

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u> | <u>ACTIVITY ID</u> | <u>PAYMENT</u>   |
|-----------------|--------------------|------------------|
| 935321          | 6200               | 372.09           |
| 935322          | 6200               | 325.05           |
|                 | <b>Subtotal</b>    | <b>31,980.53</b> |

**Library**

|        |                 |                         |
|--------|-----------------|-------------------------|
| 109989 | 6250            | 581.39                  |
| 109990 | 6250            | 594.52                  |
| 109991 | 6250            | 188.25                  |
| 109992 | 6250            | 272.55                  |
| 109993 | 6250            | 371.44                  |
| 109994 | 6250            | 440.29                  |
| 109995 | 6250            | 513.93                  |
| 109996 | 6250            | 2,456.07 Regular Salary |
| 935323 | 6250            | 600.28                  |
|        | <b>Subtotal</b> | <b>6,018.72</b>         |

**Development Services**

|        |                 |                         |
|--------|-----------------|-------------------------|
| 109997 | 6300            | 1,534.72                |
| 109998 | 6300            | 2,635.97                |
| 109999 | 6300            | 2,072.13                |
| 110000 | 6300            | 1,262.78                |
| 110001 | 6300            | 2,612.48                |
| 110002 | 6300            | 1,810.98                |
| 110003 | 6300            | 3,214.48 Regular Salary |
| 110004 | 6300            | 4,600.08 Regular Salary |
| 110005 | 6300            | 2,006.17                |
|        | <b>Subtotal</b> | <b>21,749.79</b>        |

**Child Care**

|        |      |                         |
|--------|------|-------------------------|
| 110006 | 7200 | 663.93                  |
| 110007 | 7200 | 215.13                  |
| 110008 | 7200 | 824.90                  |
| 110009 | 7200 | 844.83                  |
| 110010 | 7200 | 795.38                  |
| 110011 | 7200 | 976.51                  |
| 110012 | 7200 | 1,974.46                |
| 110013 | 7200 | 2,683.41 Regular Salary |
| 110014 | 7200 | 839.57                  |
| 110015 | 7200 | 854.57                  |
| 935324 | 7200 | 694.20                  |
| 110016 | 7200 | 1,531.83                |
| 110017 | 7200 | 1,545.58                |
| 110018 | 7200 | 757.64                  |
| 110019 | 7200 | 812.03                  |
| 110020 | 7200 | 745.81                  |
| 110021 | 7200 | 969.89                  |
| 110022 | 7200 | 882.64                  |
| 110023 | 7200 | 634.64                  |

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u> | <u>ACTIVITY ID</u> | <u>PAYMENT</u>   |
|-----------------|--------------------|------------------|
| 110024          | 7200               | 467.89           |
| 110025          | 7200               | 131.21           |
|                 | <b>Subtotal</b>    | <b>19,846.05</b> |

**Electric**

|        |                 |                                     |
|--------|-----------------|-------------------------------------|
| 110026 | 8000            | 5,020.53 Regular Salary/OT          |
| 110027 | 8000            | 4,047.44 Regular Salary/OT          |
| 110028 | 8000            | 4,133.36 Regular Salary/OT          |
| 110029 | 8000            | 2,709.85                            |
| 110030 | 8000            | 2,941.08                            |
| 110031 | 8000            | 2,382.10                            |
| 110032 | 8000            | 3,235.07                            |
| 110033 | 8000            | 1,250.03                            |
| 110034 | 8000            | 1,787.87                            |
| 110035 | 8000            | 3,206.02                            |
| 110036 | 8000            | 2,252.42                            |
| 110037 | 8000            | 1,873.16                            |
| 110038 | 8000            | 2,733.98                            |
| 110039 | 8000            | 1,792.45                            |
| 110040 | 8000            | 3,012.19                            |
| 110041 | 8000            | 3,577.51                            |
| 110042 | 8000            | 2,913.52                            |
| 110043 | 8000            | 2,648.86                            |
| 110044 | 8000            | 3,655.24                            |
| 110045 | 8000            | 3,986.91                            |
| 110046 | 8000            | 2,323.01                            |
| 110047 | 8000            | 4,314.91 Regular Salary/Retro Merit |
| 110048 | 8000            | 3,372.14                            |
| 110049 | 8000            | 2,460.07                            |
| 110050 | 8000            | 852.82                              |
| 110051 | 8000            | 2,708.37                            |
| 110052 | 8000            | 2,232.75                            |
| 935325 | 8000            | 3,313.43                            |
| 935326 | 8000            | 4,637.73 Regular Salary/OT          |
| 935327 | 8000            | 3,817.23                            |
| 935328 | 8000            | 4,129.94 Regular Salary/Retro Merit |
| 935329 | 8000            | 3,873.85                            |
| 110053 | 8000            | 1,556.81                            |
| 110054 | 8000            | 4,858.51 Regular Salary             |
| 110055 | 8000            | 1,328.18                            |
| 110056 | 8000            | 2,020.62                            |
| 110057 | 8000            | 1,682.94                            |
| 110058 | 8000            | 2,401.88                            |
| 110059 | 8000            | 2,321.93                            |
| 110060 | 8000            | 3,414.09                            |
| 110061 | 8000            | 2,601.65                            |
| 935330 | 8000            | 385.01                              |
|        | <b>Subtotal</b> | <b>119,767.46</b>                   |

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u>      | <u>ACTIVITY ID</u> | <u>PAYMENT</u>          |
|----------------------|--------------------|-------------------------|
| <b>Water Utility</b> |                    |                         |
| 110062               | 8100               | 1,772.72                |
| 110063               | 8100               | 3,004.54 Regular Salary |
| 110064               | 8100               | 3,079.15 Regular Salary |
| 110065               | 8100               | 2,428.78                |
| 110066               | 8100               | 1,565.17                |
| 110067               | 8100               | 2,052.17                |
| 110068               | 8100               | 1,629.80                |
| 110069               | 8100               | 2,054.83                |
| 110070               | 8100               | 1,734.65                |
| 110071               | 8100               | 2,014.83                |
| 110072               | 8100               | 1,971.56                |
| 110073               | 8100               | 2,612.55                |
| 110074               | 8100               | 2,065.18                |
| 110075               | 8100               | 2,676.25                |
| 935296               | 8100               | 385.87                  |
| 935331               | 8100               | 2,906.10                |
|                      | <b>Subtotal</b>    | <b><u>33,954.15</u></b> |

|   |                 |                         |
|---|-----------------|-------------------------|
| <b>Wastewater Utility &amp; Storm Water</b> |                 |                         |
| 110081                                      | 8200            | 2,413.48                |
| 110082                                      | 8200            | 2,349.34                |
| 110083                                      | 8200            | 1,160.24                |
| 110084                                      | 8200            | 2,708.08                |
| 110085                                      | 8200            | 2,580.28                |
| 110086                                      | 8200            | 1,214.31                |
| 110087                                      | 8200            | 1,812.37                |
| 110088                                      | 8200            | 1,574.58                |
| 110089                                      | 8200            | 1,969.22                |
| 110090                                      | 8200            | 1,781.04                |
| 110091                                      | 8200            | 2,764.14                |
| 110092                                      | 8200            | 2,120.97                |
| 110093                                      | 8200            | 1,913.86                |
| 110094                                      | 8200            | 2,340.96                |
| 110095                                      | 8200            | 2,593.43                |
| 110096                                      | 8200            | 1,239.76                |
| 110097                                      | 8200            | 2,035.09                |
| 110098                                      | 8200            | 1,343.34                |
| 110099                                      | 8200            | 2,225.92                |
| 935332                                      | 8200            | 1,665.32                |
|   | <b>Subtotal</b> | <b><u>39,805.73</u></b> |

|                                  |                 |                         |
|----------------------------------|-----------------|-------------------------|
| <b>Wastewater Administration</b> |                 |                         |
| 110076                           | 8300            | 1,215.95                |
| 110077                           | 8300            | 3,269.17 Regular Salary |
| 110078                           | 8300            | 3,048.21                |
| 110079                           | 8300            | 2,824.57                |
| 110080                           | 8300            | 3,104.41                |
|                                  | <b>Subtotal</b> | <b><u>13,462.31</u></b> |

**COLTON**  
**Payroll Disbursement Listing**  
**Payperiod Dates: 2/27/2016 to 3/11/2016**

| <u>CHECK NO</u>                           | <u>ACTIVITY ID</u> | <u>PAYMENT</u>           |
|---|--------------------|--------------------------|
| <b>Successor Agency for Redevelopment</b> |                    |                          |
| 110109                                    | 9000               | 3,075.71 Regular Salary  |
|   | <b>Subtotal</b>    | <u>3,075.71</u>          |
| <b>Grand Total</b>                        |                    | <u><u>737,777.57</u></u> |



\_\_\_\_\_  
Anita Agramonte, Finance Director



\_\_\_\_\_  
Aurelio De La Torre, Treasurer



# STAFF REPORT

ITEM NO. 3

DATE: APRIL 5, 2016  
TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
FROM: BILL SMITH, CITY MANAGER  
PREPARED BY: SABDI SANCHEZ, CHIEF DEPUTY CITY CLERK  
SUBJECT: BIENNIAL REVIEW OF THE CITY'S CONFLICT OF INTEREST CODE

## RECOMMENDED ACTION

It is recommended that the City Council direct the review of the City's Conflict of Interest Code and the filing of a Biennial Notice with the City Clerk regarding such review, as required by the Political Reform Act.

## BACKGROUND

The Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), requires all public agencies to adopt and maintain a conflict of interest code. The primary effect of the code is to establish disclosure requirements for various government positions involved in the requisite level of decision-making as set forth in the Act. The Act requires each city to adopt a local conflict of interest code designating city positions not otherwise designated in the Act itself, that are involved in making or participating in the making of city decisions at all levels of city government.

The Act further requires that agencies, including cities, regularly review and update their codes as necessary as directed by their code-reviewing bodies or when change is necessitated by changed circumstances. (Gov. Code §§ 87306, 87306.5). The City Council is the code-reviewing body for the City's Code and must direct the biennial review of its Conflict of Interest Code ("Code"). The Act also requires that the City Manager file a statement regarding the results of the review no later than October 1 of the same year. If a change in the Code is necessitated by this review, it must be submitted to the City Council for approval within ninety (90) days of the filing of the Local Agency Biennial Notice with the City Clerk. (Gov. Code § 87303, 87306.5).

## ISSUES/ANALYSIS

None.

## **FISCAL IMPACTS**

No direct fiscal impact, however staff time will need to be dedicated to managing and reporting required under the new rules.

## **ALTERNATIVES**

1. Provide alternative direction to staff.

**ORDINANCE NO. O-05-16**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLTON AMENDING SECTIONS 18.58.040G AND 18.58.060F (PUBLIC NOTICING REQUIREMENTS) OF TITLE 18 OF THE COLTON MUNICIPAL CODE (FILE INDEX NO. DAP-001-287).**

**WHEREAS**, on January 26, 2016 and February 9, 2016, the Planning Commission of the City of Colton (“Planning Commission”) conducted a duly noticed public hearing and recommended the City Council of the City of Colton (“City Council”) amend Section 18.12.060 (Building Projections – R-1 Zone), 18.12.170 (Parking Requirements – R-1 Zone), and Sections 18.58.040G and 18.58.060F (Public Noticing Requirements) of Title 18 of the Colton Municipal Code (the “Municipal Code”). Following the conclusion of said hearing, the Planning Commission adopted their Resolution No. R-4-16, recommending approval to the City Council (“Zoning Text Amendment”; and

**WHEREAS**, the Planning Commission adopted a Resolution recommending approval of the Zoning Text Amendment to the City Council; and

**WHEREAS**, the City Council has determined that the Zoning Text Amendment is consistent with the City of Colton General Plan (“General Plan”) as indicated below; and

**WHEREAS**, the City Council has determined that the proposed Zoning Text Amendment is in the best interests of the City, and that it would be in the public interest to approve the Zone Text Amendment; and

**WHEREAS**, the Zoning Text Amendment was reviewed, studied and found exempt from the California Environmental Quality Act (“CEQA”) as more fully described below; and

**WHEREAS**, on March 15, 2016, the City Council held a duly noticed public hearing at which persons wishing to testify in connection with the Zoning Text Amendment were heard and the Zoning Text Amendment was comprehensively reviewed.

1           **WHEREAS**, the City Council has determined that amendments to Sections 18.12.060 and  
2 18.12-170 shall be removed from said Zoning Text Amendment and considered separately from  
3 Ordinance No. O-05-16.

4           **WHEREAS**, all other legal prerequisites to the adoption of this Ordinance have occurred.

5  
6           **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON DOES**  
7 **ORDAIN AS FOLLOWS:**

8           **SECTION 1.** The City Council hereby adopts the recitals and findings set forth above and  
9 in the agenda report prepared in connection with this Ordinance.

10           **SECTION 2.** General Plan Consistency. Based on the entire record before the City  
11 Council and all written and oral evidence presented, including the staff report and the findings made  
12 in this Ordinance, the City Council hereby finds and determines that the proposed Ordinance is  
13 consistent with the goals and policies of the City of Colton General Plan and is reasonably related  
14 to the public welfare of the citizens of the City and surrounding regions. Specifically, the provisions  
15 of this Ordinance to increase public noticing requirements from 300-foot radius to 660-foot radius  
16 is reasonably related to the public welfare of the citizens of the City and surrounding region by  
17 increasing the public’s awareness and opportunities for involvement in land use projects which may  
18 affect their property interests and personal welfare.

19           **SECTION 3.** Section 18.58.040 of Chapter 18.58 of Title 18 of the Colton Municipal  
20 Code, pertaining to Variances, is hereby amended to read as follows:

21 18.58.040 - Variances.

22 G. Notice of time and place of the hearing Shall be given through the United States mail, with  
23 postage prepaid, to all Persons shown on the last equalized assessment roll of the County, as  
24 owning Property within a distance of ~~three~~ **six hundred sixty** feet from the external boundaries  
25 of the Property described in the Application.

26           **SECTION 4.** Section 18.58.060 of Chapter 18.58 of Title 18 of the Colton Municipal  
27 Code, pertaining to Conditional Use Permits, is hereby amended to read as follows:

28 18.58.060 – Conditional Use Permits.

F. Notice of the time and place of the hearing Shall be given by Notice through the United States  
mail, with postage prepaid, to all Persons shown on the last equalized assessment roll of the  
County, as owning Property, **and tenants of each Property,** within a distance of ~~three~~ **six**  
**hundred sixty** feet from the external boundaries of the Property described in the Application.

**SECTION 5.** If any sentence, clause or phrase of this Ordinance is for any reason held to  
be unconstitutional or otherwise invalid, such decisions shall not affect the validity of the remaining  
provisions of this Ordinance.

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**SECTION 6.** The City Council hereby finds and determines that it can be seen with certainty that there is no possibility that this Ordinance may have a significant adverse effect on the environment. Thus, the adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines.

**SECTION 7. Certification/Publication.** The City Clerk shall certify to the passage of the Ordinance and cause the same or a summary thereof to be published within fifteen (15) days after adoption in a newspaper of general circulation published and circulated in the City of Colton.

**SECTION 8.** This Ordinance shall become effective thirty (30) days after its adoption in accordance with the provisions of California law.

**PASSED, APPROVED AND ADOPTED** on this 5th day of April, 2016.

\_\_\_\_\_  
RICHARD A. DELAROSA  
Mayor

ATTEST:

\_\_\_\_\_  
CAROLINA R. PADILLA  
City Clerk

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ORDINANCE NO. O-06-16

1  
2 **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLTON TO**  
3 **AMEND MUNICIPAL CODE CHAPTER 6.16 OF TITLE 6 BY ADDING**  
4 **SECTION 6.16.300, ADOPTING A COMMERCIAL ORGANIC WASTE**  
5 **RECYCLING PROGRAM AS REQUIRED OF ALL LOCAL JURISDICTIONS**  
6 **ACROSS THE STATE UNDER AB 1826 CHESBORO (CHAPTER 727,**  
7 **STATUTES OF 2014).**

8 **WHEREAS,** Governor Brown signed AB 1826 Chesboro (Chapter 727, Statutes of  
9 2014) in October of 2014; and,

10 **WHEREAS,** the State of California requires all local jurisdictions across the state to  
11 adopt an organic waste recycling program on and after January 1, 2016; and,

12 **WHEREAS,** the State of California requires businesses, including multifamily  
13 residential dwellings that consist of five or more units, to divert organic waste on and after April  
14 1, 2016; and,

15 **WHEREAS,** the purpose of the organic waste recycling program is to help achieve the  
16 State's greenhouse gas emission goals; and,

17 **WHEREAS,** the organic waste recycling program reduces the amount of waste  
18 disposed of in landfills and repurposes it in the most efficient way possible; and,

19 **WHEREAS,** the organic waste recycling program also promotes the values and benefits  
20 of environmental stewardship, recognizing the need to use resources efficiently.

21 **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON DOES**  
22 **HEREBY ORDAIN AS FOLLOWS:**

23 **SECTION 1.** Chapter 6.16 of the City of Colton Municipal Code shall be revised to  
24 include section 6.16.300, creating a Commercial Organic Waste Recycling Program as it is  
25 written below:

26 6.16.300 – Commercial Organic Waste Recycling Program.

27 A. Purpose.

1 In October of 2014 Governor Brown signed AB 1826 Chesboro (Chapter 727, Statutes  
2 of 2014), which requires businesses to recycle their organic waste on and after April 1, 2016,  
3 depending on the amount of waste they generate per week. Organic waste means food waste,  
4 green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper  
5 waste that is mixed in with food waste. This law phases in the mandatory recycling of  
6 commercial organics over time, with the minimum threshold of organic waste generation by  
7 businesses decreasing over time. This chapter establishes the City of Colton Commercial  
8 Organic Waste Recycling Program.

10 B. Application.

11 The provisions of this chapter shall apply to all businesses as defined in the mandatory  
12 organics recycling law, which defines a business as a commercial or public entity (such as a  
13 school or hospital) including multifamily residential dwellings (5 units or more), that generates  
14 a specified amount of organic waste within the city limits (multifamily dwellings are not  
15 required to have a food waste diversion program). A business that meets the waste generation  
16 threshold shall engage in one of the following organic recycling activities:

- 18 - Source separate organic waste from other waste and participate in a waste  
19 recycling service provided through the City's waste hauler that includes collection and  
20 recycling of organic waste.
- 22 - Recycle its organic waste on site, or self-haul its organic waste off site for  
23 recycling.
- 24 - Subscribe to an organic waste recycling service that may include mixed waste  
25 processing that specifically recycles organic waste.

26 Businesses may be required to show proof of compliance.

27 C. Implementation Schedule.

1 The implementation schedule is as follows:

2 - April 1, 2016: Businesses that generate eight cubic yards of organic waste per  
3 week shall arrange for organic waste recycling services.

4 - January 1, 2017: Businesses that generate four cubic yards of organic waste per  
5 week shall arrange for organic waste recycling services.

6 - January 1, 2019: Businesses that generate four cubic yards or more of  
7 commercial solid waste per week shall arrange for organic waste recycling services.

8 - Summer/Fall 2021: If CalRecycle determines that the statewide disposal of  
9 organic waste in 2020 has not been reduced by 50 percent of the level of disposal during 2014,  
10 the organic recycling requirements on businesses will expand to cover businesses that generate  
11 two cubic yards or more of commercial solid waste per week. Additionally certain exemptions  
12 may no longer be available if this target is not met.

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14  
15 D. Exemptions.

16 On a case-by-case basis, individual businesses may be exempt from the organic waste  
17 recycling requirements. Exemptions may include, but are not limited to the following:

18 - Lack of sufficient space in multifamily complexes or businesses to provide  
19 additional organic material recycling bins.

20 - The current implementation by a business of actions that result in the recycling  
21 of a significant portion of its organic waste.

22 - Limited-term exemptions for extraordinary and unforeseen events.

23  
24 E. Enforcement.

25 It will be the responsibility of the waste hauler to implement and enforce this program  
26 as provided in the current agreement between the City and the waste hauler. At the time this  
27 chapter was adopted Republic Services, Inc. (Contractor) was the waste hauler. Under the  
28

1 current agreement, it is stated that:

2 *“Contractor shall provide Commercial Organic Waste Collection services for*  
3 *Commercial Customers in the City generating eight cubic yards or more of Organic Waste*  
4 *per week. Contractor shall provide appropriate containers to Commercial Customers and*  
5 *provide weekly collection for such Commercial Organic Waste containers. Contractor will*  
6 *deliver the Collected Organic Waste to a Composting or Processing Facility approved by*  
7 *the City for composting, anaerobic digestion, use as animal feedstock or other means of*  
8 *diversion accepted by CalRecycle, depending on the reasonable availability of a Composting*  
9 *or Processing Facility and as permitted by Applicable Law.”*

11 Collection of all associated fees shall be subject to all provisions under the current  
12 franchise agreement with the waste hauler, and as outlined in the most recently adopted Waste  
13 Hauler Fee schedule.

14 F. Incompatible provisions.

15 To the extent any provision of this chapter is incompatible with or at variance with any  
16 prior adopted ordinance or resolution, the provisions of this chapter shall take precedence, and  
17 all prior ordinances and resolutions shall be interpreted to harmonize with and not change the  
18 provisions of this chapter.  
19

20 G. Severability.

21 If any provision, section, subsection, sentence, clause or phrase of this chapter, or the  
22 application of same to any person or set of circumstances is held to be unconstitutional, void,  
23 or invalid, such decision shall not affect the remaining portions of this chapter which shall  
24 remain in full force and effect, and all provisions of this chapter are declared to be severable  
25 for that purpose.  
26

27 **SECTION 2.** This ordinance shall take force and effect thirty (30) days after its  
28

1 adoption.

2           **SECTION 3.** The City Clerk shall certify to the adoption of this Ordinance and cause  
3 it, or a summary of it, to be published in a newspaper of general circulation printed and  
4 published within the City of Colton in accordance with law.

5           **PASSED, APPROVED AND ADOPTED** this 5th day of April, 2016.

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\_\_\_\_\_  
RICHARD A. DELAROSA, Mayor

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10 ATTEST:

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CAROLINA R. PADILLA, City Clerk

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## STAFF REPORT

DATE: APRIL 5, 2016  
 TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
 FROM: BILL SMITH, CITY MANAGER *BS*  
 PREPARED BY: DAVID X. KOLK, Ph.D., UTILITY DIRECTOR *DxK*  
 SUBJECT: FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH LEIDOS ENGINEERING, LLC.

### RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to execute the First Amendment to the Professional Services Agreement with Leidos Engineering, LLC, to increase the amount for electrical engineering services by \$85,000 for a total not-to-exceed \$109,000.

### BACKGROUND

The Colton Electric Department's (CED) Engineering Division provides a variety of support services to the utility's Substation and Transmission and Distribution divisions, as well as to developers and customers for construction needs. These services include planning, design, budgeting, coordinating construction activities and providing service connections.

In December 2014, the CED issued a Request for Proposal (RFP) for engineering services to perform specific electric systems studies. The City Council awarded a contract for these services to Leidos Engineering, LLC (Leidos) on March 3, 2015.

### ISSUES/ANALYSIS

CED has a need for outside engineering services for a number of specific projects to increase the safety and reliability of its transmission and distribution system. To meet a portion of these needs the City Manager executed a separate agreement with Leidos for miscellaneous engineering services, in the amount not-to-exceed \$24,000, in November 2015. This agreement was executed in accordance with Municipal Code 3.08.070 (a). The services performed under this agreement included a blast wall study for the Hub Substation and other transmission and distribution protection services.

As the fiscal year has progressed, staff has identified the need to utilize the services of Leidos for additional work. The additional services include further work on the transmission and distribution protection system and the need to perform a substation breaker study. The breaker study includes planning and design review. The cost for the additional services will not exceed \$85,000.

Colton Municipal Code 3.08.070 (c) requires the City Council approve professional services agreements for more than \$100,000. With the proposed additional services and compensation, the

new contract total will be \$109,000. Staff is recommending the City Council approve the First Amendment to the Professional Services Agreement with Leidos Engineering, LLC for the additional services and additional compensation of \$85,000.

### **FISCAL IMPACTS**

Funds have been approved, in the CED's Fiscal Year 15/16 expenditure budget for engineering services. Sufficient funds are available the Electric Department, Engineering Division expense Account Number 520-8000-8002-2350-0923.

### **ALTERNATIVES**

1. Provide alternative direction to staff.

### **ATTACHMENT**

1. First Amendment to the Professional Services Agreement with Leidos Engineering, LLC
2. Professional Services Agreement with Leidos Engineering, LLC dated August 15, 2015.

ATTACHMENT 1

FIRST AMENDMENT TO THE  
PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
CITY OF COLTON  
AND  
LEIDOS ENGINEERING, LLC

**FIRST AMENDMENT TO  
PROFESSIONAL SERVICES AGREEMENT**

**BETWEEN THE CITY OF COLTON  
AND  
LEIDOS ENGINEERING, LLC**

**1. PARTIES AND DATE.**

This First Amendment to the Professional Services Agreement (“First Amendment”) is made and entered into this 5th day of April, 2016 by and between the City of Colton (“City”) and Leidos Engineering, LLC (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this First Amendment.

**2. RECITALS.**

2.1 Agreement. City and Consultant entered into that certain Professional Services Agreement dated August 19, 2015 (“Agreement”), whereby Consultant agreed to provide professional engineering services.

2.2 Amendment. City and Consultant desire to amend the Agreement for the First time to increase the annual amount for electrical engineering services by \$85,000.

**3. TERMS.**

3.1 Fees and Payments. Section 3.3.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit “C” attached hereto and incorporated herein by reference. The total compensation shall not exceed one hundred nine thousand dollars and zero cents (\$109,000.00) without written approval of City’s City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.2 “Exhibit C is hereby deleted in its entirety and replaced with Exhibit “C – First Amendment” attached hereto and incorporated herein by reference

3.3 Continuing Effect of Agreement. Except as amended by this First Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect.

From and after the date of this First Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

3.4 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this First Amendment.

3.5 Counterparts. This First Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

**[SIGNATURES ON FOLLOWING PAGE]**

**SIGNATURE PAGE FOR FIRST AMENDMENT TO  
PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF COLTON  
AND LEIDOS ENGINEERING, LLC**

IN WITNESS WHEREOF, the Parties have entered into this First Amendment to Professional Services Agreement as of the 5th day of April, 2016.

**CITY OF COLTON**

By: \_\_\_\_\_  
William R. Smith  
City Manager

*Attest:* \_\_\_\_\_  
City Clerk

**Leidos Engineering  
a Limited Liability Corporation**

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Title (Print)

ATTACHMENT 2

PROFESSIONAL SERVICES AGREEMENT

BETWEEN

CITY OF COLTON

AND

LEIDOS ENGINEERING, LLC

DATED 08/15/15

**CITY OF COLTON  
PROFESSIONAL SERVICES AGREEMENT**

**1. PARTIES AND DATE.**

This Agreement is made and entered into this 19th day of August, 2015 by and between the City of Colton, a municipal corporation organized under the laws of the State of California with its principal place of business at 650 North La Cadena Drive, Colton, California 92324 (“City”) and Leidos Engineering LLC, a limited liability corporation with its principal place of business at 131 Saundersville Rd, Hendersonville, TN 37075 (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**2. RECITALS.**

**2.1 Consultant.**

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing electrical engineering services to public clients, is licensed in the State of California, and is familiar with the plans of City.

**2.2 Project**

City desires to engage Consultant to render miscellaneous electrical engineering services (“Project”) as set forth in this Agreement.

**3. TERMS.**

**3.1 Scope of Services and Term.**

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional electrical engineering consulting services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules, and regulations.

3.1.2 Term. The term of this Agreement shall be from August 19, 2015 to June 30, 2016, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

**3.2 Responsibilities of Consultant.**

(BB&K: 1-14)

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3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: Baldwin Yeung.

3.2.5 City's Representative. The City hereby designates the Electric Utility Director, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Baldwin Yeung, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall

be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Period of Performance. Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Consultant shall also perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" or "B" attached hereto, or which may be separately agreed upon in writing by the City and Consultant ("Performance Milestones"). Consultant agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such Project Milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the City will suffer damage.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Consultant. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Consultant shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 3.2.10 or any of its subsections.

3.2.10.2 Employment Eligibility; Subcontractors, Consultants, Sub-subcontractors and Subconsultants. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, consultants, sub-subcontractors and subconsultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Consultant verifies that they are a duly authorized officer of Consultant, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Consultant or its subcontractors, consultants, sub-subcontractors or subconsultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of

City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.6 Air Quality. To the extent applicable, Consultant must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Although the SCAQMD and CARB limits and requirements are more broad, Consultant shall specifically be aware of their application to "portable equipment", which definition is considered by SCAQMD and CARB to include any item of equipment with a fuel-powered engine. Consultant shall indemnify City against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Consultant, its subconsultants, or others for whom Consultant is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Consultant's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency, the State Water Resources Control Board and the Santa Ana Regional Water Quality Control Board; the City's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

(B) Liability for Non-compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Consultant or City to penalties, fines, or additional regulatory requirements. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Consultant's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the City, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Consultant further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, City will provide Consultant with a list of training programs that meet the requirements of this paragraph.

3.2.11 Insurance.

3.2.11.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this Section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this Section.

3.2.11.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease. Defense costs shall be paid in addition to the limits.

(C) Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or materially reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly

reimbursed by Consultant or the City may withhold amounts sufficient to pay premium from Consultant payments. In the alternative, the City may suspend or terminate this Agreement.

3.2.11.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim, and shall be endorsed to include contractual liability. Defense costs shall be paid in addition to the limits.

3.2.11.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) using ISO CG forms 20 10 and 20 37, or endorsements providing the exact same coverage, the City of Colton, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Services or ongoing and completed operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) using ISO form 20 01, or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City, before the City's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.4(A).

(B) Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.4(B).

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days (10 days for nonpayment of premium) prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officials, officers, employees, agents and volunteers, or any other additional insureds.

3.2.11.5 Separation of Insureds; No Special Limitations; Waiver of Subrogation. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers. All policies shall waive any right of subrogation of the insurer against the City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

3.2.11.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.2.11.7 Subconsultant Insurance Requirements. Consultant shall not allow any subconsultants to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the City that they have secured all insurance required under this Section. If requested by Consultant, the City may approve different scopes or minimum limits of insurance for particular subconsultants. The Consultant and the City shall be named as additional insureds on all subconsultants' policies of Commercial General Liability using ISO form 20 38, or coverage at least as broad.

3.2.11.8 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

3.2.11.9 Verification of Coverage. Consultant shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11.10 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.12 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.13 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

### **3.3 Fees and Payments.**

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed twenty-four thousand dollars and zero cents (\$24,000.00) without written approval of City's City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

### **3.4 Termination of Agreement.**

3.4.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

### **3.5 Ownership of Materials and Confidentiality.**

3.5.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). All Documents & Data shall be and remain the property of City, and shall not be used in whole or in substantial part by Consultant on other projects without the City's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to City reproducible copies of all Documents & Data, in a form and amount required by City. City reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by City at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to City upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to City any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to City upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify City and provide City with the opportunity to obtain the documents.

3.5.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the City.

3.5.3 Right to Use. City shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at City's sole risk. If City uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or reuse of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the City upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.5.4 Indemnification. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the

indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by City of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.5 Confidentiality. All Documents & Data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. All Documents & Data shall not, without the prior written consent of City, be used or reproduced by Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the Documents & Data to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

### 3.6 General Provisions.

3.6.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**Consultant:**

Leidos Engineering, LLC  
131 Saundersville Rd.  
Hendersonville, TN 37075  
Attn: Baldwin Yeung, P.E.

**City:**

City of Colton  
650 North La Cadena Drive  
Colton, California 92324  
Attn: Electric Utility Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

### 3.6.2 Indemnification.

3.6.2.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.6.2.2 Additional Indemnity Obligations. Consultant shall defend, with Counsel of City's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.6.2.1 that may be brought or instituted against City or its directors, officials, officers, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse City for the cost of any settlement paid by City or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Consultant shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

3.6.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

3.6.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6.5 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.6.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.6.7 Assignment or Transfer. Consultant shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.6.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.6.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.6.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.6.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.6.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

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

3.6.13 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this

Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.6.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.6.15 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.6.16 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

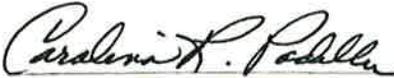
**[SIGNATURES ON NEXT PAGE]**

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF COLTON  
AND LEIDOS ENGINEERING, LLC**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the 19th day of August, 2015.

**CITY OF COLTON**

By:   
Bill Smith  
City Manager

Attest:   
Carolina Padilla  
City Clerk

**Leidos Engineering, LLC  
a Limited Liability Corporation**

By:   
Signature

Joni Batson  
Name (Print)

Vice - President  
Title (Print)

## **EXHIBIT "A"**

### **SCOPE OF SERVICES**

Consultant shall provide various engineering services as requested by the City of Colton Electric Department, on an "as needed" basis for the period through June 30, 2016.

The City shall identify specific Tasks during the term of this Agreement. The City and contractor shall agree on the specific Scope of each task to be performed through the use of a Task Authorization (Appendix "A" attached).

**EXHIBIT "B"**  
**SCHEDULE OF SERVICES**

Services under this Agreement shall be completed according to the terms agreed upon by City and Consultant in each Task Authorization.

## **EXHIBIT "C"**

### **COMPENSATION**

Total compensation for Services provided shall not exceed one hundred nine thousand dollars and zero cents (\$109,000.00) for the period through June 30, 2016. Compensation for individual tasks shall be agreed upon by City and Consultant in the written Task Authorizations.

**APPENDIX A –  
EXAMPLE OF TASK AUTHORIZATION**

**Task Authorization Description: Hub and Century 66kV Relay Upgrades**

**Effective Date: March 25, 2016**

**Client Name: Colton Electric**

**Contract No. :**

Consultant and Client agree that this Task Authorization will be governed by the terms and conditions of the Professional Services Agreement dated March 18th, 2015. No work on this Task Order may begin until executed by both Parties.

**Article I. Background**

Colton Electric Department (CED) has identified 66kV line and bus relays at Hub and Century substation that require to be upgraded. Additional work at the Hub station requires the replacement of five 66 kV breakers. Leidos will develop replacement and new installation drawings associated with this work and develop relay settings as outlined below.

- Hub Substation:
  - (5) 69-kV Circuit Breakers
  - (1) 69-kV Bus Differential Relay
  - (1) Line relay protection scheme
- Century Substation:
  - (1) 69-kV Bus Differential Relay
  - (1) Line relay protection scheme

**Article II. Tasks**

**Task 1-Data Request & Onsite Kick-off Meeting**

Leidos will submit a data request and obtain data for relay upgrades including but not limited to the information below. Leidos will also conduct a one-day meeting at the CED office to review the information provided, to conduct a walk down at each site, and to review the project scope, assumptions, methodology, and schedule.

- a. Updated One-lines, three lines, schematic, and front views
- b. Existing relay settings and test cards
- c. Firmware version for the SEL relays being installed



# TASK AUTHORIZATION

## HUB AND CENTURY 66KV RELAY UPGRADES

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### **Task 2 – Update and Develop Drawings**

Update existing drawings to represent the upgrade of the existing line and bus relays to 311C, 311L, and 487B. The following drawings at Century and Hub will be updated :

- a. One-lines
- b. Three-Lines
- c. Relay Panel Front Views
- d. Panel point to point wiring
- e. DC Schematics

### **Task 3 – Develop Relay Settings**

Prepare SEL RDB protective files for the eight (8) 66kV relays listed below:

- a. Hub Substation to SCE's Colton Substation- Primary Relay SEL 311L
- b. Hub Substation to SCE's Colton Substation- Backup Relay SEL 311C
- c. Hub Substation 66kV Bus-Primary Relay SEL 487B
- d. Century Substation to SCE's Colton Substation- Primary Relay SEL 311L
- e. Century Substation to SCE's Colton Substation- Backup Relay SEL 311C
- f. Century Substation 66kV Bus-Primary Relay SEL 487B

## **Article III. Schedule**

Leidos is prepared to begin work immediately upon a signed agreement. The target date of relay package delivery is June 1, 2016.

## **Article IV. Amendment(s) to Terms of the Agreement**

The fee for the services under this Task Authorization will not exceed a maximum of eighty-four thousand, two-hundred, thirty six dollars (\$84,236.00), on the basis of the Scope of Services outlined in this Task Authorization and the anticipated level of effort, without obtaining the prior written authorization of Client. The Parties acknowledge that the authorization ceiling (not-to-exceed) is not meant to constitute a fixed fee or a limitation under which the Consultant provides services that is not included in the agreed upon Scope of Services. Notwithstanding anything to the contrary herein, the Consultant will not be required to furnish services or incur expenses for work not included in the Scope of Services without written authorization (including email) from the Client committing to additional funding.

**TASK AUTHORIZATION**  
**HUB AND CENTURY 66KV RELAY UPGRADES**

---

IN WITNESS WHEREOF, the Parties have signed this Task Authorization as of the date first written above.

**CITY OF COLTON**

**LEIDOS ENGINEERING, LLC**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Signature *RJP*  
Name RICHARD J PAWS, JR  
Title VICG-PRESIDENT





**ADDITIONAL REMARKS SCHEDULE**

|   |                             |   |  |
|---|-----------------------------|---|--|
| AGENCY<br><b>Willis of Maryland, Inc.</b> |                             | NAMED INSURED<br><b>Leidos Engineering, LLC, a wholly owned subsidiary of Leidos, Inc</b><br>One Benham Place,<br>9400 North Broadway, Suite 300<br>Oklahoma City, OK 73114 |  |
| POLICY NUMBER<br><b>SEE PAGE 1</b>        |                             | EFFECTIVE DATE: <b>SEE PAGE 1</b>   |  |
| CARRIER<br><b>SEE PAGE 1</b>              | NAIC CODE<br><b>SEE P 1</b> |   |  |

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance**

**Description of Operations/Locations/Vehicles:  
 Liability.**

**General Liability and Auto Liability shall be Primary and Non-contributory with any other insurance in force for or which may be purchased by Additional Insureds.**

**Waiver of Subrogation applies in favor of Additional Insureds with respects to General Liability, Auto Liability, Umbrella Liability and Workers Compensation as permitted by law.**

## ADDITIONAL COVERAGE SCHEDULE

| COVERAGE   | LIMITS  |
|--|---|
| <b>POLICY TYPE: Workers Compensation &amp; Employers Liability (NJ, PA)</b><br><b>CARRIER: New Hampshire Insurance Company</b><br><b>POLICY TERM: 04/01/2015-04/01/2016</b><br><b>POLICY NUMBER: WC 021459970</b>            | <b>Per Statute</b><br><b>E.L. Each Accident: \$3,000,000</b><br><b>E.L. Disease-Policy Limit: \$3,000,000</b><br><b>E.L. Disease-Each Employee: \$3,000,000</b> |
| <b>POLICY TYPE: Workers Compensation &amp; Employers Liability (AK, AZ, GA, VA)</b><br><b>CARRIER: New Hampshire Insurance Company</b><br><b>POLICY TERM: 04/01/2015-04/01/2016</b><br><b>POLICY NUMBER: WC 021459969</b>    | <b>Per Statute</b><br><b>E.L. Each Accident: \$3,000,000</b><br><b>E.L. Disease-Policy Limit: \$3,000,000</b><br><b>E.L. Disease-Each Employee: \$3,000,000</b> |
| <b>POLICY TYPE: Workers Compensation &amp; Employers Liability (CA)</b><br><b>CARRIER: Insurance Company of the State of Pennsylvania</b><br><b>POLICY TERM: 04/01/2015-04/01/2016</b><br><b>POLICY NUMBER: WC 021459972</b> | <b>Per Statute</b><br><b>E.L. Each Accident: \$3,000,000</b><br><b>E.L. Disease-Policy Limit: \$3,000,000</b><br><b>E.L. Disease-Each Employee: \$3,000,000</b> |
| <b>POLICY TYPE: Workers Compensation &amp; Employers Liability (IL,KY,NC,NH,UT,VT)</b><br><b>CARRIER: New Hampshire Insurance Company</b><br><b>POLICY TERM: 04/01/2015-04/01/2016</b><br><b>POLICY NUMBER: WC 021459968</b> | <b>Per Statute</b><br><b>E.L. Each Accident: \$3,000,000</b><br><b>E.L. Disease-Policy Limit: \$3,000,000</b><br><b>E.L. Disease-Each Employee: \$3,000,000</b> |
| <b>POLICY TYPE: Workers Compensation &amp; Employers Liability (FL)</b><br><b>CARRIER: New Hampshire Insurance Company</b><br><b>POLICY TERM: 04/01/2015-04/01/2016</b><br><b>POLICY NUMBER: WC 021459965</b>                | <b>Per Statute</b><br><b>E.L. Each Accident: \$3,000,000</b><br><b>E.L. Disease-Policy Limit: \$3,000,000</b><br><b>E.L. Disease-Each Employee: \$3,000,000</b> |
| <b>POLICY TYPE: Workers Compensation &amp; Employers Liability (WI)</b><br><b>CARRIER: Illinois National Insurance Company</b><br><b>POLICY TERM: 04/01/2015-04/01/2016</b><br><b>POLICY NUMBER: WC 021459966</b>            | <b>Per Statute</b><br><b>E.L. Each Accident: \$3,000,000</b><br><b>E.L. Disease-Policy Limit: \$3,000,000</b><br><b>E.L. Disease-Each Employee: \$3,000,000</b> |
| <b>POLICY TYPE: Workers Compensation &amp; Employers Liability (MA)</b><br><b>CARRIER: Insurance Company of the State of Pennsylvania</b><br><b>POLICY TERM: 04/01/2015-04/01/2016</b><br><b>POLICY NUMBER: WC 021459971</b> | <b>Per Statute</b><br><b>E.L. Each Accident: \$3,000,000</b><br><b>E.L. Disease-Policy Limit: \$3,000,000</b><br><b>E.L. Disease-Each Employee: \$3,000,000</b> |

POLICY NUMBER: GL 9575047

COMMERCIAL GENERAL LIABILITY  
CG 02 24 10 93

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EARLIER NOTICE OF CANCELLATION PROVIDED BY US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **SCHEDULE**

Number of Days' Notice 90

(If no entry appears above, information required to complete this Schedule will be shown in the Declarations as applicable to this endorsement.)

For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in paragraph 2. of either the CANCELLATION Common Policy Condition or as amended by an applicable state cancellation endorsement, is increased to the number of days shown in the Schedule above.

**ENDORSEMENT**

This endorsement, effective 12:01 A.M. 4/1/2015 forms a part of

policy No. CA 526 0774 issued to LEIDOS HOLDINGS, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EARLY NOTICE OF CANCELLATION PROVIDED BY US**

*This endorsement modifies insurance provided under the following:*

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
TRUCKERS COVERAGE FORM  
GARAGE COVERAGE FORM

**COMMON POLICY CONDITIONS, A. - Cancellation, 2. is amended to read:**

**2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:**

- a. **TEN ( 10) \* days before the effective date of cancellation if we cancel for nonpayment of premium; or**
- b. **NINETY ( 90) \* days before the effective date of cancellation if we cancel for any other reason.**

\* The notice period provided shall not be less than that required by applicable state law(s).

  
\_\_\_\_\_  
Authorized Representative or  
Countersignature (in States Where  
Applicable)

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Insurance Services Office, Inc., with its permission.

**ENDORSEMENT No.**

**This endorsement, effective 12:01 AM:**

**Forms a part of policy no:** 19961880

**Issued to:** LEIDOS HOLDINGS, INC.

**By:**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL  
TO ENTITIES OTHER THAN THE FIRST NAMED INSURED**

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;
2. the **First Named Insured** is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and
3. the **Insurer** received this information after the **First Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer**,

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within [30] days after the **First Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **First Named Insured** provides such information to the **Insurer**.

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following Definitions apply to this endorsement:

1. **First Named Insured** means the Named Insured shown on the Declarations Page of this policy.
2. **Insurer** means the insurance company shown in the header on the Declarations page of this policy.

All other terms, conditions and exclusions shall remain the same.



Christopher G. Kopser

AUTHORIZED REPRESENTATIVE

**GEORGIA ADVANCE NOTICE OF CANCELLATION OR NON-RENEWAL BY US EXTENDED**

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 04/01/2015 forms a part of Policy No. WC 021459967

Issued to LEYDOS HOLDINGS, INC.

By NEW HAMPSHIRE INSURANCE COMPANY

This endorsement modifies insurance provided under the following:

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**

**PART SIX - CONDITIONS, D. - Cancellation, 2.** is deleted in its entirety and replaced with:

We may cancel or non-renew this policy. We must mail or deliver to you not less than the number of days shown below advance written notice stating when the cancellation or non-renewal is to take effect.

Except for non-delivery of satisfactory security or collateral when due for which we will provide the advance written notice required by law, and except for non-payment of premium and non-payment of loss reimbursement for which we will provide the advance written notice required by law, we shall not provide less than the number of days advance notice set forth below, or in the policy and endorsements attached thereto, or as required by state law. Non-delivery of satisfactory security or collateral shall not constitute a non-payment of premium.

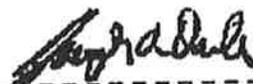
Mailing that notice to you, at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

Cancellation: 90 Days

Non-Renewal: 90 Days

WC 99 10 02  
(Ed. 04/03)

Countersigned by \_\_\_\_\_



Authorized Representative

## Willis Limited

51 Line Street London  
Telephone: +44 (0)2031246000 Fax: +44 (0)2031248223  
Website: www.willis.com

# Willis

the merged or acquired entity, subject to the policy terms, conditions and limitations, from the date such merger or acquisition becomes final.

### XVII. ASSIGNMENT

The interest hereunder of any Insured is not assignable. If the Insured shall die or be adjudged incompetent, such insurance shall cover the Insured's legal representative as the Insured as would be permitted by this policy.

### XVIII. CANCELLATION

- A. This policy of insurance may be cancelled by the Named Insured by surrender thereof to the Underwriters or by mailing to the Underwriters written notice stating when thereafter the cancellation shall be effective. This insurance may only be cancelled by the Underwriters because the Insured has failed to pay a premium when due by mailing a written notice of cancellation to the Named Insured at the address shown in the Declarations stating when not less than 10 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Period of Insurance. Delivery (where permitted by law) of such written notice either by the Named Insured or by the Underwriters shall be equivalent to mailing.
- B. If the Named Insured cancels this insurance, earned premium shall be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- C. Notwithstanding anything to the contrary in this Policy including any endorsement hereto, in the event:
- (i) one or more of the Underwriters has their authority to act as a Surplus Lines Insurer or an Authorized Insurer withdrawn by any applicable regulatory body; or
  - (ii) one or more of the Underwriters fail to maintain a financial strength rating of at least "A-" by A.M. Best and/or Standard & Poor's; or
  - (iii) one or more of the Underwriters is declared insolvent or placed under the protection of Chapter 11 or similar proceedings; or
  - (iv) one or more of the Underwriters is acquired by or merged with another entity possessing a financial strength rating of less than "A-" by either A.M. Best and/or Standard & Poor's

the Named Insured, at its sole discretion, shall have the right to cancel the participation of that Underwriter which has failed to maintain its status as a Surplus Lines Insurer or Authorized Insurer, has failed to maintain its "A-" financial strength rating and/or is declared insolvent. Cancellation must be initiated by the Named

Page 32 of 52

Willis Limited, Lloyd's brokers. A Willis Group Company. Willis Limited is authorised and regulated by the Financial Conduct Authority. Registered office 51 Line Street, London EC3M 7DQ. Registered number 181116 England and Wales. Registered VAT number GB 334 1289 70

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Saved: 11/09/2014 16:05:00

**Willis Limited**

51 Lime Street London  
Telephone: +44 (0)2031246000 Fax: +44 (0)2031248223  
Website: www.willis.com



Insured within 30 days from the latest date on which such Underwriter lost its authority, failed to maintain its "A-" financial strength rating and/or was declared insolvent, via certified or registered mail, to such Underwriter. Notice of cancellation should state when such coverage shall be terminated. Return premiums due to the Named Insured shall be calculated on a pro rata basis effective the date of cancellation. In the event that there are any notified Claims or circumstances, then the premium shall be deemed fully earned and no return premium will be forthcoming. The effective date of cancellation shall be determined by the Named Insured and shall take effect no earlier than the earliest date to which the Underwriter lost its authority, was downgraded and/or was declared insolvent. The failure of the Named Insured to cancel such coverage immediately at the time of any of the above referenced provisions arising shall not preclude the Insured from exercising such cancellation at a later date during the Period of Insurance provided such notice is within the aforementioned 30 days.

**ENDORSEMENT**

This endorsement, effective 12:01 A.M. 04/01/2015 forms a part of

policy No. CA 526 0774 issued to LEIDOS HOLDINGS, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT**

*This endorsement modifies insurance provided under the following:*

**BUSINESS AUTO COVERAGE FORM**

**SCHEDULE**

**ADDITIONAL INSURED:**

**CITY OF COLTON**

- I. SECTION II - LIABILITY COVERAGE, A. Coverage, 1. - Who Is Insured, is amended to add:
- d. Any person or organization, shown in the schedule above, to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of use of a covered "auto". However, the insurance provided will not exceed the lesser of:
    - (1) The coverage and/or limits of this policy, or
    - (2) The coverage and/or limits required by said contract or agreement.



Authorized Representative or  
Countersignature (in States Where  
Applicable)

87950 (10/05'

Page 1 of 1

CONTRACT NO.  
QF032513 (1)

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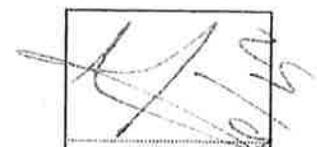
**ENDORSEMENT No. 2**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

It is agreed that any person or organization as required by contract or agreement is included as an Additional Insured, but solely with respect to liability arising out of Professional Services or Contracting Services performed by or on behalf of the Named Insured and only to the extent required by contract or agreement, subject to the Limit of Liability and all other terms, conditions and limitations of this policy. It is further agreed that this insurance will be primary and non-contributory with any other available insurance, when required by contract or agreement.

All other terms and conditions remain unaltered.

  
Lead (re)insurer  
155

**MEMORANDUM OF INSURANCE**

This Memorandum is issued as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of this Memorandum. This Memorandum does not amend, extend or alter the coverage described below. This Memorandum may only be copied, printed and distributed within an authorized viewer and may only be used and viewed by an authorized viewer for its internal use. Any other use, duplication or distribution of this Memorandum without the consent of Leidos, Inc. is prohibited. "Authorized viewer" shall mean an entity or person which is authorized by the insured named herein to access this Memorandum via <http://www.leidos.com/customer/moi/>. The information contained herein is valid as of today's date, and shall be updated upon any material policy changes and upon each policy's renewal.

**BROKER** Willis of Maryland, Inc. ("Willis")

**INSURED**  
 Leidos Engineering, LLC  
 A wholly owned subsidiary of Leidos, Inc.  
 One Benham Place, 9400 North Broadway, Suite 300  
 Oklahoma City, OK 73114

**COMPANIES AFFORDING COVERAGE**

- Co. A National Union Fire Insurance Company of Pittsburgh, PA
- Co. B New Hampshire Insurance Company
- Co. C The Insurance Company of the State of Pennsylvania
- Co. D Underwriters at Lloyd's, London (A F Beazley #623 & #2623)
- Co. E Factory Mutual Insurance Company
- Co. F Illinois National Insurance Company

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS MEMORANDUM MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| CO LTR | TYPE OF INSURANCE  | POLICY NUMBER   | EFFECTIVE DATE | EXPIRATION DATE | LIMITS                     |                 |
|--------|--|---|----------------|-----------------|----------------------------|-----------------|
|        |  |   |                |                 |                            |                 |
| A      | GENERAL LIABILITY<br>Commercial General Liability including Contractual Liability (per ISO Form CG0001 12/07)<br><br>Occurrence Form   | GL 9575047  | 04/01/15       | 04/01/16        | GENERAL AGGREGATE          | \$10,000,000    |
|        |  |   |                |                 | PRODUCTS- COMP/OP AGG      | \$2,000,000     |
|        |  |   |                |                 | PERSONAL & ADV INJURY      | \$1,000,000     |
|        |  |   |                |                 | EACH OCCURRENCE            | \$1,000,000     |
|        |  |   |                |                 | FIRE DAMAGE (ANY ONE FIRE) | \$1,000,000     |
|        |  |   |                |                 | MED EXP (ANYONE PERSON)    | \$10,000        |
| A      | AUTOMOBILE LIABILITY   | CA 5260774<br>(All Other States)  | 04/01/15       | 04/01/16        | COMBINED SINGLE LIMIT      | \$ 2,000,000    |
| A      | Covering Any Owned Autos, Hired Autos & Non-Owned Autos  | CA 5260777 (VA)   | 04/01/15       | 04/01/16        |                            |                 |
| A      |  | CA 5260775 (MA)   | 04/01/15       | 04/01/16        |                            |                 |
| A      |  | UMBRELLA LIABILITY  | 19961880       | 04/01/15        | 04/01/16                   | EACH OCCURRENCE |
|        |  |   |                |                 | AGGREGATE                  | \$ 10,000,000   |
| B      | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br><br>Includes USL&H<br><br>The Proprietor / Partners / Executive Officers are Included | WC 021459967<br>(All Other States)  | 04/01/15       | 04/01/16        | WORKERS COMP LIMITS        | STATUTORY       |
| B      |  | WC 021459968<br>(IL,KY,NC,NH, UT,VT)  | 04/01/15       | 04/01/16        | EL- EACH POLICY            | \$3,000,000     |
| B      |  | WC 021459970<br>(NJ,PA)   | 04/01/15       | 04/01/16        | EL DISEASE- POLICY LIMIT   | \$3,000,000     |
| B      |  | WC 021459969<br>(AK,AZ,VA)  | 04/01/15       | 04/01/16        | EL DISEASE- EACH EMPLOYEE  | \$3,000,000     |
| C      |  | WC 021459972<br>(CA)  | 04/01/15       | 04/01/16        |                            |                 |
| B      |  | WC 021459965<br>(FL)  | 04/01/15       | 04/01/16        |                            |                 |
| F      |  | WC 021459966<br>(WI)  | 04/01/15       | 04/01/16        |                            |                 |
| C      |  | WC 021459971<br>(MA)  | 04/01/15       | 04/01/16        |                            |                 |
| D      |  | PROFESSIONAL LIABILITY<br>Including: Contractor's Pollution Legal Liability and Information Security & Privacy Liability<br><br>Claims Made Basis | Q30966P14      | 09/28/14        | 09/28/15                   | EACH CLAIM      |
|        |  |   |                |                 | AGGREGATE                  | \$10,000,000    |
| E      | ALL RISK PROPERTY<br><br>Including all Real & Personal Property of Insured, and Property OF Others Where Required                      | LQ 253<br>Includes Business Interruption Coverage   | 10/01/14       | 10/01/15        | AGGREGATE                  | \$ 10,000,000   |

The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.

## MEMORANDUM OF INSURANCE

This Memorandum is issued as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of this Memorandum. This Memorandum does not amend, extend or alter the coverage described below. This Memorandum may only be copied, printed and distributed within an authorized viewer and may only be used and viewed by an authorized viewer for its internal use. Any other use, duplication or distribution of this Memorandum without the consent of Leidos, Inc. is prohibited. "Authorized viewer" shall mean an entity or person which is authorized by the insured named herein to access this Memorandum via <http://www.leidos.com/customer/moi/>. The information contained herein is valid as of today's date, and shall be updated upon any material policy changes and upon each policy's renewal.

### BROKER

Willis of Maryland, Inc ("Willis")  
12505 Park Potomac Avenue, Suite 300  
Potomac MD 20854

### INSURED

Leidos Engineering, LLC  
A wholly owned subsidiary of Leidos, Inc.  
One Benham Place, 9400 North Broadway, Suite 300  
Oklahoma City, OK 73114

### ADDITIONAL INFORMATION

The above Liability policies are endorsed to provide that our customers and any other organizations or persons where required by contract or agreement we enter into are named as Additional Insureds under these policies. Additionally, coverage applies on a primary basis where required by contract, and, a waiver of subrogation is provided in favor of any person or organization required pursuant to the terms of any contract or agreement we enter into.

The above Professional Liability policy limits are inclusive of an aggregate sublimit of \$5,000,000 for Privacy Notification Costs. In addition, excess aggregate sublimits of \$5,000,000 for Privacy Notification Costs are included within the limits of several of our excess professional liability policies.

The above Property policy is endorsed to provide that our customers and any other organizations or persons where required by contract or agreement we enter into are named as Loss Payees As Their Interest May Appear under this policy.

Should you wish to view these endorsements, or print a copy for your files, please click on the below links.

### GENERAL LIABILITY ENDORSEMENTS:

#### Additional Insured – Where Required Under Contract Or Agreement

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015AdditionalInsuredWhereRequiredUnderContractOrAgreement.pdf>

#### Additional Insured – Managers or Lessors of Premises

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015AdditionalInsuredManagersOrLessorsOPremises.pdf>

#### Additional Insured – Lessor of Leased Equipment

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015AdditionalInsuredLessorofLeasedEquipment.pdf>

#### Additional Insured – Vendors

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015AdditionalInsuredVendors.pdf>

#### Additional Insured – Primary Insurance

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015AdditionalInsuredPrimaryInsurance.pdf>

#### Waiver Of Transfer Of Rights Of Recovery Against Others To Us

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015WaiverOfTransferOfRightsOfRecoveryAgainstOthersToUs.pdf>

### AUTOMOBILE LIABILITY ENDORSEMENTS:

#### Additional Insured – Where Required Under Contract Or Agreement

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015AdditionalInsuredWhereRequiredUnderContractOrAgreement.pdf>

#### Lessor – Additional Insured and Loss Payee

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015LessorAdditionalInsuredLossPayee.pdf>

#### Insurance Primary As To Certain Additional Insureds

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015InsurancePrimaryAsToCertainAdditionalInsureds.pdf>

#### Waiver of Transfer of Rights Of Recovery Against Others To Us

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015WaiverOfTransferOfRightsOfRecoveryAgainstOthersToUs.pdf>

### WORKERS' COMPENSATION & EMPLOYERS LIABILITY ENDORSEMENTS:

#### Waiver of Our Right To Recover From Others

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015WaiverOfOurRightToRecoverFromOthers.pdf>

#### Alternate Employer Endorsement

<http://info.willis.com/site/leidosmoi/LeidosMOI.Lib/Endorsements/15-16%20Endorsements/2015AlternateEmployerEndorsement.pdf>

### UMBRELLA LIABILITY ENDORSEMENTS:

Additional Insured – please note that because the AIG Umbrella Prime form #80517 05/06 policy definition of an Insured includes: "Any person or organization, other than the Named Insured, included as an additional insured under the Schedule of Underlying Insurance, but not for broader coverage than would be afforded by such Schedule of Underlying Insurance" that there is no separate Additional Insured endorsement applicable to this policy. Therefore, if you are an Additional Insured on the General Liability or Automobile Liability policies above, that status extends to the Umbrella Liability policy as well.

Transfer of Rights of Recovery (Waiver of Subrogation) – please note that because the AIG Umbrella Prime form #80517 05/06 policy states that "If, prior to the time of an Occurrence, you and the insurer of Scheduled Underlying Insurance waive any right of recovery against a specific person or organization for injury or damage as required under an Insured Contract, we will also waive any rights we may have against such person or organization." that there is no separate Waiver of Subrogation endorsement applicable to these policy. Therefore, if you are granted a Waiver of Subrogation on the General Liability, Automobile Liability or Employers Liability policies above, that status extends to the Umbrella Liability policy as well.

### PROFESSIONAL LIABILITY ENDORSEMENTS:

#### Additional Insured – Where Required by Contract or Agreement

<http://www.leidos.com/sites/default/files/files/E%26O%20Addl%20Insd.pdf>

Waiver of Subrogation – Policy wording states, "However, it is agreed that the Underwriters waives its rights of subrogation under this policy against any person or organization as respects Claims arising from Professional Services or Contracting Services provided under a contract to perform such Professional Services or Contracting Services which requires a waiver of subrogation, but only to the extent required by written contract." Therefore, if our contract requires we waive our rights of subrogation in your favor, the waiver automatically applies.

### NOTICE OF CANCELLATION:

Due to the very large number of contracts that LEIDOS and its subsidiaries enter into each year, the above policies do not contain an endorsement obligating the insurer to provide any advance written notice directly to anyone but LEIDOS. However, insurers have endorsed their policy to provide LEIDOS with 90 days advance written notice of any cancellation (except 10 days for non-payment of premium) so as to enable LEIDOS to provide any required Notices to its customers in accordance with agreed to contract terms and conditions.

The Memorandum of Insurance serves solely to list insurance policies limits and dates of coverage. Any modifications hereto are not authorized.

POLICY NUMBER: GL 9575047

COMMERCIAL GENERAL LIABILITY  
CG 24 04 05 09

## WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

Name Of Person Or Organization:

PURSUANT TO APPLICABLE WRITTEN CONTRACT OR AGREEMENT YOU ENTER INTO

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV - Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

## WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

Name Of Person Or Organization:

PURSUANT TO APPLICABLE WRITTEN CONTRACT OR AGREEMENT YOU ENTER INTO

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV - Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

**ENDORSEMENT**

This endorsement, effective 12:01 A.M. 4/1/2015 forms a part of

policy No. GL 9575047 issued to LEIDOS HOLDINGS, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT**

*This endorsement modifies insurance provided under the following:*

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**SECTION II - WHO IS AN INSURED**, is amended to include as an additional insured:

Any person or organization to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of your operations or premises owned by or rented to you.

However, the insurance provided will not exceed the lesser of:

- The coverage and/or limits of this policy, or
- The coverage and/or limits required by said contract or agreement.



Authorized Representative or  
Countersignature (in States Where  
Applicable)

**ENDORSEMENT**

This endorsement, effective 12:01 A.M. 4/1/2015 forms a part of

policy No. CA 5260774 issued to LEIDOS HOLDINGS, INC.

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

*This endorsement modifies insurance provided under the following:*

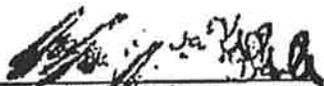
**BUSINESS AUTO COVERAGE FORM**

**Section IV - Business Auto Conditions, A. - Loss Conditions, 5. - Transfer of Rights of Recovery Against Others to Us, is amended to add:**

However, we will waive any right of recover we have against any person or organization with whom you have entered into a contract or agreement because of payments we make under this Coverage Form arising out of an "accident" or "loss" if:

- (1) The "accident" or "loss" is due to operations undertaken in accordance with the contract existing between you and such person or organization; and
- (2) The contract or agreement was entered into prior to any "accident" or "loss".

No waiver of the right of recovery will directly or indirectly apply to your employees or employees of the person or organization, and we reserve our rights or lien to be reimbursed from any recovery funds obtained by any injured employee.

  
\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

62897 (6/95)

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

This endorsement changes the policy to which it is attached effective on inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 4/1/2015 forms a part of Policy No. WC 021459967

Issued to LEIDOS HODLINGS, INC.

By NEW HAMPSHIRE INSURANCE COMPANY

Premium INCLUDED

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

**Schedule**

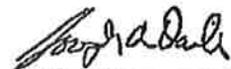
**THE PREMIUM FOR THE ENDORSEMENT IS INCLUDED**

ANY PERSON OR ORGANIZATION WITH WHOM YOU HAVE ENTERED INTO A CONTRACT, A CONDITION OF WHICH REQUIRES YOU TO OBTAIN THIS WAIVER FROM US. THIS ENDORSEMENT DOES NOT APPLY TO BENEFITS OR DAMAGES PAID OR CLAIMED:  
1. PURSUANT TO THE WORKERS' COMPENSATION OR EMPLOYERS' LIABILITY LAWS OF KENTUCKY, NEW HAMPSHIRE, OR NEW JERSEY; OR,  
2. BECAUSE OF INJURY OCCURRING BEFORE YOU ENTERED INTO SUCH A CONTRACT.

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah, or Washington.

WC 00 03 13  
(Ed. 04/84)

Countersigned by \_\_\_\_\_



Authorized Representative

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LESSOR – ADDITIONAL INSURED AND LOSS PAYEE**

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

|  |
|--|
| <b>Named Insured:</b> LEIDOS HOLDINGS, INC.<br><b>Endorsement Effective Date:</b> 4/1/2015 |
| <b>Countersignature Of Authorized Representative</b>                                       |
| <b>Name:</b><br><b>Title:</b><br><b>Signature:</b><br><b>Date:</b>                         |

3. The coverages provided under this endorsement apply to any "leased auto" described in the Schedule until the expiration date shown in the Schedule, or when the lessor or his or her agent takes possession of the "leased auto", whichever occurs first.

**B. Loss Payable Clause**

1. We will pay, as interest may appear, you and the lessor named in this endorsement for "loss" to a "leased auto".
2. The insurance covers the interest of the lessor unless the "loss" results from fraudulent acts or omissions on your part.
3. If we make any payment to the lessor, we will obtain his or her rights against any other party.

**C. Cancellation**

1. If we cancel the policy, we will mail notice to the lessor in accordance with the Cancellation Common Policy Condition.
2. If you cancel the policy, we will mail notice to the lessor.
3. Cancellation ends this agreement.

- D. The lessor is not liable for payment of your premiums.

**E. Additional Definition**

As used in this endorsement:

"Leased auto" means an "auto" leased or rented to you, including any substitute, replacement or extra "auto" needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary insurance for the lessor.

**SCHEDULE**

|  |                                 |
|--|---------------------------------|
| <b>Insurance Company:</b> NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA                  |                                 |
| <b>Policy Number:</b> 5260774  | <b>Effective Date:</b> 4/1/2015 |
| <b>Expiration Date:</b> 4/1/2016   |                                 |
| <b>Named Insured:</b> LEIDOS HOLDINGS, INC.  |                                 |
| <b>Address:</b> 10260 CAMPUS POINT DR. M/S A3-G<br>SAN DIEGO, CA 92121-1578                        |                                 |
| <b>Additional Insured (Lessor):</b> BLANKET WHERE REQUIRED BY WRITTEN CONTRACT                     |                                 |
| <b>Address:</b>  |                                 |
| <b>Designation Or Description Of "Leased Autos":</b> ALL COVERED AUTOS LEASED TO THE NAMED INSURED |                                 |

| <b>Coverages</b>   | <b>Limit Of Insurance</b>   |
|--|---|
| <b>Liability</b>   | \$ 2,000,000<br>Each "Accident"   |
| <b>Comprehensive</b>   | Actual Cash Value Or Cost Of Repair Whichever Is Less, Minus<br>\$ 500<br>Deductible For Each Covered "Leased Auto" |
| <b>Collision</b>   | Actual Cash Value Or Cost Of Repair Whichever Is Less, Minus<br>\$ 500<br>Deductible For Each Covered "Leased Auto" |
| <b>Specified Causes Of Loss</b>  | Actual Cash Value Or Cost Of Repair Whichever Is Less, Minus<br>\$ 25<br>Deductible For Each Covered "Leased Auto"  |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |   |

**A. Coverage**

1. Any "leased auto" designated or described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow.

2. For a "leased auto" designated or described in the Schedule, **Who Is An Insured** is changed to include as an "insured" the lessor named in the Schedule. However, the lessor is an "insured" only for "bodily injury" or "property damage" resulting from the acts or omissions by:

- a. You;
- b. Any of your "employees" or agents; or
- c. Any person, except the lessor or any "employee" or agent of the lessor, operating a "leased auto" with the permission of any of the above.

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## STAFF REPORT

DATE: APRIL 5, 2016  
TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
FROM: BILL SMITH, CITY MANAGER *BS*  
PREPARED BY: MARK TOMICH, DEVELOPMENT SERVICES DIRECTOR *MT*  
SUBJECT: **CENTERPOINT CAR WASH C.U.P. REVIEW.** CITY COUNCIL REVIEW OF CONDITIONAL USE PERMIT (FILE INDEX NO. DAP-001-190) APPROVED FOR THE CONTINUED USE OF AN EXISTING VEHICLE-RELATED USE, AS A FULL-SERVICE CAR WASH/GASOLINE SALES WITH CONVENIENCE MARKET; A 24 HOUR RETAIL OPERATION; AND THE SALE OF ALCOHOL, AS A NEW ABC LICENSE TYPE 20-OFF-SALE BEER & WINE, INCLUDING A DETERMINATION REGARDING PUBLIC CONVENIENCE OR NECESSITY (PCN), ON A 0.89-ACRE PARCEL LOCATED AT 1140 SOUTH MOUNT VERNON AVENUE (ASSESSOR PARCEL NUMBER 0276-144-01) ZONED C-2, GENERAL COMMERCIAL.

### RECOMMENDED ACTION

It is recommended that the City Council direct the Development Services Director to process a **Minor Modification to the CUP** to modify Condition No. 4 to require City Council review of the CUP one year after the start of beer & wine sales, instead of one year after the date of CUP approval.

### BACKGROUND

On March 17, 2015, the City Council considered an appeal of a denial by the Planning Commission of a Conditional Use Permit to allow alcohol sales at a car wash/gas station/convenience market (DBA Centerpoint Car Wash) located at 1120 South Mount Vernon Avenue. The City Council voted 5-to-2 to overturn the denial and grant the appeal, and approved a modified CUP application that included a 24-hour operation for the convenience market and gas sales, subject to conditions (noted in the attached City Council Resolution No. R-24-15). One of the conditions (Condition No. 4 below) required that the City Council review the CUP by April 17, 2016.

**DISCUSSION**

As of this date, the applicant has not obtained the necessary State ABC (Alcohol Beverage Control) license and started the sale of alcohol (beer & wine) related to the CUP. Therefore, the review of the impact of beer & wine sales, including whether adding a condition to require a minimum of two employees during certain hours, as stated by Condition No. 4, cannot be evaluated.

To prevent the approval from expiring, the applicant requested a Time Extension from the Planning Commission (File Index No. DAP-001-294). The applicant provided a written statement (attached) to demonstrate the ‘good cause’ required for the Commission to grant the extension. The statement explains that the items required for the CUP has not been provided so that these may implemented at the same time as a planned car wash renovation project. On February 23, 2016, the Planning Commission voted 5-to-2 to grant the Time Extension (staff report attached) to extend the expiration date of the approval to March 17, 2017.

Staff has since asked for updated information on any further progress on implementation beyond that on the applicant’s statement dated February 3, 2016. At the time of the preparation of this report, the applicant has not provided any additional information.

Since a true evaluation of the impact of beer & wine sales will not be possible until sales are started, and it is still unclear when the applicant will be able to obtain the necessary State license, it may be most effective to modify the CUP approval to require a review of the CUP by the City Council one year after the beer & wine sales have started.

Based on this, staff is recommending that the City Council direct the Development Services Director to process a **Minor Modification to the CUP** to modify Condition No. 4 (as shown below) to require City Council review of the CUP one year after the start of beer & wine sales, instead of one year after the date of CUP approval.

**Proposed Change to City Condition No. 4. Council Resolution No. R-24-15.**

|          |   |
|----------|---|
| Existing | Within thirty (30) days after twelve (12) months after the date of this approval, the City Council shall review this conditional use permit to ensure that the site is operated in a manner consistent with the conditions of approval and in a manner which is not detrimental to the public health, safety or welfare, or materially injurious to properties in the vicinity. The review shall include consideration of adding a condition to require a minimum of two employees in the inside of the market portion of the business during the hours when the inside of the market is open to customers if it is shown that sales at the site have increased since the start of beer and wine sales. After its review, if the City Council deems that there is sufficient reason to warrant modification or revocation, a public hearing to consider modification or revocation with the Planning Commission shall be set. |
|----------|---|

|                 |   |
|-----------------|---|
| Proposed Change | Within thirty (30) days after twelve (12) months after <del>the date of this approval</del> <b>the start of beer &amp; wine sales</b> , the City Council shall review this conditional use permit to ensure that the site is operated in a manner consistent with the conditions of approval and in a manner which is not detrimental to the public health, safety or welfare, or materially injurious to properties in the vicinity. The review shall include consideration of adding a condition to require a minimum of two employees in the inside of the market portion of the business during the hours when the inside of the market is open to customers if it is shown that sales at the site have increased since the start of beer and wine sales. After its review, if the City Council deems that there is sufficient reason to warrant modification or revocation, a public hearing to consider modification or revocation with the Planning Commission shall be set. |
|-----------------|---|

**FISCAL IMPACT**

None

**ATTACHMENTS**

1. Planning Commission Staff Report for Time Extension (DAP-001-294), 2-23-16
2. Applicant’s Statement of ‘Good Cause’ for Time Extension, dated 2-3-16
3. City Council Resolution No. 24-15, dated 3-17-15

###



# Planning Commission Staff Report

## CITY OF COLTON Development Services Department

**TYPE OF ACTION:** FINAL ACTION

**MEETING DATE:** February 23, 2016

**FILE INDEX NUMBER:** **DAP-001-294**  
**Centerpoint Car Wash CUP - Extension**

**APPLICANT:** Tejas Modi, President, CenterPoint Car Wash

**PROPERTY OWNER:** Centerpoint Car Care, LLC

**REQUEST:** **Time Extension (First)** for one year for the approval by the City Council, by appeal, of **Conditional Use Permit (Ref: File Index No. DAP-001-190)** for the continued use of an existing vehicle-related use, as a full-service car wash/gasoline sales with convenience market; a proposed 24 hour retail operation; and the sale of alcohol, as a new ABC License Type 20-Off-Sale Beer & Wine, including a **Determination regarding Public Convenience or Necessity (PCN)** due to an undue concentration of licenses, on a 0.89-acre parcel located at 1140 South Mount Vernon Avenue (Assessor Parcel Number 0276-144-01) within a 28-acre shopping center ("Centerpointe Plaza") on nine (9) parcels zoned C-2, General Commercial. Assessor Parcel Numbers (APN): 0276-144-01; 02; 03; 04; 05; 06; 07; 08; and 38.

**ACTIONS:****APPLICATION FILED:** February 4, 2016**ENVIRONMENTAL DETERMINATION:** Recommendation: Exempt pursuant to California Environmental Quality Act (CEQA) Section 15061(b)(3) due to the certainty that there is no possibility that the action will have a significant effect on the environment.**PUBLIC NOTICE DATE:** not required**PLANNING COMMISSION ACTION:** \_\_\_\_\_ **DATE:** 02/23/2016**STAFF RECOMMENDATION:** Approval of the Time Extension setting a new expiration date of March 17, 2017**PROPERTY INFORMATION:**

1. Location: 1140 S. Mount Vernon Avenue;

Assessor Parcel Numbers (APN)

- For subject property: 0276-144-01-0000
- For rest of shopping center:  
0276-144-02; 03; 04; 05; 06; 07; 08; and 38

2. Lot Size(s): subject property: 0.89 acres  
shopping center: ~28 acres
3. Existing/Previous Land Use: Car wash/ gasoline sales/ convenience market
4. General Plan Land Use Designation: General Commercial
5. Zoning: C-2, General Commercial
6. Surrounding Properties:

|              | Existing Land Use   | Zoning                     | General Plan              |
|--------------|---|----------------------------|---------------------------|
| <b>North</b> | Driveway (“Centerpointe Drive”)<br>Restaurant (Wendy’s)     | C-2, General<br>Commercial | GC, General<br>Commercial |
| <b>South</b> | Restaurant (Carls Jr.)                                      |                            |                           |
| <b>West</b>  | Street (“Mount Vernon Avenue”);<br>Restaurant (Star Buffet) |                            |                           |
| <b>East</b>  | Shopping Center (WalMart)                                   |                            |                           |

Note: based on the subject parcel

7. Past Actions:

- a) **DAP-001-190.** Consideration of **(1) an appeal to the City Council** regarding the decision by the Planning Commission to deny an application for a Conditional Use Permit (CUP) related to the sale of alcohol (FILE INDEX NO.: DAP-001-136); and **(2) a Conditional Use Permit (CUP)** for the (a) continued use of an existing vehicle-related use, as a full-service car wash/gasoline sales with convenience market; (b) a proposed 24 hour retail operation; and (c) the sale of alcohol, as a new ABC License Type 20-Off-Sale Beer & Wine, including a Determination regarding Public Convenience or Necessity (PCN), on a 0.89-acre parcel located at 1140 South Mount Vernon Avenue (Assessor Parcel Number 0276-144-01) within a 28-acre shopping center (“Centerpointe Plaza”) on nine (9) parcels zoned C-2, General Commercial. (Appellant: Tejas Modi, Centerpointe Car Care, LLC). Approved by City Council on March 17, 2015. (Resolution No. R-24-15).
- b) **DAP-001-136. Conditional Use Permit (CUP)** for the sale of alcohol, as a new ABC License Type 20-Off-Sale Beer & Wine, and a **Determination regarding Public Convenience or Necessity (PCN)** at an existing car wash/ gasoline sales/ convenience market use within a ~4,600-sf building located at 1140 South Mount Vernon Avenue on a 0.89-acre parcel within a 28-acre shopping center (“Centerpointe Plaza”) on nine (9) parcels zoned C-2, General Commercial. Denied by Planning Commission on October 14, 2014 (Resolution No. R-19-14).
- c) **BOP-117-259. Business Occupancy Permit** for change of ownership - Existing Full-Service Car Wash/Retail/Gasoline Station.” Applicant: Pranav Modi. Applied: 7-15-2013.
- d) **B00-028-964. Sign Review** for face-change of existing signs. Issued 10-24-2012. Expired.

- e) **DAP-000-876. Design Review** for the sign program for modified and new corporate signs (“Valero”). Applied 10-6-2009. Cancelled.
- f) **DC-73-91. Architectural & Site Plan Review, Conditional Use Permit, and Environmental Assessment** for proposed carwash at southeast corner of Centerpointe and Mt Vernon Avenue (APN 276-142-88). Conditionally approved by City Council on 3-17-92.

## **RELEVANT CODE SECTION**

**CMC 18.58.070. Expiration of land use entitlements.** *Any land use entitlement described in this chapter granted by the commission becomes null and void if not exercised within one year of the date of approval thereof. Upon written application by the applicant or property owner filed prior to the expiration of the approved land use entitlement, the time at which the land use entitlement expires may be extended by the commission for an additional one year period, at a time, for good cause. The existence of "good cause" will be determined at the sole discretion of the commission. No more than four extensions may be granted for any approved land use entitlement. Upon written application by the applicant or property owner filed prior to the expiration of the land use entitlement, the approved land use entitlement shall automatically be extended for thirty days or until the application for extension is approved or denied, whichever occurs first. All requests for extension shall be acted upon by the commission on the consent calendar.*

## **BACKGROUND**

On October 23, 2014, the Planning Commission denied a request for a conditional use permit to allow the subject car wash/gas station/convenience market to obtain a new alcohol license. The applicant appealed the denial to the City Council and modified the application to include a 24-hour operation for the convenience market and gas sales. On March 17, 2015, the City Council approved the appeal (overturning the denial) and approved the CUP, subject to conditions (noted in the attached City Council Resolution No. R-24-15). Pursuant to Section 18.58.070 (above), approvals become null and void if not ‘exercised’ within one year of approval: March 17, 2016. Additionally, a review of the CUP will be provided to the City Council by April 17, 2016 (see Condition No. 4).

The applicant has filed a request for a time extension since he does not expect to obtain the necessary State ABC (Alcohol Beverage Control) license and start the sale of alcohol (distilled spirits) related to the CUP approval by the expiration date. Specifically, none of the items contained in Condition No. 7, which are required prior to the start of alcohol sales, have been completed.

Although the CUP was approved by the City Council on an appeal, the Planning Commission has the authority to grant time extensions for CUPs, which may be then be appealed to the City Council. Pursuant to CMC 18.58.070, the Planning Commission may grant up to four one-year extensions after finding that there is “good cause” for granting the extension. This request is for the first extension.

**DISCUSSION**

In response to a request to demonstrate 'good cause', the applicant has provide the attached statement (Attachment 2) explaining that the applicant has waited on providing the items required by the CUP so it may be combined with a proposed car wash renovation project. The statement anticipates work to start in later February. Additionally, the applicant will need to file a separate application with the State Department of Alcoholic Beverages (ABC).

Based on this, staff has no objection to the granting of the extension.

**ENVIRONMENTAL DETERMINATION**

Exempt pursuant to California Environmental Quality Act (CEQA) Section 15061(b)(3) due to the certainty that there is no possibility that the action (time extension) will have a significant effect on the environment.

**RECOMMENDATION**

Approval of the Time Extension (First) setting a new expiration date of March 17, 2017



Prepared By:  
Jay Jarrin, AICP, Senior Planner



Reviewed By:  
Mark R. Tomich, AICP, Director

**ATTACHMENTS**

1. City Council Resolution No. 24-15
2. Statement of 'Good Cause', dated February 3, 2016

###

To,  
City of Colton Development Department

Dear Council members / City staff ,

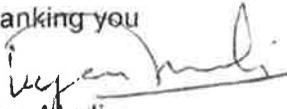
Please accept this letter as the Centrepointe car wash requesting for a time extension to complete our work under Project Type 20 license for Beer and wine sale.

City have asked for new permits and few modifications on property to get the permit for Type 20 license. On a same time we have to do renovation in carwash, which includes big money to invest. So we were waiting for the good time to start the both projects on a same time, that reduce our cost. By saying that, it helps to hire one contractor to do all renovation job in carwash and fulfill city staff requirements.

January to April is a slow time for car wash, and which gives us opportunity to do all renovation without disturbing current operation. As we have got quotes from several companies for renovation in carwash and we are on final stage, hopefully the work will start by end of February, on a same time we will start all permit process.

Hoping your kind support

Thanking you



Tejas Modi  
Centerpointe car wash

DAP-001-294  
RECEIVED

FEB 03 2016

CITY OF COLTON  
DEVELOPMENT SERVICES DEPARTMENT

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**RESOLUTION NO. R-24-15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLTON APPROVING AN APPEAL TO THE CITY COUNCIL REGARDING THE DECISION BY THE PLANNING COMMISSION TO DENY AN APPLICATION FOR A CONDITIONAL USE PERMIT (CUP) RELATED TO THE SALE OF ALCOHOL (FILE INDEX NO.: DAP-001-136); AND APPROVING A CONDITIONAL USE PERMIT (CUP) FOR THE CONTINUED USE OF AN EXISTING VEHICLE-RELATED USE, A FULL-SERVICE CAR WASH/GASOLINE SALES WITH CONVENIENCE MARKET; A PROPOSED 24 HOUR RETAIL OPERATION; AND THE SALE OF ALCOHOL, AS A NEW ABC LICENSE TYPE 20-OFF-SALE BEER & WINE, INCLUDING A DETERMINATION REGARDING PUBLIC CONVENIENCE OR NECESSITY (PCN), ON A 0.89-ACRE PARCEL LOCATED AT 1140 SOUTH MOUNT VERNON AVENUE (ASSESSOR PARCEL NUMBER 0276-144-01) WITHIN A SHOPPING CENTER ZONED C-2, GENERAL COMMERCIAL. (FILE INDEX NO.: DAP - 001-190)**

15           **WHEREAS**, an application (File Index No. DAP 001-136) was filed with the City of  
16 Colton, California by Tejas Modi of Centerpoint Car Care, LLC (hereinafter “Property  
17 Owner/ Applicant”) for a **Conditional Use Permit (“CUP”)** for the sale of alcohol  
18 (hereinafter “proposed use”), as a new ABC License Type 20-Off-Sale Beer & Wine  
19 (hereinafter “Project”) at an existing full-service car wash/ gasoline sales/ convenience market  
20 use (dba “CenterPointe Car Wash”) located at 1140 South Mount Vernon Avenue; APN  
21 0276-144-01 (hereinafter “Subject Property”) on a 0.89-acre parcel within a 28-acre shopping  
22 center (“CenterPointe Plaza”) on nine (9) parcels zoned C-2, General Commercial, in the City  
23 of Colton, California.

24  
25           **WHEREAS**, upon review of said application, it was found that the subject site is  
26 located within an area (Census Tract No. 71.08) identified as having an “undue concentration”  
27 of alcohol licenses, as defined by Alcoholic Beverage Control (ABC), and, therefore, a  
28 **Determination regarding Public Convenience or Necessity (“PCN”)**, pursuant to Section  
23958.4(b)(2) of the California Business & Professions Code, is required as part of

1 consideration of the conditional use permit for the requested alcohol license to be issued for  
2 said Project; and  
3

4           **WHEREAS**, on October 14, 2014, the Planning Commission of the City of Colton  
5 held a duly noticed public hearing at which time all persons wishing to testify in connection  
6 with the application were heard and the Application was comprehensively reviewed; and  
7

8           **WHEREAS**, a staff report was prepared for the applications and the Planning  
9 Commission found it to be true, adopted as Findings and incorporated in this Resolution; and  
10

11           **WHEREAS**, on October 14, 2014, the Planning Commission, by a vote of 5-to-2,  
12 adopted **Planning Commission Resolution No. R-19-14** denying the application; and  
13

14           **WHEREAS**, a timely appeal by the applicant ("Appellant") of the Planning  
15 Commission's denial was received by the City Clerk ("Appeal") consistent with procedures  
16 contained in Section 18.58.100 of the Colton Municipal Code; and  
17

18           **WHEREAS**, the hearing by the City Council for consideration of the appeal was  
19 postponed to the meeting of December 16, 2014 at the appellant's request; and  
20

21           **WHEREAS**, on December 16, 2014 and continued to January 20, 2015, the City  
22 Council of the City ("City Council") conducted a duly noticed public hearing on the Appeal at  
23 which time all persons wishing to testify in connection with the Appeal were heard, and the  
24 Appeal was comprehensively reviewed and considered; and  
25

26           **WHEREAS**, on January 20, 2015, the City Council continued the public hearing to  
27 March 17, 2015 to allow for the re-noticing of the public hearing due to a request by the  
28 applicant to add a 24-hour retail operation to the CUP; and

1           **WHEREAS**, the CUP has been modified to include a 24-hour retail operation in  
2 addition to continuance of the existing vehicle-related use and proposed alcohol sales  
3 (“Modified Application”); and  
4

5           **WHEREAS**, on March 17, 2015, the City Council conducted a duly re-noticed public  
6 hearing on the Appeal and Modified Application at which time all persons wishing to testify  
7 in connection with the Appeal and Modified Application were heard, and the Appeal and  
8 Modified Application was comprehensively reviewed and considered; and  
9

10           **WHEREAS**, pursuant to the Guidelines for the California Environmental Quality Act  
11 (“CEQA”), the proposed project is Categorical Exempt under Article 19, Section 15301  
12 (Existing Facilities), Class 1 of the State CEQA Guidelines; and  
13

14           **WHEREAS**, all other legal prerequisites to the adoption of this Resolution have  
15 occurred.  
16

17           **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE  
18 CITY OF COLTON:**

19           **SECTION 1.** The Recitals set forth above are true and correct and are incorporated  
20 herein by reference.

21           **SECTION 2.** Based on the entire record before the City Council and all written and  
22 oral evidence presented, including the staff report, the City Council finds that the findings  
23 required for the issuance of a conditional use permit may be made based on the following:  
24

- 25           **1. The use is in accord with the Colton General Plan, the objectives of Chapter 18**  
26           **of the Colton Municipal Code, and the purposes of the C-2 zone:**
  - 27           **a) The continued use of an existing vehicle-related use, a full-service car**  
28           **wash/gasoline sales with convenience market; a proposed 24 hour retail**  
                  **operation; and the proposed sale of alcohol, as a new ABC License Type**  
                  **20-Off-Sale Beer & Wine, at this location is in accord with the Colton**

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**General Plan.** The uses are consistent with **General Plan Land Use Element Goal LU-9**, which reads: *“Maintain a diverse mix of commercial uses that benefit the community in terms of needed commercial services, tax revenue, and employment opportunities”* and **Policy LU-3.1**: *“Provide for land uses that allow a variety of retail, service, manufacturing, institutional, office, and recreational businesses to locate in Colton.”* The granting of this conditional use permit will serve to maintain a diverse mix of commercial uses to serve the needs of residents and visitors. There are presently no other full-service car wash/gasoline sales, convenience markets, 24 hours retail use or other uses similar in size and function that also sell alcohol within a close proximity (500 feet) of the subject location. Therefore, allowing the sale of alcohol at this subject location will add convenience for customers wanting to make purchases during the same trip as car wash service or gasoline sales 24 hours a day, including purchase of beer and wine during hours that beer and wine sales are allowed. Based on this, the granting of the conditional use permit would be consistent with the general plan goals and policies.

b) **The continued use of an existing vehicle-related use, a full-service car wash/gasoline sales with convenience market; a proposed 24 hour retail operation; and the proposed sale of alcohol, as a new ABC License Type 20-Off-Sale Beer & Wine, is in accord with the objectives of Title 18 (Zoning) of the Colton Municipal Code.** The uses at this location is consistent with the objectives of the C-2 zone stated in Section 18.01.030.A.4, which reads: *To overcome present problems and effectively manage future challenges that may result from the use and development of land and property.* Specifically, the approval of a conditional use permit allows for the imposition of conditions which may address potential issues at the site, including limiting the hours for certain functions (such as sale of alcoholic beverages), requiring a minimum number of employees, and providing adequate outdoor lighting. The approval is consistent with Section 18.01.030.A.2., which reads: *“To promote the public health, safety, general welfare and preserve and enhance the aesthetic quality of the City by providing regulations to ensure an appropriate mix of land uses in an orderly manner.”*

c) **The continued use of an existing vehicle-related use, a full-service car wash/gasoline sales with convenience market; a proposed 24 hour retail operation; and the proposed sale of alcohol, as a new ABC License Type 20-Off-Sale Beer & Wine, is in accord with the purpose of the zone in which the site is located.** The purpose of the C-2, General Commercial, zone reads: *“The C-2 General Commercial Zone is intended to permit a wide range of retail and commercial services, professional offices, and medical facilities. The General Commercial designation supports higher-intensity commercial uses such as fast-food and sit-down restaurants, offices, auto services, and community-wide and regional retail establishments. Since many of these uses tend to be large in scale, appropriate locations provide regional exposure, high traffic visibility, and contain sites capable of accommodating expansive floor area and customer parking.”* The project is appropriate at this location due to the property’s location as part of a larger

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shopping center, which can accommodate the uses, which is consistent with the purpose of the C-2 zone, allowing for a wide range of uses in that zone.

- 2. **That the continued use of an existing vehicle-related use, a full-service car wash/gasoline sales with convenience market; a proposed 24 hour retail operation; and the sale of alcohol, as a new ABC License Type 20-Off-Sale Beer & Wine, will not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity;**

The uses will not be detrimental to nearby properties since there are no properties developed or zoned for sensitive uses, including residences, schools, or parks, within 500 feet of the subject location which could negatively impacted by the use. The subject site is located on a parcel within a larger shopping center that is large enough to accommodate the use and allows for measures to mitigate potential impacts. The approval of a conditional use permit will allow for the imposition of conditions on an existing business that does not presently have a conditional use permit. These conditions address including limiting the hours for certain functions (such as sale of alcoholic beverages), requiring a minimum number of employees, and providing adequate outdoor lighting. Additionally, the conditional use permit allows for the revocation of the permit if it is found that conditions are no complied or public health and safety is otherwise impacted.

- 3. **The continued use of an existing vehicle-related use, a full-service car wash/gasoline sales with convenience market; a proposed 24 hour retail operation; and the sale of alcohol, as a new ABC License Type 20-Off-Sale Beer & Wine, complies with each of the applicable provisions of Chapter 18 (Zoning) of the Colton Municipal Code.**

The use will not create or worsen any existing nonconformities by the subject property to the development code standards of the C-2 zone. The proposed sale of

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alcohol, as an upgrade from ABC License Type 20-Off-Sale Beer & Wine to Type 21 Off-Sale General, conforms to the code requirement specific to alcohol sales which requires a minimum 500 feet distance between the entrance of a business with alcohol sales and the entrance of any sensitive uses identified as school, park, childcare facility, or religious worship facility. There are no such sensitive uses within 500 feet of the subject property. Therefore, the use conforms to each of the applicable provisions of Chapter 18 (Zoning) of the Colton Municipal Code.

**SECTION 3.** Based on the entire record and all written and oral evidence presented, including the staff report, the City Council hereby finds that a third off-sale license at the subject property located within an area (Census Tract No. 71.08) where more than one off-sale license is deemed as creating an “undue concentration” of alcohol licenses by the State of California Alcoholic Beverage Control (ABC) would further serve public convenience or necessity, pursuant to Section 23958.4(b)(2) of the California Business & Professions Code, based on the following findings:

1. There are no other uses in the vicinity of the subject site, the Cooley Ranch area north of the I-215 Freeway, that are similar to the subject business, which contains three distinct parts (convenience market, gasoline sales, car wash), which provides the added convenience to shoppers to make purchases of beer & wine during the same trip as vehicle fuel (gasoline) purchases and car wash service.
2. There are no other uses with an off-sale alcohol license in close proximity (within 500 feet) to the subject location, which may inconvenience shoppers wanting to purchase beer & wine.
3. The subject location is located within a shopping center where there are no convenience markets, with or without gasoline sales or car wash service, with off-sale alcohol licenses.
4. The only other use with an off-sale alcohol license within the shopping center of the subject location is a large retailer (WalMart – 1120 S Mt Vernon). Based on this, potential customers wanting to make small purchases, which may include beer & wine, may be inconvenienced having to navigate through long distances inside a large retailer store to find products and waiting in queues to checkout among other customers making large purchases.

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**SECTION 4.** The City Council of the City of Colton, in accordance with the California Environmental Quality Act, has found that the project will not have a significant impact on the environment and is Categorical Exempt from CEQA under Article 19, Section 15301 (Existing Facilities), Class 1 of the CEQA Guidelines. This section pertains to existing facilities that involve negligible or no expansion beyond what currently exists at the time of environmental determination.

**SECTION 5.** Based on the entire record before the City Council, all written and oral evidence presented, and the findings set forth in Sections 1, 2, 3, and 4 made in this Resolution, the City Council hereby approves the **Appeal** (File Index No. DAP-001-190) and **overturns** the decision of the Planning Commission denying the applications (File Index No. DAP-001-136) for a **Conditional Use Permit** and a Determination that **Public Convenience or Necessity** is not served by the proposed use.

**SECTION 6.** Based upon the findings set forth in Sections 1, 2, 3, 4, and 5 made in this Resolution, the City Council hereby conditionally approves the requested applications (File Index No. DAP-001-136) for **Conditional Use Permit** and Determination that **Public Convenience or Necessity**, as amended and subject to conditions of approval listed on the attached sheet labeled Exhibit "A".

**SECTION 7.** This land use entitlement shall become null and void if not exercised within one (1) year of this approval and the applicant has not been granted an extension of time by the Planning Commission, pursuant to Section 18.58.070 of the Colton Municipal Code.

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**SECTION 8.** This Resolution shall become effective immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 17<sup>th</sup> day of March, 2015.

  
RICHARD DELAROSA, Mayor

ATTEST:

  
CAROLINA R. PADILLA  
City Clerk

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EXHIBIT "A"

THE APPLICANT SHALL COMPLY WITH ALL CONDITIONS AS SET FORTH IN THE CONDITIONS OF APPROVAL.

1. This approval is for a Conditional Use Permit for the continued use of an existing vehicle-related use, as a full-service car wash/gasoline sales with convenience market; a proposed 24 hour retail operation; and the sale of alcohol, as a new ABC License Type 20-Off-Sale Beer & Wine, including a Determination regarding Public Convenience or Necessity (PCN), on property located at 1140 South Mount Vernon Avenue on a 0.89-acre parcel within a 28-acre shopping center, as shown on the site plan and floor plan, stamped and dated 3-17-2015, by the Development Services Department, except as amended by the following conditions.
2. The Applicant agrees to defend, indemnify, hold harmless, and provide for reimbursement or assumption of all legal costs in connection with this project.
3. Any requests for modifications, including any deviation from the approved plans and/or conditions of approval, shall be submitted to the Development Services Director for review, prior to implementation of the modification. Significant deviations from the approved plans or conditions of approval shall be subject to review and approval by the Planning Commission. The applicant requesting the modification shall supply information deemed necessary by the Director and/or Commission to make a determination.
4. Within thirty (30) days after twelve (12) months after the date of this approval, the City Council shall review this conditional use permit to ensure that the site is operated in a manner consistent with the conditions of approval and in a manner which is not detrimental to the public health, safety or welfare, or materially injurious to properties in the vicinity. The review shall include consideration of adding a condition to require a minimum of two employees in the inside of the market portion of the business during the hours when the inside of the market is open to customers if it is shown that sales at the site have increased since the start of beer and wine sales. After its review, if the City Council deems that there is sufficient reason to warrant modification or revocation, a public hearing to consider modification or revocation with the Planning Commission shall be set.
5. The Conditional Use Permit shall become null and void, and the sale of beer & wine shall no longer occur if the full service car wash use is not open to customers for more than ninety (90) days while the market and gasoline sales are still in operation. The sale of beer & wine shall not be allowed to resume until a new Conditional Use Permit application is approved.

- 1 6. If construction is proposed, plans submitted for building plan check and construction  
2 plans shall contain an exact reproduction of these conditions of approval on one of its  
3 sheets.
- 4 7. Prior to the granting of clearance from the Director of Development Services to State  
5 Alcoholic Beverage Control (ABC) for the stated alcoholic license, or any start of the  
6 sale of alcoholic beverages (beer & wine) at the site, the following shall be obtained:
  - 7 a. Obtain approval of an updated business occupancy permit (BOP) to reflect the  
8 updated operation and layout. A BOP application shall be submitted to the  
9 Development Services Department with the appropriate fee for inspections. At  
10 a minimum, the following shall be provided:
    - 11 1) Correct any code violations present at the site.
    - 12 2) Pass inspections from the various City departments.
    - 13 3) Confirm that lighting conforms to minimum illumination required.
    - 14 4) Remove/replace any dead or damaged planting and restore planting in  
15 barren landscape areas, as determined by Planning Division Staff.
    - 16 5) Re-paint, repair, and/or replace the damaged trash enclosure gates.
    - 17 6) Remove the unpermitted canopy structures, equipment, or any other  
18 objects obstructing required driveway access and parking.
    - 19 7) Remove unpermitted signs.
    - 20 8) Remove or replace damaged directional signs.
    - 21 9) Address Fire Code violations, if any, relative to the room used to  
22 monitor security cameras and, if necessary, obtain necessary permits  
23 from the Building Division and/or Electric Department to correct  
24 violations.
  - 25 b. Obtain approval of a lighting plan from the Director of Development Services,  
26 which shall include a photometric plan demonstrating conformance with CMC  
27 Section 15.10.130, including parking lots and access, building doors, and  
28 address signs are provided with a minimum illumination level of one foot-  
candle. At a minimum, the plan shall demonstrate that the outdoor areas on all  
four sides of the building, including the car wash driveways and waiting areas,  
within the subject parcel are provided the minimum 1-foot candle illumination  
on the ground surface. The plan shall include a site plan showing the locations  
and features (height, type, wattage) of existing (and proposed, if any) building-  
mounted and free-standing lighting used to meet this requirement. All lighting  
shall be properly shielded so as to not trespass or disturb neighboring  
residences, adjacent businesses, or persons while driving vehicles upon the  
roadway, pursuant to CMC Sections 18.42.090 and 18.42.100. If new lighting  
is proposed, the applicant shall submit information necessary for design review  
and plan check, with appropriate fee, to the Development Services Department  
and an electrical permit (and building permit, if applicable) shall also be  
obtained and lighting installed prior to clearance to ABC.

- 1 c. Obtain approval of a Sign Permit from the Development Services Department
- 2 for signage related to the business, including the removal of any unpermitted
- 3 wall-mounted or free-standing sign and the repair of any damaged sign. The
- 4 applicant shall submit information necessary for plan check, with appropriate
- 5 fee, to the Development Services Department before permits are issued, and
- 6 the signs shall be removed, repaired, installed and/or modified prior to
- 7 clearance to ABC.
- 8
- 9 d. Obtain approval of a Security Plan from the Police Department that describes
- 10 various features related to crime prevention. A draft security plan shall be
- 11 submitted to the Police Department for review and, once approved, a copy of
- 12 the approved Security Plan, shall be forwarded to the Development Services
- 13 Department. The Plan shall address methods to maintain visibility to the
- 14 market interior from the parking lot and vice versa. Approval of the Security
- 15 Plan shall be obtained prior to clearance to ABC.
- 16
- 17 8. The site operation shall be subject to the following:
- 18 a. The inside of the market portion of the building may remain open to customers
- 19 24 hours, seven days a week.
- 20 b. Alcohol (beer and wine) sales shall stop at 9:00 p.m. daily or when the inside
- 21 of the market portion of the building is closed to customers, whichever occurs
- 22 earliest, and not resume until 6:00 a.m. the following morning or when the
- 23 inside of the market portion of the building is reopened to customers,
- 24 whichever occurs latest.
- 25 c. The full-service car wash portion of the business shall be closed to customers
- 26 between 8:00 p.m. daily and 8:00 a.m. the following morning.
- 27 d. Gasoline sales through self-pay by customers at the pump may remain
- 28 available to customers 24 hours, seven days a week, including hours when the
- inside of the market portion of the building is closed to customers.
- e. The exterior cashier window may remain open to customers 24 hours, seven
- days a week.
- f. A copy of these conditions shall be kept on the premises and available upon
- request by designated City staff.
- g. No signs advertising the sale of alcoholic beverages shall be displayed on
- windows or outside the store.
- h. Window displays and other objects shall not be placed to obstruct views
- through storefront windows of the inside of the business from the street.
- i. Outdoor lighting shall be the required illumination from dusk until the
- termination of operation of any part of the business, as required by Section
- 15.10.130 of the Colton Municipal Code.
- j. **A minimum of 24 security cameras at the site shall be provided and**
- maintained, and remain in use during open business hours.**
- k. Portable tables and seating provided in the outdoor car wash customer waiting
- area shall be stored inside the building when the car wash is not open for
- business.

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- l. A special events permit shall be obtained from the Community Services Department for any special events on site (e.g., grand opening, temporary outdoor sales, etc).
  - m. The site shall be developed and maintained consistent with the approved plans and the conditions of approvals.
  - n. The premises shall be kept clean and the operator of the establishment shall ensure that no trash or litter originating from the site is deposited onto the neighboring properties or onto the public right-of-way.
9. Comply with the requirements of the City of Colton Fire Department, where applicable.
10. Comply with the requirements of the City of Colton Public Works Department, where applicable.
11. Comply with the requirements of the City of Colton Electric Department, where applicable.
12. Comply with the requirements of the City of Colton Building Division.
- a. Any construction on the above project shall comply with the current California Codes (CBC, CEC, CMC and the CPC) as well as city ordinances. Plans shall be submitted to the Building & Safety Division as a separate submittal.
  - b. If required, site development shall be designed to provide access to all entrances and exterior ground floor exits and access to normal paths of travel, and where necessary to provide access, Paths of travel shall incorporate (but not limited to) exterior stairs, landings, walks and sidewalks, pedestrian ramps, curb ramps, warning curbs, detectable warnings, signage, gates, lifts and walking surface material. The accessible route(s) of travel shall be the most practical direct route between accessible building entrances, site facilities, accessible parking, public sidewalks, and the accessible entrance(s) to the site. Commercial buildings on the site shall be accessible per California Building Code (CBC) 11B.
  - c. If required, Site facilities such as parking (open and covered), and trash dumpsters, shall be accessible per California Building Code (CBC) 11B.
  - d. Prior to the issuance of a building permit, the applicant shall submit a properly completed "Waste Management Plan" (WMP), as required, to the Compliance Official (Building Official) as a portion of the building or demolition permit process.

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- e. Separate submittals and permits are required for all accessory structures such as but not limited to, trash enclosures, patios, block walls, light standards, and signage.
13. Comply with the requirements of the City of Colton **Code Enforcement/Police**, including the following:
- a. Landscaping: Property manager or tenant shall maintain all approved landscaping in good condition, including but not limited to adequate irrigation, mowing of grass, and replacing dead trees and shrubs. Above ground landscaping controls or backflow valves shall be secured in a locked metal cage to prevent theft or vandalism.
  - b. Loitering: Loitering is prohibited on or about the premises. No exterior fixtures or furnishings at or adjacent to the location that encourage loitering and nuisance behavior.
  - c. Litter/Graffiti: The exterior of the business and areas adjacent to the business over which they have control, including all signs and accessory buildings and structures, shall be maintained free of litter and graffiti at all times. The owner or operator shall provide for daily removal of trash, litter and debris from the premises and on all abutting sidewalks and parking lots within twenty (20) feet of the premises. Graffiti shall be completely removed or covered with a color-matching paint within forty-eight (48) hours. The expectation for graffiti cover up is to produce an appearance the graffiti never existed.
  - d. Exterior Lighting: All lightning shall be maintained in good working order. Lighting shall be designed and installed in such a manner that provides adequate illumination to all parking spaces, stalls, walkways, corridors, and stairways, insuring there are no dim, dark, or shadowed areas (other than shadows naturally cast beneath the actual vehicles.) Lighting level shall be a minimum of 1 footcandle. All lighting shall be properly shielded so as to not trespass or disturb neighboring residences, adjacent businesses, or persons while driving vehicles upon the roadway. In the event a lighting fixture becomes inoperable, property management shall have the lighting repaired within 72 hours.
  - e. General Parking: Parking lot shall be maintained in accordance with Title 18 of the Colton Municipal Code, zoning ordinance requirements for paving and striping. Parking shall include the required amount of Disabled parking to ADA specifications and dimensions. All parking lot entrances will be posted in compliance with Vehicle Code 22658 which minimally includes: A substantive statement prohibiting public parking, states vehicles will be towed at owner's expense, references Vehicle Code 22658, and must be a minimum of 17"X 22" with a minimum of 1" letters. In addition, the sign will indicate the name of the

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private towing company and phone number above the police department name and phone.

- f. Disabled Parking: All disabled parking spaces will comply with Americans with Disabilities Act (ADA) requirements and Vehicle Code 22511.8. In addition, disabled parking will be clearly indicated by all three indicia: 1.) blue wheel stop and/or curb, 2.) blue sign with white wheelchair symbol at head of space, and 3.) blue field with wheelchair symbol and blue striping painted on the ground. All parking lot entrances will be posted in accordance with Vehicle Code 22511.8(d).
  
- g. Storage: Parking and trash areas will not be used for storage of hazardous materials, including but not limited to tires, waste oil, and inoperable or unregistered vehicles. Property manager or tenant shall promptly abate hazardous materials or inoperable vehicles. General exterior storage areas will be screened from public view.
  
- h. Signage: Applicant will fully comply with Colton Municipal Code 18.50 Sign Ordinance as amended. Refer to the Municipal Code for additional signage permitting and requirements.
  
- i. Advertisements: Handbills or advertisements may be distributed in public places person-to-person but will not be placed or left upon unoccupied vehicles or otherwise left unattended in public places.
  
- j. Special Events: Per Colton Municipal Code Section 5.44, applicant shall not conduct, operate, maintain, organize, advertise, or sell or furnish tickets for a special event or permit the subject property to be used for any special event without first obtaining a special event permit. Special events include, but are not limited to, sales events where merchandise, goods, or vehicles are displayed for sale on the property, political functions, fundraising events by non-profit entities, and events featuring motivational or educational speakers. The Special Event Committee may expressly grant a minor variance of conditions specific to individual special events.
  
- k. Surveillance Monitoring: Should permittee install a video surveillance monitoring system, the video system shall be capable of recording a clear view of all areas of the subject property including, but not limited to, parking lots, walkways, corridors, all sides of buildings, the perimeter landscape and grass areas. Recordings shall be retained for a minimum of 30 days. Copies of recordings will be provided to the Colton Police Department upon request.

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- l. Right of Access: Permittee shall grant “right of access” to the City of Colton and its employees or agents for the purposes of monitoring compliance with these conditions, patrolling, investigating crimes, and enforcing laws and ordinances on the subject property. Permittee shall grant “right of access” to the City of Colton and its employees or agents to remove graffiti and to determine if the applicant is in compliance with these conditions.
  
- m. Tobacco Sales – If selling tobacco products must maintain a valid State of California tobacco retailer license in good standing and comply with all tobacco laws. There will be no self-serve tobacco sales. No sales of individual cigarettes. All tobacco and smoking products will be maintained in an area where they may not be accessed by minors. Must maintain tobacco purchase invoices for law enforcement inspection for minimum of one year. Will only purchase tobacco products from wholesalers and distributors licensed under the *Cigarette and Tobacco Products Licensing Act of 2003*. Invoices must include: the name of the wholesaler or distributor who sold you the cigarettes or tobacco products; the address, telephone number, and license number of the wholesaler or distributor; and the amount of excise tax paid to the BOE. The invoice must say that all California cigarette and tobacco product taxes are included in the total amount of this invoice; include the retailer’s name, address, and license number, and an itemized list of the products sold.
  
- n. Tobacco Sales Identification Required - Identification shall be required for tobacco purchase from all persons under 27 years of age. Identification is defined as a physical document issued by a government entity or political subdivision of the United States of America, such as a California Driver’s license or California identification card. Foreign identification is not acceptable, except for a legitimate passport.
  
- o. Tobacco Paraphernalia – Tobacco paraphernalia will only be displayed in areas which are not within view or accessible to persons under 18 years of age. Persons who cannot produce identification demonstrating they are over 18 years of age shall not be sold tobacco products. Minors will not be permitted in such areas unless accompanied by an adult parent or guardian who has been verified to be at least 18 years of age. Tobacco paraphernalia includes cigarette papers or wrappers, pipes, holders of smoking materials of all types, cigarette rolling machines, or other instruments or things designed for the smoking or ingestion of tobacco products.
  
- p. Exterior collection bins, donation receptacles, or storage containers are not permitted except by express approval of Development Services Director.

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- q. **Alcohol Sales/Service:** Permittee shall observe all laws relative to sales and service of alcohol. Permittee will comply with alcoholic beverage license conditions and maintain an alcoholic beverage license in good standing with the Department of Alcohol and Beverage Control. Employees shall refuse sales to intoxicated or belligerent persons.
  
- r. **Verification of Age:** The ABC licensee, permittee, employees and security guards are each responsible to verify age of persons purchasing alcohol. ABC licensee shall have at least one (1) employee assigned to check each person's identification prior to alcohol sales. Persons who cannot produce identification showing that they are over 21 years of age shall not be allowed to purchase alcoholic beverages. Identification is defined as a physical document issued by a government entity or political subdivision of the United States of America, such as a California Driver's license or California identification card. Foreign identification is not acceptable, except for a legitimate passport.
  
- s. **Compliance with Applicable Laws.** The permittee shall comply with all federal, state and local laws, including the Alcohol Beverage Control (ABC) Act. Any material violations of such laws in connection with the authorized use shall be grounds for revocation of this conditional use permit.
  
- t. **Private Security Guards:** Permittee and/or licensee will ensure that any security guard, security patrol, or other such persons employed for the purpose of protecting the safety of persons or property, or preserving the peace, shall be a bona fide, trained, uniformed security guard(s), certificated with the California Department of Consumer Affairs Bureau of Security and Investigative Services (BSIS), operating under the direct supervision of a bona fide Private Patrol Operator certificated with the California Department of Consumer Affairs and permitted as required by Colton Municipal Code.
  
- u. All security guards must be in possession of a BSIS issued guard card, and a California identification card or driver's license. Guards must be employed by and operating under the direction of a licensed State of California Consumer Affairs Bureau of Security and Investigative Services Private Patrol Operator (PPO) which has registered with the City of Colton as required by Colton Municipal Code section 5.50. Security guards are to be unarmed. Guards may not carry baton or firearm, but may carry a chemical agent if issued a BSIS approved training certificate for the use of the chemical agent.
  
- v. The permittee and/or licensee shall ensure that any security guard company initiates registration with the Colton Police Department at least 30 days in advance of security services being performed in the City of Colton in order to facilitate City licensing per Colton Municipal Code section 5.50.

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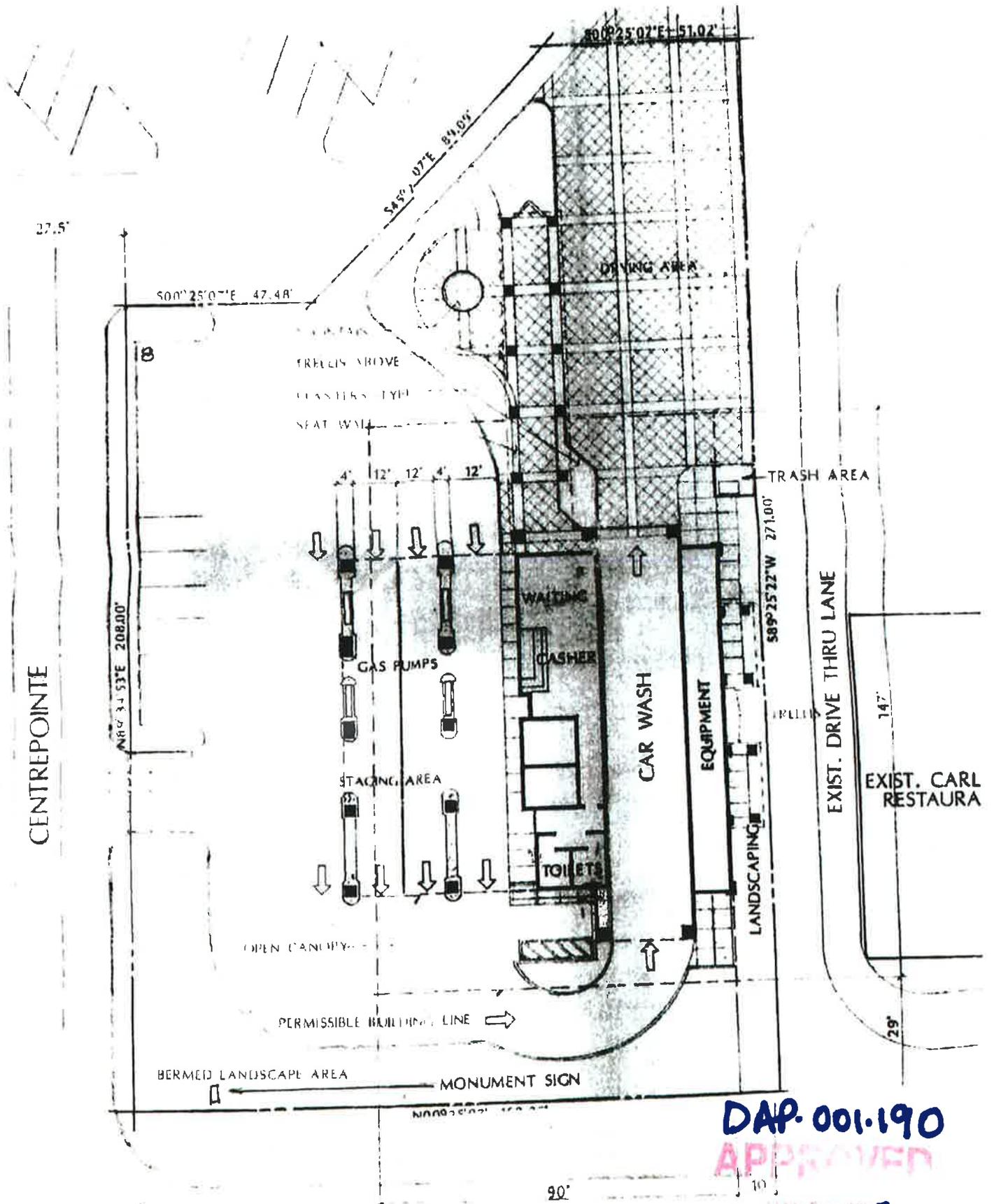
- w. **Interior Lighting:** All interior areas of the premises shall be illuminated in a manner that provides lighting sufficient to illuminate and make easily discernable the appearance of all persons on or about the premises.
  
- x. **After hours Contact Information:** Permittee will ensure after hours contact person information is kept current and on file with police department dispatch center. Ideally there should be several persons available; each should be a key holder with knowledge of alarm reset codes, available to respond within 20-30 minutes, and of sufficient authority to facilitate a board up or other emergency repair measures.
  
- y. **Indemnification.** Permittee and his successor-in-interest agrees to indemnify, hold harmless and defend the City, its officers, agents and employees from any liability or claims that may be brought against the City arising out of its approval or modification of this conditional use permit, or arising out of the operation of the business.
  
- z. **Complaints.** Three (3) or more verified complaints or occurrences within a one (1) month period, or six (6) or more verified complaints or occurrences within a three (3) month period, or twelve (12) or more verified complaints or occurrences within a one (1) year period regarding disturbances or criminal activity caused by patrons, staff or other persons at or near or leaving from the business facility on the subject property, shall be grounds for revocation of this conditional use permit. For purposes of this condition, verified complaints shall be defined as complaints received by the City of Colton, Colton Police Department, or any other law enforcement agency or any governing agencies regarding the violations of federal, state, or local laws. Occurrences shall be defined as any violation of federal, state, or local laws, including but not limited to the Alcohol Beverage Control (ABC) Act, for which patrons, staff or other persons frequenting the location are cited or arrested at, near or leaving from the subject property. These grounds for revocation are not exclusive.
  
- aa. **Revocation or Modification:** Should the Chief of Police, in his sole and subjective discretion, deem the number of calls for police service attributable to the location to be excessive, or pose a burden to the time and resources of the Colton Police Department, or a nuisance to the City of Colton or surrounding neighborhood, the conditional use permit will be subject to review and potential revocation or modification. The permittee acknowledges that any violations of these conditions of approval or violations of federal, state or local laws and ordinances shall constitute good cause and subject the conditional use permit to revocation or modification proceedings.

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14. The Applicant and/or Property Owner shall comply with all requirements of all reviewing agencies and shall comply with all applicable local, state, and federal rules, laws and regulations.

15. The Applicant and/or Property Owner shall, at all times, maintain the property so as not to constitute a nuisance in the community.

###



CENTREPOINTE

MT. VERNON AVE.

**DAP-001-190**  
**APPROVED**

MAR 17 2015  
 BY: **COUNCIL RESO 24-15**  
 CITY OF COLTON  
 PLANNING DEPARTMENT

**PURPOSE:**

Submit a CUP – DAP 001-138  
To allow this activity to sell  
Beer & Wine for off sale  
Avenue  
Consumption

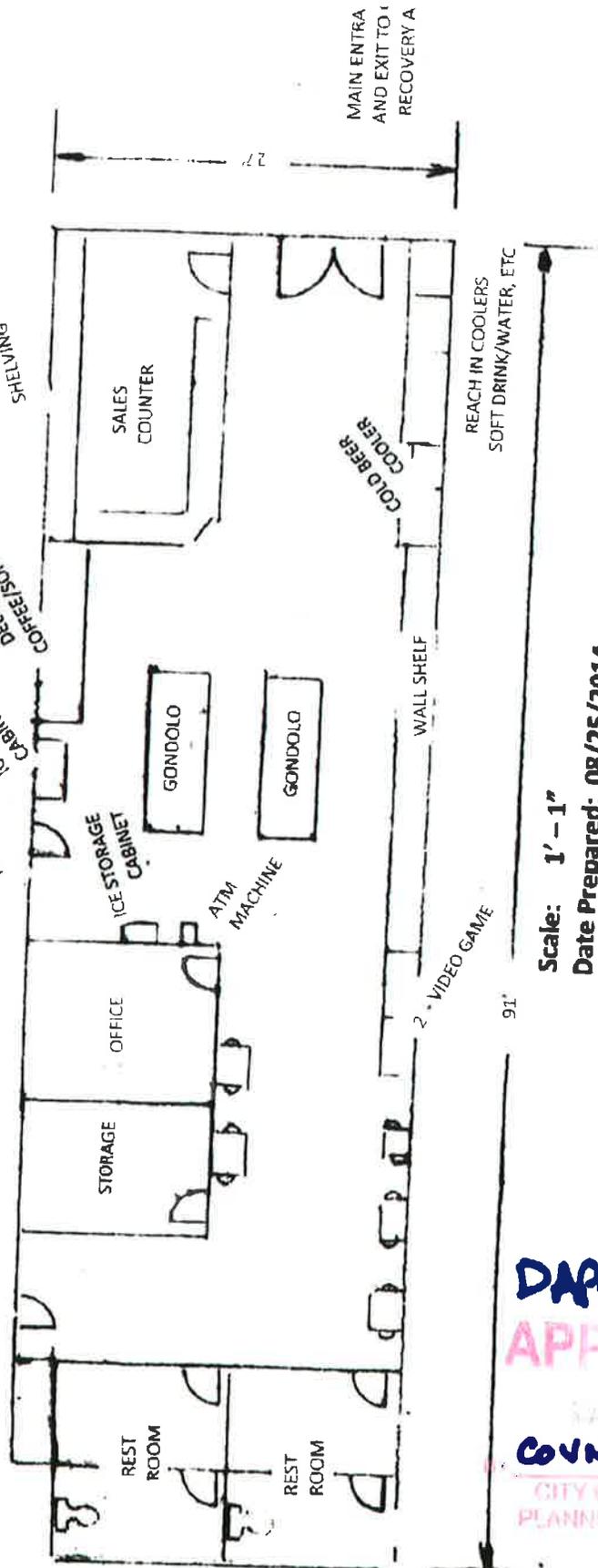
**APPLICANT:**

Centerpoint Car Care, LLC  
1140 S. Mount Vernon  
Colton, CA. 92324  
APN: 0276-144-01

**CONSULTANT:**

DICK EVITT  
ALL STAR REALTY  
5905 WINNCLIFF DRIVE  
RIVERSIDE, CA. 92509  
(909) 821-6426  
dickevitt@earthlink.net

**FLOOR PLAN**  
SIDE ENTRANCE  
FROM CAR  
WASH AREA



Scale: 1' - 1"  
Date Prepared: 08/25/2014  
Prepared by: DICK EVITT

**DAP-001-136**

**DAP 001-190**  
**APPROVED**  
MAY 27 2015  
**COUNCIL RES 24-15**  
CITY OF COLTON  
PLANNING DEPARTMENT



## STAFF REPORT

ITEM NO. 8

DATE: APRIL 5, 2016  
TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
HONORABLE CHAIRPERSON AND UTILITY AUTHORITY MEMBERS  
FROM: BILL SMITH, CITY MANAGER *BS*  
PREPARED BY: DAVID X. KOLK, Ph.D., UTILITIES DIRECTOR *DK*  
SUBJECT: AUTHORIZATION TO AMEND THE EXISTING AGREEMENT WITH NBS FOR THE ADDITIONAL WATER RATE ANALYSIS

### RECOMMENDED ACTION

Authorization to Amend the existing Professional Services Agreement with NBS for the fourth time to prepare the additional Water Rate/Financial Plan Analysis in an amount not to exceed \$23,735.

### BACKGROUND

The City of Colton provides water service to over 52,690 residential, commercial, industrial and municipal accounts and covers approximately 90% of the City of Colton. Its service area includes 14 square miles in the City of Colton and approximately 0.8 square miles of unincorporated area in San Bernardino County. Colton's service area is within the boundaries of the San Bernardino Valley Municipal Water District.

The City and Colton Utility Authority's water rates pay for all operating expenses as well as fund, on a pay-as-you-go basis, capital projects and debt services (annual principal + interest payments on outstanding debt). When the City and CUA issued bonds in the past to fund significant capital projects, the City and CUA guaranteed, and committed in these agreements, to establish and maintain water rates at levels sufficient to "cover" or pay for all debt service payments. The City and CUA are committed to replacing aging water infrastructure and securing an adequate water supply to meet current and future demands. All of the \$11,120,000 of bonds secured in December 1, 1998 has been expended on projects such as the construction of three replacement wells and two new wells, 30,000 feet of pipeline, and the property for groundwater recharge facilities.

On April 1, 2015 Governor Jerry Brown instituted California's first-ever statewide mandatory water reductions, Executive Order B-29-15 mandating several new conservation measures. The City is incorporating the effects of the 25% reduction and potential tiered water rate structure in this study to provide a more stable source of rate revenue to fund utility obligations going forward as water sales decrease. The study concluded that the revenues from the City's water fees and charges are and will be insufficient to cover (1) Current and projected operations and maintenance costs for the water system, in particular energy, chemical supplies, water treatment costs, and debt service obligations; and (2) The capital infrastructure improvements needed to maintain, repair and

update the City's aging water system. Accordingly, the study determined that rate increases are necessary to avoid operational deficits, further depletion of reserves, and an inability to address infrastructure and water quality improvements.

**ISSUES/ANALYSIS**

The City's Water Enterprise is operating in an environment where revenues from rates are outpaced by operating and debt expenditures, caused primarily by significant capital expenditures for necessary upgrades to the water systems.

On September 13, 2013, the City Council and CUA approved the Professional Services Agreement with NBS, Inc. in the amount of \$30,290 for the Water Rate Study but had delayed the final report due to the recent water conservation mandates issued by the State of California. On May 5, 2015 City Council and CUA approved to amend the Professional Services Agreement in the amount of \$21,610 for the additional water conservation rate analysis. A third amendment was approved by City Council and CUA on December 16, 2015 for the Sewer Capacity Fee Analysis and to extend their contract through June 30, 2016. Staff is requesting authorization to amend the existing contract for the fourth time for the additional Water Rate Design, Financial Plan, Cost-of-Service Analysis, Capacity Fee Analysis and Updated Written Study Report in an amount not-to-exceed \$23,735. The total aggregate amount for the NBS Professional Services Contract is not-to-exceed \$104,130 through June 30, 2016.

NBS will determine an updated Water Rate Structure that would meet the fiscal needs of the City and CUA. Key components of the rate structure to be proposed are: (1) conformity with current laws, (2) fair and objective rates (3) establish a methodology to retire debt in a reasonable time frame (4) month-to-month and year-to-year revenue stability (5) easy to administer and explain to customers, (6) establish a capital reserve, rate stabilization, and capital replacement fund and (7) meet revenue requirements of existing bond and future bond sales.

The Water Rate Study was presented at the Utilities Commission Meeting on July 13, 2015. Commissioners made some recommendations and requested Water Rate Study and Financial Plan be brought back at the next scheduled Commission Meeting that was set for August 10, 2015. Commissioners made additional recommendations and requested to review the Water Rate Analysis and CIP Financial Plan for their review and recommendation at the Utilities Commission Meeting that was presented on Monday, September 14, 2015. On February 8, 2016 the additional Water Rate/Financial Plan Analysis was taken to the Commissioners for their review and recommendation. Commissioner's recommended to move forward with the updated Water Rate /Financial Plan Analysis that NBS presented. NBS presented the following week on February 16, 2016 to the City Council and CUA. The Water Rate Study was presented to the Commissioners, City Council and CUA with the Proposed Rates:

| <b>Increases In Rate Revenue</b> |                   |                   |                   |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>FY 2015/16</b>                | <b>FY 2016/17</b> | <b>FY 2017/18</b> | <b>FY 2018/19</b> | <b>FY 2019/20</b> |
| 15.5%                            | 11%               | 1%                | 1%                | 1%                |

| Water Rate Schedule   | Current Rates | Proposed Water Rates |            |            |            |            |
|---|---------------|----------------------|------------|------------|------------|------------|
|   |               | FY 2016/17           | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 |
| <i>Projected Increase in Rate Revenue per Financial Plan:</i> |               | 15.50%               | 11.00%     | 1.00%      | 1.00%      | 1.00%      |
| <b>Fixed Service Charge</b>                                   |               |                      |            |            |            |            |
| 5/8-inch meter  | \$16.70       | \$22.78              | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 3/4-inch meter  | \$16.70       | \$22.78              | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 1-inch meter  | \$26.23       | \$37.00              | \$41.07    | \$41.48    | \$41.90    | \$42.31    |
| 1.5-inch meter  | \$47.00       | \$72.54              | \$80.52    | \$81.32    | \$82.14    | \$82.96    |
| 2-inch meter  | \$71.31       | \$115.19             | \$127.86   | \$129.13   | \$130.43   | \$131.73   |
| 3-inch meter  | \$84.86       | \$228.91             | \$254.09   | \$256.63   | \$259.20   | \$261.79   |
| 4-inch meter  | \$288.78      | \$356.85             | \$396.10   | \$400.07   | \$404.07   | \$408.11   |
| 6-inch meter  | \$489.49      | \$712.24             | \$790.59   | \$798.49   | \$806.48   | \$814.54   |
| 8-inch meter  | \$627.22      | \$1,280.86           | \$1,421.76 | \$1,435.98 | \$1,450.34 | \$1,464.84 |
| 10-inch meter   | \$896.96      | \$1,707.33           | \$1,895.14 | \$1,914.09 | \$1,933.23 | \$1,952.56 |
| 12-inch meter   | \$1,456.16    | \$2,400.34           | \$2,664.38 | \$2,691.02 | \$2,717.93 | \$2,745.11 |
| <b>Commercial Fire Meters - Fixed Service Charge</b>          |               |                      |            |            |            |            |
| 4-inch meter  | \$62.28       | \$79.30              | \$88.02    | \$88.90    | \$89.79    | \$90.69    |
| 6-inch meter  | \$139.73      | \$179.38             | \$199.11   | \$201.10   | \$203.11   | \$205.14   |
| 8-inch meter  | \$242.99      | \$312.81             | \$347.22   | \$350.69   | \$354.20   | \$357.74   |
| 10-inch meter   | \$380.68      | \$490.73             | \$544.71   | \$550.15   | \$555.66   | \$561.21   |
| <b>Commodity Charges for All Water Consumed</b>               |               |                      |            |            |            |            |
| <b>Single Family Residential Volumetric Rates:</b>            |               |                      |            |            |            |            |
| <i>Current, Uniform Volumetric Rate</i>                       | \$1.61        | --                   | --         | --         | --         | --         |
| <b>New, Tiered Rates</b>                                      |               |                      |            |            |            |            |
| Tier 1: 0 - 18 hcf  | --            | \$1.47               | \$1.64     | \$1.65     | \$1.67     | \$1.69     |
| Tier 2: 19+ hcf   | --            | \$2.16               | \$2.39     | \$2.42     | \$2.44     | \$2.47     |
| <b>All Other Customers</b>                                    |               |                      |            |            |            |            |
| Rate Per HCF of Water Consumed                                | \$1.61        | \$1.67               | \$1.86     | \$1.87     | \$1.89     | \$1.91     |

The new rate structure includes tiers for consumption by residential customers; currently there is only one tier for residential water customers. The rate study provides a tiered rate structure for the City Council and CUA to consider for recommendation.

## FISCAL IMPACTS

The funding for the fourth amendment in the amount of \$23,735 is available in the water professional services account number 521-8100-8101-2350. The total aggregate amount for the NBS Professional Services Contract is not-to-exceed \$104,130 through June 30, 2016.

Rate Increase will provide the following: 1) Replacing lost revenues due to water conservation. 2) Provide funding to bond the major Capital Improvement Projects (reservoir, new wells, transmission lines, and water conservation improvements).

## ENVIRONMENTAL IMPACT

None

## **ALTERNATIVES**

1. Provide alternative direction to staff.

## **ATTACHMENTS**

Exhibit A – Water Rate Study

Exhibit B – Fourth Amendment to Professional Services Agreement

**Exhibit A**  
**Water Rate Study**



**City of Colton**  
**Water Rate Study**  
*Final Report*

**March 2016**

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## SECTION 1. PURPOSE AND OVERVIEW OF THE STUDY

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### A. PURPOSE

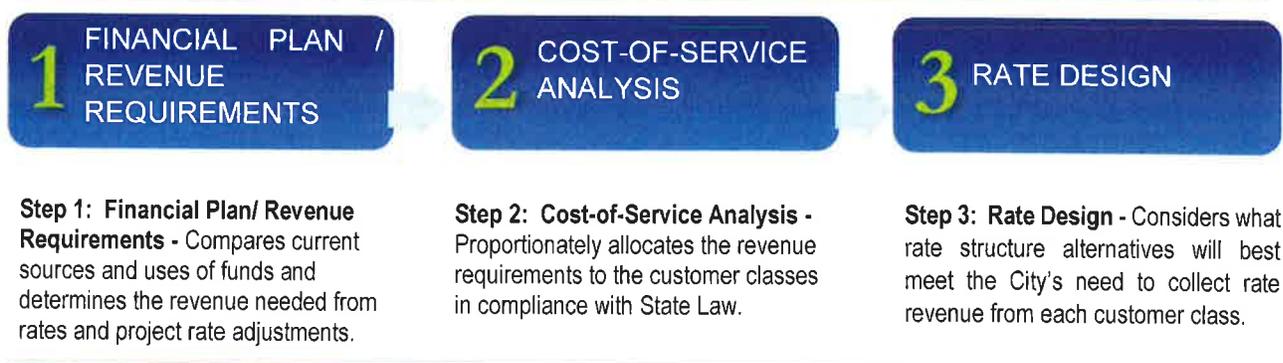
The City of Colton (City) retained NBS to conduct a comprehensive water rate study (Study) for a number of reasons, including meeting long-term revenue requirements, ensuring revenue stability in water rates, providing adequate funding for capital improvements, and ensuring rates comply with applicable laws, including California Constitution article XIII D, section 6, commonly referred to as Proposition 218 (Prop 218). This report is provided with the intent of assisting the City to maintain transparent communications with its residents and businesses.

NBS worked cooperatively with City staff developing rate alternatives and results. The Study results were reviewed in workshops with the Utility Commission and in subsequent meetings with the City Council. The Utility Commission reviewed recommendations and provided NBS and City Staff with direction and feedback. Based on input from the Utility Commission and City Staff, NBS has recommended the water rates proposed in this Study.

### B. OVERVIEW OF THE STUDY

Comprehensive rate studies such as this one typically include three components: (1) preparation of a financial plan which identifies the net revenue requirements for the utility; (2) analysis of the cost to serve each customer class, and; (3) the rate structure design. These steps are shown in **Figure 1** and are intended to follow industry standards and reflect the fundamental principles of cost-of-service rate making embodied in the American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges<sup>1</sup>, also referred to as the Manual M1. They also address requirements under Prop 218 California Constitution article XIII D, section 6 (commonly referred to as Proposition 218) that rates not exceed the cost of providing the service and be proportionate to the cost of service for all customers.

**Figure 1. Primary Components of a Rate Study**



In terms of the chronology of the Study, these three steps represent the order in which they are generally performed.

As a part of this Study, NBS projected revenues and expenditures, developed net revenue requirements, performed cost-of-service rate analyses, and prepared new water rates. Rate increases, or more accurately, increases in the total revenue collected from water rates are recommended for the utility. The following sections in this Study present an overview of the methodologies, assumptions, and data used along with the financial plans and rates developed during this Study; more detailed tables and figures documenting the development of proposed rates are provided in the Technical Appendix.

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<sup>1</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, sixth edition, 2012.*

**Rate Design Criteria** – It is important for the water utility to send proper price signals to its customers about the actual cost of their water usage. This objective is typically addressed through both the magnitude of the rates and the rate structure design. In other words, both the amount of revenue collected and the way in which the revenue is collected from customers are important.

Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been documented in a number of rate-setting manuals, such as the AWWA Manual M1. The foundation for evaluating rate structures is generally credited to James C. Bonbright in the *Principles of Public Utility Rates*<sup>2</sup> which outlines pricing policies, theories, and economic concepts along with various rate designs. The following is a simplified list of the attributes of a sound rate structure:

- Rates should be easy to understand from the customer's perspective.
- Rates should be easy to administer from the utility's perspective.
- Rates should promote the efficient allocation of the resource.
- Rates should be equitable and non-discriminating (i.e., cost based).
- There should be continuity in the rate making philosophy over time.
- Addressing other utility policies (e.g., encouraging conservation & economic development).
- Rates should provide month-to-month and year-to-year revenue stability.

The following section covers basic rate design criteria that NBS and City staff considered as a part of their review of the rate structure alternatives.

**Rate Structure Issues** – The starting point in considering rate structures is the relationship between fixed costs and variable costs. Fixed costs typically do not vary with the amount of water consumed. Debt service and City personnel are examples of fixed costs. In contrast, variable costs such as the cost of purchased water, chemicals and electricity tend to change with the quantity of water sold. The vast majority of rate structures contain a fixed or minimum charge in combination with a volumetric charge.

Although other objectives may be considered, it does not alleviate the City from the obligation to meet the requirements of Prop 218. The following discussion provides the broader context for general industry rate-study practices in California, within which the recommended rates were developed.

**Fixed Charges** – Fixed charges can be called base charges, minimum monthly charges, customer charges, fixed meter charges, etc. Fixed charges for water utilities are typically based on meter size. For example, a customer with a 2" meter may have a fixed meter charge that is four to five times greater than a 3/4" meter charge based on the meter's safe operating capacity<sup>3</sup>. Because a large portion of water utilities' costs are typically related to meeting capacity requirements, reflecting individual demands for capacity are an important factor in establishing rates for customers.

**Volumetric (Consumption-Based) Charges** – In contrast, variable costs such as purchased water and the cost of electricity used in pumping water and chemicals for treatment tend to change with the quantity of water produced. For a water utility, variable charges are generally based on metered consumption and charged on a dollar-per-unit cost (e.g., per 100 cubic feet, or hcf).

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<sup>2</sup> James C. Bonbright; Albert L. Danielsen and David R. Kamerschen, *Principles of Public Utility Rates*, (Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988), p. 383-384.

<sup>3</sup> American Water Works Association, "Principles of Water Rates, Fees and Charges" – M1 Manual, p. 202.

**Uniform (Single-Tier) Water Rates** – There are significant variations in the basic philosophy of variable charge rate structure alternatives. Under a uniform (single tier) rate structure, the cost per unit does not change with consumption, and provides a simple and straightforward approach from the perspective of customer understanding and rate administration/billing.

**Multi-Tiered Water Rates** – In contrast, an inclining block rate structure indirectly sends a price signal to customers that their consumption costs more as more water is consumed, and is generally considered to be a more conservation-oriented rate structure. Tiered water rates are encouraged by state law and regulatory mandates, but are also intended to proportionately allocate the higher costs of serving those customers whose higher water usage places proportionately greater demands and burdens on an agency's water system and water supplies, and therefore generate higher costs to the utility. The types of higher costs reflected, for example in the highest tier rate may include:

- Conservation program costs –programs intended to encourage customers to eliminate inefficient and wasteful water use, and otherwise reduce consumption during peak periods.
- Capital Improvement program costs –infrastructure improvements, such as those related to irrigation and landscaping, that are designed to reduce water consumption on City-owned property.
- Energy costs – during summer months, the City may pay more in electric charges, and have a higher percentage of its energy bill in higher electricity “tiers”.
- Higher maintenance costs – peak periods tend to have higher numbers of service calls and system maintenance issues when the water system is running at peak demand.
- Sources of supply – additional sources of supply may need to be produced or acquired to serve higher demand and certain sources of supply may cost more to purchase, produce, treat, deliver, and/or supply.

In developing the recommended tiered commodity charge for single-family residential customers, NBS evaluated several variations of tiered volumetric rates along with the City's specific costs and sources of water supply. Because of the significant differences in typical water use of commercial customers (e.g., laundromat vs. restaurants vs. office space), a uniform volumetric rate will continue to be applied to their consumption. This is a commonly used approach for these types of customers, and is the primary reason why tiered rates typically aren't used for commercial customers.

**Drought and Water Conservation** – On January 17, 2014, Governor Jerry Brown declared a State of Emergency throughout California due to severe drought conditions. On April 1, 2015 Governor Jerry Brown issued Executive Order B-29-15 mandating statewide water conservation of 25%. The specific conservation mandate for each community in California varies from 4% - 36%. The City of Colton has been mandated to conserve 20%, and the City's water customers are responding accordingly. While the level of water conservation the City is achieving is good from compliance standpoint, it places financial pressure on the utility. The City is projecting a 14% decrease in rate revenue from Fiscal Year 2014/15, due to water conservation.

**Key Financial Assumptions** – The following are the key financial assumptions used in the water rate analyses:

- **Funding of Water Utility Capital Projects** – The City will fund all planned capital costs using rate revenues and new debt issuances. The capital projects listed in the financial plan are from the City's projection of costs through Fiscal Year 2021/22.
- **Reserve Targets** – Reserves for operations and capital needs are set at target levels that are consistent with industry standards for utility fund management. Reserve targets used in the analysis are as follows:
  - ✓ Operating & Maintenance Reserve – 90 days of operating and maintenance expenses.
  - ✓ Capital Rehabilitation and Replacement Reserve – approximately 3% of net assets.
  - ✓ Debt Reserve – equivalent to the maximum annual debt service payment for the outstanding 1998 Water Revenue Bonds, plus the annual debt service payments for the future debt issues.
  - ✓ Connection Fee Reserve – this reserve accumulates unspent connection fee revenue.
- **Water Conservation** – The City is currently meeting the State's 20% conservation requirement, and the assumptions and recommendations contained in this Study are not a short term response to the drought. They assume that water supplies will continue to be limited in the future and that, in the long run, customers will continue to conserve and that consumption will remain at this 20% reduction level, for the five-year period.
- **Inflation and Growth Projections:**
  - ✓ General cost inflation is 3.0% annually.
  - ✓ Labor cost inflation is 2.14% annually, per City projections.
  - ✓ Customer growth is 1.0% annually through 2018, followed by gradual increases each year until it reaches 2.0% by 2022.

## SECTION 2. WATER RATE STUDY

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### A. KEY WATER RATE STUDY ISSUES

The City's water rate analysis was undertaken with a few specific objectives, including:

- Generating additional revenue needed to meet projected funding requirements.
- Improving revenue stability.
- Developing tiered volumetric rates for single family residential customers that proportionately allocate a greater share of the costs of service to those who place greater demands and burdens on the water system and that have the indirect effect of encouraging water conservation, along with a uniform commodity rate structure for all other customers.
- Updated fixed meter charges to reflect AWWA hydraulic capacity factors.

NBS developed various water rate alternatives as requested by City staff over the course of this Study. All rate structure alternatives relied on industry standards, cost-of-service principles, and the requirements of Prop 218. The new rates that will be implemented is ultimately the decision of the City Council. The following are the basic components included in this analysis:

- **Determining Revenue Requirements by Customer Class:** The total revenue that should be collected from each customer class was determined using the unit costs and the total units used within each class. For example:
  - ✓ Customer costs are allocated based on number of meters;
  - ✓ Fixed capacity costs are allocated based on peaking requirements;
  - ✓ Base Commodity-related costs are allocated based on the water consumption for each class; and
  - ✓ Conservation-related costs are allocated based on the water consumption for each class.Once the costs are allocated and the revenue requirement for each customer class is determined, collecting these revenue requirements from each customer class is addressed in the rate design task.
- **Rate Design and Fixed vs. Variable Charges:** The revenue requirements for each customer class are collected from both fixed monthly service charges and variable commodity charges. Based on the results of the cost-of-service analysis, the City decided to move forward with a rate structure that collects 46% of total rate revenue from fixed monthly service charges and 54% of rate revenue will be collected from variable commodity charges <sup>4</sup>.

### B. WATER UTILITY REVENUE REQUIREMENTS

It is important for municipal utilities to maintain reasonable reserves in order to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate increases are governed by the need to meet operating and capital costs, maintain adequate debt coverage, and build reasonable reserve funds. The current state of the City's water utility, with regard to these objectives is as follows:

- **Meeting Net Revenue Requirements<sup>5</sup>:** For FY 2016/17 through FY 2020/21, the projected net revenue requirement (i.e., total annual expenses plus debt service and rate-funded capital costs, less non-rate revenues) ranges from approximately \$10 million to \$12.2 million. If no rate adjustment is implemented, the water utility is projected to run a \$1 million deficit in FY 2016/17. Rate increases of

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<sup>4</sup> The California Urban Water Conservation Council recommends recovering at least 70 percent of rate revenue through volume-based rates. However, water utilities are allowed to develop their own allocations that accurately reflect their actual cost allocations.

<sup>5</sup> A more detailed breakdown of the revenue requirements is provided in Tables 1 and 2 of the Technical Appendix.

15.5% in FY 2016/17 and 11% in FY 2017/18, followed by 1% increases in the next three years will be needed in order to fully fund all operating expenses, planned capital projects and debt service obligations. These rate increases ensure that the water utility will also meet the minimum debt coverage target of 1.25, as required for the 1998 Water Revenue Bonds.

- **Building and Maintaining Reserve Funds:** The City should maintain sufficient reserves for the Water Utility. NBS recommends that the City adopt and maintain the following target reserve fund balances:
  - ✓ **Operating Reserve** should normally be 90 days of the Utility's budgeted annual operating expenses, which is equal to a three-month (or 25%) cash reserve for normal operations. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (e.g., volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.
  - ✓ **Capital System Replacement Reserve** should typically equal at least 3% of net depreciable capital assets, which equates to a 33-year replacement cycle for capital assets. This target serves as a starting point for addressing long-term capital system replacement needs.
  - ✓ **Debt Reserve** should be the maximum annual debt service payment for the outstanding 1998 Water Revenue Bonds, plus the annual debt service payments for any future debt issues, at the time of issuance.
- **Funding Capital Improvement Projects:** The City must also be able to fund necessary capital improvements for the Utility in order to maintain current service levels. City staff has identified roughly \$33.4 million (current year value) in capital improvements for the City's water system for the next ten years, which are planned to be funded with a combination of rate revenue and new revenue bonds. Without the rate increases recommended in this study, the City will not be able to sufficiently fund the planned capital improvements.
- **Maintaining Adequate Bond Coverage:** The City is required by its bond covenant to maintain a debt service coverage ratio of at least 1.25 for the outstanding 1998 Water Revenue Bonds. The analysis assumes that the same will be required for the new Revenue Bonds planned to be issued during Fiscal Year 2016/17. The benefit of maintaining at least the minimum coverage ratio is that it strengthens the City's credit rating, which can help lower the interest rates for debt-funded capital projects, and in turn reduces annual debt service payments. It is projected that, with the proposed rate increases, the City's revenues will be sufficient to meet the 1.25 debt coverage ratio for existing and planned new debt.

**Figure 2** summarizes the sources and uses of funds, net revenue requirements, and the recommended annual percentage increases in total rate revenue recommended for the next five years. As this figure shows, if the City implements the recommended increases, the projected deficits for the next five years will be eliminated.<sup>6</sup>

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<sup>6</sup> With the exception of a small annual deficit in FY 2019/20, which is not material to the five-year financial plan.

**Figure 2. Summary of Water Revenue Requirements**

| Summary of Sources and Uses of Funds and Net Revenue Requirements | Budget                |                      | Projected             |                       |                       |                       |
|---|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | FY 2015/16            | FY 2016/17           | FY 2017/18            | FY 2018/19            | FY 2019/20            | FY 2020/21            |
| <b>Sources of Water Funds</b>                                     |                       |                      |                       |                       |                       |                       |
| Rate Revenue Under Prevailing Rates                               | \$ 8,893,070          | \$ 8,978,774         | \$ 9,065,334          | \$ 9,152,761          | \$ 9,263,136          | \$ 9,397,243          |
| Non-Rate Revenues   | 2,312,655             | 239,834              | 240,015               | 240,197               | 240,428               | 240,708               |
| Interest Earnings   | 41,661                | 6,855                | 15,692                | 19,060                | 33,768                | 33,088                |
| <b>Total Sources of Funds</b>                                     | <b>\$ 11,247,386</b>  | <b>\$ 9,225,463</b>  | <b>\$ 9,321,041</b>   | <b>\$ 9,412,017</b>   | <b>\$ 9,537,332</b>   | <b>\$ 9,671,038</b>   |
| <b>Uses of Water Funds</b>  |                       |                      |                       |                       |                       |                       |
| Operating Expenses  | \$ 8,994,117          | \$ 8,807,742         | \$ 9,000,715          | \$ 8,999,191          | \$ 9,203,132          | \$ 9,412,693          |
| Debt Service  | 1,410,924             | 1,414,774            | 2,207,829             | 2,205,017             | 2,206,492             | 2,207,017             |
| Rate-Funded Capital Expenses                                      | 3,445,000             | -                    | -                     | -                     | 1,078,981             | -                     |
| <b>Total Use of Funds</b>   | <b>\$ 13,850,040</b>  | <b>\$ 10,222,515</b> | <b>\$ 11,208,544</b>  | <b>\$ 11,204,207</b>  | <b>\$ 12,488,605</b>  | <b>\$ 11,619,710</b>  |
| <b>Surplus (Deficiency) before Rate Increase</b>                  | <b>\$ (2,602,655)</b> | <b>\$ (997,053)</b>  | <b>\$ (1,887,502)</b> | <b>\$ (1,792,190)</b> | <b>\$ (2,951,273)</b> | <b>\$ (1,948,671)</b> |
| Additional Revenue from Rate Increases                            | -                     | 1,391,710            | 2,557,433             | 2,700,365             | 2,854,092             | 3,019,845             |
| <b>Surplus (Deficiency) after Rate Increase</b>                   | <b>\$ (2,602,655)</b> | <b>\$ 394,657</b>    | <b>\$ 669,930</b>     | <b>\$ 908,176</b>     | <b>\$ (97,181)</b>    | <b>\$ 1,071,173</b>   |
| <b>Projected Annual Rate Increase</b>                             | <b>0.00%</b>          | <b>15.50%</b>        | <b>11.00%</b>         | <b>1.00%</b>          | <b>1.00%</b>          | <b>1.00%</b>          |
| <b>Cumulative Rate Increases</b>                                  | <b>0.00%</b>          | <b>15.50%</b>        | <b>28.21%</b>         | <b>29.49%</b>         | <b>30.78%</b>         | <b>32.09%</b>         |
| <b>Net Revenue Requirement<sup>1</sup></b>                        | <b>\$ 11,495,724</b>  | <b>\$ 9,975,826</b>  | <b>\$ 10,952,837</b>  | <b>\$ 10,944,951</b>  | <b>\$ 12,214,410</b>  | <b>\$ 11,345,914</b>  |
| <b>Debt Coverage Ratio (After Rate Increase)</b>                  | <b>1.60</b>           | <b>1.28</b>          | <b>1.30</b>           | <b>1.41</b>           | <b>1.44</b>           | <b>1.49</b>           |

1. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

**Figure 3** summarizes the projected reserve fund balances and reserve targets.<sup>7</sup> A summary of the utility's proposed 10-year financial plan is included in Table 1 of the Technical Appendix. The Appendix tables include revenue requirements, reserve funds, revenue sources, proposed rate increases, operating revenue and expenses, the City's capital improvement program, and debt obligations.

**Figure 3. Summary of Water Reserve Funds**

| Beginning Reserve Fund Balances and Recommended Reserve Targets | Budget              |                     | Projected           |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | FY 2015/16          | FY 2016/17          | FY 2017/18          | FY 2018/19          | FY 2019/20          | FY 2020/21          |
| <b>Operating Reserve</b>  |                     |                     |                     |                     |                     |                     |
| Ending Balance  | \$ 2,249,000        | \$ 2,202,000        | \$ 2,250,000        | \$ 2,250,000        | \$ 2,166,582        | \$ 2,353,000        |
| <i>Recommended Minimum Target</i>                               | <i>2,249,000</i>    | <i>2,202,000</i>    | <i>2,250,000</i>    | <i>2,250,000</i>    | <i>2,301,000</i>    | <i>2,353,000</i>    |
| <b>Capital Rehabilitation &amp; Replacement Reserve</b>         |                     |                     |                     |                     |                     |                     |
| Ending Balance  | \$ 493,068          | \$ 936,482          | \$ 1,561,925        | \$ 2,252,334        | \$ 1,142,200        | \$ 2,045,307        |
| <i>Recommended Minimum Target</i>                               | <i>747,500</i>      | <i>853,800</i>      | <i>1,022,800</i>    | <i>1,111,900</i>    | <i>1,142,200</i>    | <i>1,222,000</i>    |
| <b>Debt Reserve</b>   |                     |                     |                     |                     |                     |                     |
| Ending Balance  | \$ 702,500          | \$ 702,500          | \$ 1,835,168        | \$ 1,835,168        | \$ 1,835,168        | \$ 1,835,168        |
| <i>Recommended Minimum Target</i>                               | <i>702,500</i>      | <i>702,500</i>      | <i>1,835,168</i>    | <i>1,835,168</i>    | <i>1,835,168</i>    | <i>1,835,168</i>    |
| <b>Total Ending Balance</b>                                     | <b>\$ 3,444,568</b> | <b>\$ 3,840,982</b> | <b>\$ 5,647,092</b> | <b>\$ 6,337,501</b> | <b>\$ 5,143,950</b> | <b>\$ 6,233,475</b> |
| <b>Total Recommended Minimum Target</b>                         | <b>\$ 3,699,000</b> | <b>\$ 3,758,300</b> | <b>\$ 5,107,968</b> | <b>\$ 5,197,068</b> | <b>\$ 5,278,368</b> | <b>\$ 5,410,168</b> |

### C. CAPITAL IMPROVEMENT PROGRAM AND FINANCING

The City has a Capital Improvement Program with approximately \$33.4 million (current value) in planned capital projects for the City's water system for Fiscal Years 2015/16 – 2024/25. **Figure 4** shows the list of capital projects that were factored into the financial plan and the cost of each project. Project costs are listed in current and future values; future values reflect the estimated cost of each project in the year the project is planned, including estimated cost inflation of 3% per year, per the Engineering News Record Construction Cost Inflation Index<sup>8</sup>.

<sup>7</sup> A more detailed breakdown of the reserve funds is provided in Table 2 of the Technical Appendix.

<sup>8</sup> See Table 11 in the Technical Appendix for the detailed capital projects costs which include projected cost inflation and Table 12 for the cost inflation factors applied to the project costs.

**Figure 4. Capital Improvement Program, FY 2015/16 – 2024/25**

| Project Description                                  | Year Scheduled for Completion | Current Values       | Future Values <sup>1</sup> |
|--|-------------------------------|----------------------|----------------------------|
| <b>Well Sites (\$3,430,000)</b>                      |                               |                      |                            |
| Well 22 (500 gpm)                                    | 2016                          | \$ 300,000           | \$ 300,000                 |
| Well 24 (1800 gpm)                                   | 2016                          | \$ 200,000           | \$ 200,000                 |
| Well 23 (1200 gpm)                                   | 2017                          | \$ 100,000           | \$ 103,000                 |
| Well 17 (1100 gpm)                                   | 2017                          | \$ 200,000           | \$ 206,000                 |
| Well 21 (1300 gpm)                                   | 2018                          | \$ 100,000           | \$ 106,090                 |
| Well 19 (800 gpm)                                    | 2018                          | \$ 60,000            | \$ 63,654                  |
| Well 16 (500 gpm)                                    | 2018                          | \$ 50,000            | \$ 53,045                  |
| Well 13 (800 gpm)                                    | 2019                          | \$ 30,000            | \$ 32,782                  |
| Well 26 (800 gpm)                                    | 2019                          | \$ 140,000           | \$ 152,982                 |
| Well 27 (1200 gpm)                                   | 2020                          | \$ 50,000            | \$ 56,275                  |
| Well 28 (800 gpm)                                    | 2021                          | \$ 50,000            | \$ 57,964                  |
| Well 30 (2800 gpm)                                   | 2021                          | \$ 50,000            | \$ 57,964                  |
| New Well   | 2022                          | \$ 2,100,000         | \$ 2,490,121               |
| <b>Booster Station (\$2,250,000)</b>                 |                               |                      |                            |
| New Booster Station                                  | 2021                          | \$ 1,800,000         | \$ 2,076,564               |
| Reche Canyon Booster Station                         | 2016                          | \$ 250,000           | \$ 250,000                 |
| Prado Booster Station                                | 2017                          | \$ 200,000           | \$ 206,000                 |
| <b>Transmission &amp; Distribution (\$8,100,000)</b> |                               |                      |                            |
| La Cadena Drive                                      | 2017                          | \$ 2,000,000         | \$ 2,051,000               |
| 9th Street   | 2016                          | \$ 1,800,000         | \$ 1,800,000               |
| Bordwell - MT Vernon                                 | 2018                          | \$ 2,000,000         | \$ 2,090,900               |
| Rialto Distribution                                  | 2018                          | \$ 1,000,000         | \$ 1,060,900               |
| Randall Line   | 2021                          | \$ 300,000           | \$ 347,782                 |
| Center Street  | 2022                          | \$ 1,000,000         | \$ 1,183,619               |
| <b>Reservoir (\$10,750,000)</b>                      |                               |                      |                            |
| Rialto 2 Rehabilitation (3MG)                        | 2017                          | \$ 500,000           | \$ 515,000                 |
| Rialto 1 Reservoir Replacement (4MG)                 | 2020                          | \$ 5,000,000         | \$ 5,416,372               |
| La Loma Reservoir (4MG)                              | 2025                          | \$ 5,000,000         | \$ 6,298,061               |
| La Loma (3MG)  | 2022                          | \$ 50,000            | \$ 59,703                  |
| Montecito (3MG)                                      | 2022                          | \$ 50,000            | \$ 59,703                  |
| Wild Canyon (2MG)                                    | 2022                          | \$ 50,000            | \$ 59,703                  |
| Domecq (3MG)   | 2022                          | \$ 50,000            | \$ 59,703                  |
| Domecq Above (0.3MG)                                 | 2022                          | \$ 50,000            | \$ 59,703                  |
| <b>Water Conservation</b>                            | 2020                          | \$ 2,000,000         | \$ 2,123,654               |
| <b>Projected Future Capital Improvements</b>         | Annual                        | \$ 5,000,000         | \$ 5,777,840               |
| <b>Capital Outlay:</b>                               |                               |                      |                            |
| Automobile (Water Operations, 4910)                  | Annual                        | \$ 1,050,000         | \$ 1,149,369               |
| Miscellaneous Equipment                              | Annual                        | \$ 210,000           | \$ 229,874                 |
| Water Meters   | 2016                          | \$ 500,000           | \$ 500,000                 |
| Operations Equipment                                 | Annual <sup>2</sup>           | \$ 75,000            | \$ 79,637                  |
| <b>Total: Capital Improvement Program Costs</b>      |                               | <b>\$ 33,365,000</b> | <b>\$ 37,334,961</b>       |

1. Project costs are inflated by 3% per year, Engineering News Record estimates of construction cost inflation.

2. Operations equipment purchases are scheduled annually in FY 2015/16 - 2019/20.

The City is planning to issue revenue bonds to fund approximately 70% of the planned capital improvement program costs for the ten-year period. There are two debt issues planned: a \$15 million issue in FY 2016/17 and an \$11 million issue in FY 2020/21. This analysis assumes a conservative debt financing approach that uses an interest rate of 5.5%, issuance costs of 2% of the net proceeds, a debt service reserve equal to one year's principal and interest payment, and a debt coverage requirement equal to the annual debt-service payment plus a 25% cushion (i.e., a "1.25 coverage ratio"), which is consistent with the outstanding water revenue bonds.

## D. CHARACTERISTICS OF WATER CUSTOMERS BY CLASS

Both consumption and the number of meters by customer class are used in allocating costs as a part of the cost-of-service analysis. The City's most recent consumption data is summarized in **Figure 5**, peaking factors by customer class are summarized in **Figure 6**<sup>9</sup>, and **Figure 7** compares the total number of meters by customer class.

**Figure 5. Water Consumption by Customer Class<sup>10</sup>**

| Development of the COMMODITY Allocation Factor |   |                         |  |  |                                   |
|--|---|-------------------------|--|--|-----------------------------------|
| Customer Class                                 | April '14 - March '15 Volume (hcf) <sup>1</sup> | Percent of Total Volume | % Adjustment for Conservation <sup>2</sup> | Estimated Volume Adjusted for Conservation | Estimated Percent of Total Volume |
| Single-Family Residential                      | 2,244,826                                       | 56.2%                   | 16%  | 1,894,028                                  | 56.2%                             |
| Multi-Family Residential                       | 146,327   | 3.7%                    | 16%  | 123,461                                    | 3.7%                              |
| Commercial & Industrial                        | 1,429,355                                       | 35.8%                   | 16%  | 1,205,990                                  | 35.8%                             |
| Municipal                                      | 152,818   | 3.8%                    | 16%  | 128,937                                    | 3.8%                              |
| Subtotal                                       | 3,973,326                                       | 99.5%                   | 16%  | 3,352,416                                  | 99.5%                             |
| Commercial Fire                                | 18,283  | 0.5%                    | 16%  | 15,426                                     | 0.5%                              |
| <b>Total</b>                                   | <b>3,991,609</b>                                | <b>100%</b>             | <b>16%</b>                                 | <b>3,367,842</b>                           | <b>100%</b>                       |

1. Consumption data source: City of Colton utility billing system data for April 2014 - March 2015

(file: WaterRateStudy-Mthly Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx).

2. Assumed conservation is 16% from April 2014 - May 2015 consumption levels, to comply with the State's 20% conservation mandate (2014-15 consumption is down 4% from 2013 levels).

**Figure 6. Peaking Factors by Customer Class**

| Development of the CAPACITY (MAX MONTH) Allocation Factors |                           |                          |                   |                           |
|--|---------------------------|--------------------------|-------------------|---------------------------|
| Customer Class   | Average Monthly Use (hcf) | Peak Month Use (hcf) (1) | Peak Month Factor | Max Month Capacity Factor |
| Single-Family Residential                                  | 187,069                   | 259,338                  | 1.39              | 58.6%                     |
| Multi-Family Residential                                   | 12,194                    | 14,899                   | 1.22              | 3.4%                      |
| Commercial & Industrial                                    | 119,113                   | 145,915                  | 1.23              | 33.0%                     |
| Municipal  | 12,735                    | 20,090                   | 1.58              | 4.5%                      |
| Commercial Fire  | 1,524                     | 2,095                    | 1.38              | 0.5%                      |
| <b>Total</b>   | <b>332,634</b>            | <b>442,337</b>           | <b>1.33</b>       | <b>100%</b>               |

1. Based on peak monthly data (peak day data not available).

<sup>9</sup> System capacity is the system's ability to supply water to all delivery points at the time when demanded. Capacity is the combination of plant and service related activities required to provide the amount of service requested/demanded by customers. Use of system capacity is typically defined as the maximum demand for the specific period of time (e.g., maximum day or maximum month demand). The relationship of a customer class's average use to its peak use is expressed as a "peaking factor." Both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events are generally allocated to each customer class based on the class's contribution to peak capacity event.

<sup>10</sup> Due to drought conditions, it is assumed in the analysis that water consumption will remain at the 20% reduction level, as required by the State's mandate and that this is essentially the "new normal" for water consumption levels in the City of Colton.

**Figure 7. Number of Meters by Customer Class**

| Development of the Customer Allocation Factor |                        |                  |
|---|------------------------|------------------|
| Customer Class                                | Number of Meters (1,2) | Percent of Total |
| Single-Family Residential                     | 8,807                  | 86.9%            |
| Multi-Family Residential                      | 48                     | 0.5%             |
| Commercial & Industrial                       | 950                    | 9.4%             |
| Municipal                                     | 156                    | 1.5%             |
| Commercial Fire                               | 171                    | 1.7%             |
| <b>Total</b>                                  | <b>10,132</b>          | <b>100.0%</b>    |

1. Number of meters is per the City of Colton's utility billing data as of February 2015 for standard meters and as of April 2015 for commercial fire meters.
2. Construction hydrants are excluded.

## E. COST OF SERVICE ANALYSIS

Once the revenue requirements are determined as described in Section 2-B of this Study, the cost of service analysis distributes those revenue requirements to each of the customer classes. The cost of service analysis consists of two major components: (1) the functionalization and classification of expenses, and (2) the allocation of costs to customer classes. This process is described as follows:

### Functionalization, Classification and Allocations

Most costs are not typically allocated 100% to fixed or variable categories and, therefore, are allocated to multiple functions of water service. The classification (i.e., functionalization) of costs provides the basis for allocating the classified costs to the following cost causation components:

- **Base Commodity** related costs are those costs associated with the total consumption of water over a specified period of time (e.g., annual).
- **Conservation** related costs are those costs associated with the City's water conservation program.
- **Capacity** related costs are those costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.
- **Customer** related costs are costs associated with having a customer on the water system, such as meter reading, postage and billing.
- **Fire Protection** costs are those costs associated with providing sufficient capacity in the system for fire meters and other operations and maintenance costs of providing water to properties for private fire service protection.

Once costs have been organized in the City's budget categories, they are allocated to these cost causation components that are used as the basis for establishing new water rates and translate to fixed and variable charges. Tables 17-20 in the Technical Appendix, show how the City's expenses were classified and allocated to these cost causation components.

**Fixed costs** generally consist of costs that a utility incurs to serve customers irrespective of the amount of water they use<sup>11</sup>. These include (1) the infrastructure (capacity-related facilities) required to provide service to customers, (2) costs associated with the peaking requirements, or maximum demand which affects the

<sup>11</sup> American Water Works Association, "Principles of Water Rates, Fees and Charges" – M1 Manual, p. 137-139.

maximum size and operations and maintenance costs of water supply, treatment and delivery system, and (3) administrative and billing costs associated with meter reading, postage and billing.

**Variable costs** are those that change as the volume of water produced and delivered changes. These commonly include the costs of chemicals used in the treatment process, energy related to pumping for transmission and distribution, and source of supply.

Ideally, utilities should recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges; when this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses. Because of this, this rate design provides greater revenue stability. However, other factors are often considered when designing water rates such as community values, water conservation goals, ease of understanding, and ease of administration.<sup>12</sup>

NBS evaluated the functionalization of costs into categories that can be more generally grouped into the fixed and variable costs discussed above. This analysis resulted in a cost distribution that is 46% fixed and 54% variable (volumetric)<sup>13</sup>. The proposed new rates were, therefore, based on these allocations.

**Figure 8** summarizes how costs are allocated to each classification component and used to establish new water rates. The revenue that will be collected from commodity charges is categorized into base commodity expenses which represent 48% of total costs and conservation related expenses which represent 6% of total costs. Commodity-related costs are allocated to customer classes based on the percentage of total water use each class is responsible for and is explained in more detail in the following section. The remaining 46% of rate revenue will be collected from fixed monthly service charges and is categorized into capacity-related costs that represent 40% of total costs, customer-related costs that represent 2% of total costs and fire protection-related costs that represent 4% of total costs.

**Figure 8. Allocated Net Revenue Requirements**

| Classification Components                | Total Rate Revenue Requirements FY 2016/17 |             |
|--|--|-------------|
| Commodity-Related Costs                  |  |             |
| Base Commodity Costs                     | \$ 4,965,283                               | 48%         |
| Conservation Costs                       | \$ 664,789                                 | 6%          |
| <i>Subtotal: Commodity-Related Costs</i> | \$ 5,630,072                               | 54%         |
| Capacity-Related Costs                   | \$ 4,110,141                               | 40%         |
| Customer-Related Costs                   | \$ 177,639                                 | 2%          |
| Fire Protection-Related Costs            | \$ 452,631                                 | 4%          |
| <b>Net Revenue Requirement</b>           | <b>\$10,370,483</b>                        | <b>100%</b> |

### Costs Allocated to Customer Classes

**Customer classes** are typically determined by grouping customers with similar demand characteristics into categories that reflect the cost differentials to serve each type of customer. While customer classes are most often identified as single-family, multi-family, commercial, etc., the City currently does not distinguish rates by customer class but instead applies the same fixed charges to all customers, although these fixed charges vary by meter size. The only exception is that fire protection meters are subject to a different fixed charge by meter size that is less than the standard water meter charge.

**Figure 9** shows how costs are distributed to each customer class. Commodity related costs, both the standard and conservation expenses, are distributed to each customer class based on the percentage of

<sup>12</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, American Water Works Association, Sixth Edition, see pp. 5 and 96.*

<sup>13</sup> *This analysis is presented in Tables 17-20 of the Technical Appendix.*

water consumed (previously shown in Figure 5). Capacity related costs are distributed to each customer class based on the peaking factors (previously shown in Figure 6). Customer related costs are distributed to each customer class based on the number of customers in each customer class (previously shown in Figure 7). A direct allocation is made in the functionalization and classification process to commercial fire which reflects their share of system-wide costs. Table 25 in the Technical Appendix shows a more detailed breakdown of the allocation factors used in this process, with the allocated costs for each customer class.

Since all customer classes are subject to the same fixed meter service charges, the capacity and customer-related costs for single-family, multi-family, commercial/industrial and municipal customers are grouped together and only commercial fire meters have separate charges calculated. Commodity-related costs are allocated to single-family customers and all other customer classes are grouped together.

**Figure 9. Distribution of Costs to Each Customer Class**

| Customer Class            | Cost Classification Components |                    |                        |                        |                               | Cost of Service Net Revenue Reqts | % of COS Net Revenue Reqts |
|---------------------------|--------------------------------|--------------------|------------------------|------------------------|-------------------------------|-----------------------------------|----------------------------|
|                           | Commodity Related Costs        |                    | Capacity Related Costs | Customer Related Costs | Fire Protection Related Costs |                                   |                            |
|                           | Base Commodity Costs           | Conservation Costs |                        |                        |                               |                                   |                            |
| Single-Family Residential | \$ 2,792,407                   | \$ 373,868         | \$ 2,409,737           | \$ 154,409             | \$ -                          | \$ 5,730,420                      | 55%                        |
| Multi-Family              | \$ 182,021                     | \$ 24,370          | \$ 138,440             | \$ 842                 | \$ -                          | \$ 345,672                        | 3%                         |
| Commercial & Industrial   | \$ 1,778,018                   | \$ 238,054         | \$ 1,355,824           | \$ 16,656              | \$ -                          | \$ 3,388,552                      | 33%                        |
| Municipal                 | \$ 190,095                     | \$ 25,451          | \$ 186,674             | \$ 2,735               | \$ -                          | \$ 404,955                        | 4%                         |
| Commercial Fire           | \$ 22,743                      | \$ 3,045           | \$ 19,466              | \$ 2,998               | \$ 452,631                    | \$ 500,884                        | 5%                         |
| <b>Total</b>              | <b>\$ 4,965,283</b>            | <b>\$ 664,789</b>  | <b>\$ 4,110,141</b>    | <b>\$ 177,639</b>      | <b>\$ 452,631</b>             | <b>\$ 10,370,483</b>              | <b>100.0%</b>              |

## F. CURRENT VS. PROPOSED WATER RATE STRUCTURES

The process of evaluating the water rate structure provides the opportunity to incorporate a number of rate-design objectives and policies, including revenue stability, equity among customer classes, and water conservation. One of the City’s main objectives in this Study was to develop a more conservation oriented rate structure, hence the decision to use a two-tiered volumetric rate structure for single-family residential customers. Currently, all customers are subject to a uniform volumetric rate and a fixed meter charge that varies by meter size, rates are not differentiated by customer class<sup>14</sup>.

NBS discussed several water rate alternatives and methodologies with City Staff over the course of this Study, such as the percentage of revenue collected from fixed vs. variable charges, differentiating rates by customer class and implementing tiered rates by meter size and/or customer class. Staff ultimately chose a rate alternative that consists of a fixed charge based on meter size, and a two-tiered commodity charge for single-family residential customers. The two-tiered commodity charge is intended to proportionally allocate a greater share of the costs to those customers whose higher water usage place greater demands and burdens on the City’s water system and water supplies and incidentally encourage greater water conservation.

Due to the significant differences in typical water use for multi-family and non-residential customers (e.g., laundromat vs. restaurants vs. office space vs. apartment building), uniform commodity charges will continue to be applied to non-single family water consumption. This is a commonly used approach for non-residential customers, and is the primary reason why tiered rates aren’t typically used for these types of customers. The following sections describe how the proposed water rates were developed.

<sup>14</sup> While this alternative was evaluated, the City elected to retain fixed charges by meter size instead of by customer class; this is why many of the previous tables are presented by customer class (e.g., single-family, multi-family, etc.).

## Fixed Monthly Service Charges

Meter sizes have different fixed charges based on the capacity requirements of each size meter connected to the system. This is because larger meters have the potential to use more of the system's capacity, or said differently, they have higher peaking factors compared to smaller meters. The potential capacity demanded (peaking) is proportional to the maximum hydraulic flow through each meter size as established by the AWWA hydraulic capacity ratios<sup>15</sup>. As an example, a 2-inch meter has a greater capacity, or potential peak demand than a 3/4-inch meter; therefore the fixed charge for a 2-inch meter is larger than a 3/4-inch meter based on their proportionate capacity requirements<sup>16</sup>. A "hydraulic capacity factor" is calculated by dividing the maximum capacity or flow of large meters by the capacity of the base meter size, which is typically the most common residential meter size (in this case a 3/4-inch meter).

The actual number of meters by size is multiplied by the corresponding capacity ratios to calculate equivalent meters. The number of equivalent meters is used as a proxy for the potential demand that each customer can place on the water system. A significant portion of a water system's peak capacity, and in turn, the utility's fixed operating and capital costs, are related to meeting system capacity requirements.

The City's existing rates have different fixed charges for commercial fire meters than for standard water service customers, and the new rates will maintain this same structure. Fire service customers differ from other water service customers because their service is more of a standby nature, where a readiness-to-serve charge is appropriate. Except in the event of a fire, these users are not intended to use water on a regular basis. However, the City still needs to provide sufficient capacity for fire meters and recover other operations and maintenance costs of providing water to such properties for private fire service protection. Based on the cost of service analysis and the standby nature of fire meters, the overall cost to serve these users is less than that of a standard service; therefore, the fixed charges are less.

**Figure 10** shows how fixed monthly service charges were calculated for standard water meters and

**Figure 11** shows the same for private fires meters. The customer component of the rate is \$1.46 per meter, and does not vary by meter size because it represents costs to the utility for having connections to the water system. Capacity costs vary by meter size and are based on their hydraulic capacity. The total estimated revenue from fixed charges, as shown in Figure 10, is the sum of all capacity and customer related costs for single-family, multi-family, commercial & industrial, and municipal water customers from Figure 9. In Figure 11, the total estimated rate revenue from fixed charges is the sum of all customer related costs and direct fire-protection related costs shown in Figure 9.

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<sup>15</sup> See: American Water Works Association, *Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1*, 326, (6th ed. 2012) and American Water Works Association, *Water Meters – Selection, Installation, Testing and Maintenance M6*, 65 (5th ed. 2012).

<sup>16</sup> This is reflected in the fixed charge calculations by using the AWWA hydraulic capacity factors to represent the maximum volume each meter size is capable of delivering.

**Figure 10. Calculation of FY 2016/17 Standard Fixed Meter Charges**

| Meter Size   | Hydraulic Capacity Factor | Number of Meters | Total Equivalent Meters | Fixed Meter Charge |                    | Total Monthly Fixed Meter Charge | Estimated Revenue from Fixed Charges |
|--------------|---------------------------|------------------|-------------------------|--------------------|--------------------|----------------------------------|--------------------------------------|
|              |                           |                  |                         | Customer Component | Capacity Component |                                  |                                      |
| 3/4 inch     | 1.00                      | 5,095            | 5,095                   | \$1.46             | \$21.32            | \$22.78                          | \$ 1,393,039                         |
| 1 inch       | 1.67                      | 4,137            | 6,895                   | \$1.46             | \$35.54            | \$37.00                          | \$ 1,836,827                         |
| 1.5 inch     | 3.33                      | 306              | 1,020                   | \$1.46             | \$71.08            | \$72.54                          | \$ 266,363                           |
| 2 inch       | 5.33                      | 385              | 2,053                   | \$1.46             | \$113.72           | \$115.19                         | \$ 532,158                           |
| 3 inch       | 10.67                     | 0                | 0                       | \$1.46             | \$227.45           | \$228.91                         | \$ -                                 |
| 4 inch       | 16.67                     | 27               | 450                     | \$1.46             | \$355.39           | \$356.85                         | \$ 115,620                           |
| 6 inch       | 33.33                     | 7                | 233                     | \$1.46             | \$710.78           | \$712.24                         | \$ 59,828                            |
| 8 inch       | 60.00                     | 4                | 240                     | \$1.46             | \$1,279.40         | \$1,280.86                       | \$ 61,481                            |
| 10 inch      | 80.00                     | 0                | 0                       | \$1.46             | \$1,705.87         | \$1,707.33                       | \$ -                                 |
| 12 inch      | 112.50                    | 0                | 0                       | \$1.46             | \$2,398.88         | \$2,400.34                       | \$ -                                 |
| <b>Total</b> |                           | <b>9,961</b>     | <b>15,987</b>           |                    |                    |                                  | <b>\$ 4,265,316</b>                  |

**Figure 11. Calculation of FY 2016/17 Private Fire Protection Meter Fixed Charges<sup>17</sup>**

| Meter Size   | Hydraulic Capacity Factor | Number of Meters | Total Equivalent Meter | Fixed Meter Charge |                          | Total Monthly Fixed Meter Charge | Estimated Revenue from Fixed Charges |
|--------------|---------------------------|------------------|------------------------|--------------------|--------------------------|----------------------------------|--------------------------------------|
|              |                           |                  |                        | Customer Component | Fire Protected Component |                                  |                                      |
| 4 inch       | 23.33                     | 42               | 980                    | \$1.46             | \$77.84                  | \$79.30                          | \$ 39,967                            |
| 6 inch       | 53.33                     | 48               | 2,560                  | \$1.46             | \$177.92                 | \$179.38                         | \$ 103,321                           |
| 8 inch       | 93.33                     | 68               | 6,347                  | \$1.46             | \$311.35                 | \$312.81                         | \$ 255,255                           |
| 10 inch      | 146.67                    | 13               | 1,907                  | \$1.46             | \$489.27                 | \$490.73                         | \$ 76,554                            |
| <b>Total</b> |                           | <b>171</b>       | <b>11,793</b>          |                    |                          |                                  | <b>\$ 475,096</b>                    |

**Volumetric Rates**

Currently, the City charges all customers the same uniform volumetric rate. In the proposed rates, single-family residential customers will be subject to a two-tiered volumetric rate, while all other customers will continue to be charged a uniform volumetric rate. The uniform volumetric rate for multi-family and non-residential customers was developed by taking the proportionate share of commodity related costs (both standard and conservation-related costs) for these customer classes as shown previously in Figure 9 and dividing by estimated water consumption. **Figure 12** shows how the uniform volumetric rate was developed.

**Figure 12. FY 2016/17 Uniform Volumetric Rates for Non-Single Family Residential Customers**

| Customer Classes        | Commodity Related Costs <sup>1</sup> |                    |                               | Estimated Water Consumption (hcf/yr) <sup>2</sup> | Uniform Commodity Rates (\$/hcf) |
|-------------------------|--------------------------------------|--------------------|-------------------------------|---|----------------------------------|
|                         | Base Commodity Costs                 | Conservation Costs | Total Commodity Related Costs |   |                                  |
| Multi-Family            | \$ 182,021                           | \$ 24,370          | \$ 206,391                    | 123,461   | \$1.67                           |
| Commercial & Industrial | \$ 1,778,018                         | \$ 238,054         | \$ 2,016,072                  | 1,205,990   | \$1.67                           |
| Municipal               | \$ 190,095                           | \$ 25,451          | \$ 215,546                    | 128,937   | \$1.67                           |
| Commercial Fire         | \$ 22,743                            | \$ 3,045           | \$ 25,788                     | 15,426  | \$1.67                           |
| <b>Total</b>            | <b>\$ 4,965,283</b>                  | <b>\$ 664,789</b>  | <b>\$ 5,630,072</b>           | <b>3,367,842</b>                                  |                                  |

1. Refer to report Figure 9 for determination of costs by customer class.

2. Water consumption is adjusted to account for conservation.

<sup>17</sup> No capacity factors are shown for 5/8 through 3 inch meters because the City does not have meters these sizes.

**Figure 13** shows how the two-tiered commodity charges for single-family residential customers were calculated. In order to develop unit costs of water in each tier, the proportionate share of commodity related costs (both standard and conservation-related costs for the single-family residential class, as shown in Figure 9) was divided by estimated water consumption in each tier. The resulting rates are cumulative; the incremental cost of Tier 2 water is added to the base unit cost of water in Tier 1. Tier 1 is intended to recover the City's base commodity-related costs and Tier 2 is intended to recover base commodity costs plus the proportionate share of water conservation program costs for the single-family residential customer class. Conservation costs were allocated to Tier 2 water use because the costs of the conservation program would not be incurred but for the higher use. For example, if every single-family residential customer stayed within Tier 1, the costs of the water conservation program would be significantly smaller.

The breakpoint between the two tiers is set at 18 hundred cubic feet (hcf) per month, which is the average annual consumption amount for single-family residential customers that would allow the City to meet its conservation mandate for this customer class. Meaning, if customers consume 18 hcf of water per month, or less, the City will meet its water conservation target of 20%, per the State's conservation mandate for single-family residential customers.

**Figure 13. FY 2016/17 Two-Tiered Volumetric Rate Calculation for Single-Family Residential Customers**

| Customer Class            | Tier   | Upper Tier Breakpoint | Estimated Water Consumption | Costs to Recover <sup>1</sup> | Cost/hcf | Cumulative Rate (\$/hcf) |
|---------------------------|--------|-----------------------|-----------------------------|-------------------------------|----------|--------------------------|
| Single Family Residential | Tier 1 | 18 hcf                | 1,894,028                   | \$ 2,792,407                  | \$1.47   | \$1.47                   |
|                           | Tier 2 | --                    | 548,099                     | \$ 373,868                    | \$0.68   | \$2.16                   |
| <b>Total</b>              |        |                       |                             | <b>\$ 4,096,098</b>           |          |                          |

<sup>1</sup> The costs recovered in each tier can be referenced in Figure 9 of this report.

### Current and Proposed Water Rates

**Figure 14** provides a comparison of the current and proposed rate structure for FY 2016/17 through 2020/21. Projected rates for FY 2016/17<sup>18</sup> reflect adjustments based on the cost-of-service analysis; rates after FY 2016/17 assume an across-the-board rate increase to these rates based on the recommended percent increases in rate revenue each year, as shown previously in Figure 2. Increasing rates by the percentage change in rate revenue as described in Section 2-B of this Study will allow the Utility to continue meeting its annual revenue requirements and fund the planned capital improvements over the next five years. More detailed tables on the development of the proposed water rates are documented in Technical Appendix.

<sup>18</sup> Rate adjustments are scheduled to be effective July 1<sup>st</sup> of each fiscal year.

**Figure 14. Current and Proposed Water Rates**

| Water Rate Schedule   | Current Rates | Proposed Water Rates |            |            |            |            |
|---|---------------|----------------------|------------|------------|------------|------------|
|   |               | FY 2016/17           | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 |
| <i>Projected Increase in Rate Revenue per Financial Plan:</i> |               | 15.50%               | 11.00%     | 1.00%      | 1.00%      | 1.00%      |
| <b>Fixed Service Charge</b>                                   |               |                      |            |            |            |            |
| 5/8-inch meter  | \$16.70       | \$22.78              | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 3/4-inch meter  | \$16.70       | \$22.78              | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 1-inch meter  | \$26.23       | \$37.00              | \$41.07    | \$41.48    | \$41.90    | \$42.31    |
| 1.5-inch meter  | \$47.00       | \$72.54              | \$80.52    | \$81.32    | \$82.14    | \$82.96    |
| 2-inch meter  | \$71.31       | \$115.19             | \$127.86   | \$129.13   | \$130.43   | \$131.73   |
| 3-inch meter  | \$84.86       | \$228.91             | \$254.09   | \$256.63   | \$259.20   | \$261.79   |
| 4-inch meter  | \$288.78      | \$356.85             | \$396.10   | \$400.07   | \$404.07   | \$408.11   |
| 6-inch meter  | \$489.49      | \$712.24             | \$790.59   | \$798.49   | \$806.48   | \$814.54   |
| 8-inch meter  | \$627.22      | \$1,280.86           | \$1,421.76 | \$1,435.98 | \$1,450.34 | \$1,464.84 |
| 10-inch meter   | \$896.96      | \$1,707.33           | \$1,895.14 | \$1,914.09 | \$1,933.23 | \$1,952.56 |
| 12-inch meter   | \$1,456.16    | \$2,400.34           | \$2,664.38 | \$2,691.02 | \$2,717.93 | \$2,745.11 |
| <b>Commercial Fire Meters - Fixed Service Charge</b>          |               |                      |            |            |            |            |
| 4-inch meter  | \$62.28       | \$79.30              | \$88.02    | \$88.90    | \$89.79    | \$90.69    |
| 6-inch meter  | \$139.73      | \$179.38             | \$199.11   | \$201.10   | \$203.11   | \$205.14   |
| 8-inch meter  | \$242.99      | \$312.81             | \$347.22   | \$350.69   | \$354.20   | \$357.74   |
| 10-inch meter   | \$380.68      | \$490.73             | \$544.71   | \$550.15   | \$555.66   | \$561.21   |
| <b>Commodity Charges for All Water Consumed</b>               |               |                      |            |            |            |            |
| <b>Single Family Residential Volumetric Rates:</b>            |               |                      |            |            |            |            |
| <i>Current, Uniform Volumetric Rate</i>                       | \$1.61        | --                   | --         | --         | --         | --         |
| <i>New, Tiered Rates:</i>                                     |               |                      |            |            |            |            |
| Tier 1: 0 - 18 hcf  | --            | \$1.47               | \$1.64     | \$1.65     | \$1.67     | \$1.69     |
| Tier 2: 19+ hcf   | --            | \$2.16               | \$2.39     | \$2.42     | \$2.44     | \$2.47     |
| <b>All Other Customers</b>                                    |               |                      |            |            |            |            |
| Rate Per HCF of Water Consumed                                | \$1.61        | \$1.67               | \$1.86     | \$1.87     | \$1.89     | \$1.91     |

The percentage increases in rate revenue shown above in Figure 14, will be accomplished by implementing the proposed water rates. The hydraulic capacity factors that are used to calculate the fixed monthly service charges were updated to be consistent with industry standards as described in Section 2-F of this report, and shown previously in Figures 10 and 11. **Figure 15** shows projected rate revenue from existing and proposed water rates for FY 2016/17, to show how much revenue the City will collect from proposed rates in the first year new rates are effective.

**Figure 15. Projected FY 2016/17 Revenue from Existing and Proposed Rates**

| Estimated Rate Revenue from Fixed Charges      | Number of Meters                  | Revenue From Existing Rates | Revenue from Proposed Rates |
|--|-----------------------------------|-----------------------------|-----------------------------|
| <b>Standard Water Meters:</b>                  |                                   |                             |                             |
| 5/8 and 3/4-inch                               | 5,095                             | \$ 1,021,038                | \$ 1,393,039                |
| 1-inch   | 4,137                             | \$ 1,302,162                | \$ 1,836,827                |
| 1.5-inch                                       | 306                               | \$ 172,584                  | \$ 266,363                  |
| 2-inch   | 385                               | \$ 329,452                  | \$ 532,158                  |
| 3-inch   | -                                 | \$ -                        | \$ -                        |
| 4-inch   | 27                                | \$ 93,565                   | \$ 115,620                  |
| 6-inch   | 7                                 | \$ 41,117                   | \$ 59,828                   |
| 8-inch   | 4                                 | \$ 30,107                   | \$ 61,481                   |
| 10-inch  | -                                 | \$ -                        | \$ -                        |
| 12-inch  | -                                 | \$ -                        | \$ -                        |
| <b>Subtotal</b>                                | <b>9,961</b>                      | <b>\$ 2,990,025</b>         | <b>\$ 4,265,316</b>         |
| <b>Fire Meters:</b>                            |                                   |                             |                             |
| 4-inch   | 42                                | \$ 31,387                   | \$ 39,967                   |
| 6-inch   | 48                                | \$ 80,482                   | \$ 103,321                  |
| 8-inch   | 68                                | \$ 198,281                  | \$ 255,255                  |
| 10-inch  | 13                                | \$ 59,386                   | \$ 76,554                   |
| <b>Subtotal</b>                                | <b>171</b>                        | <b>\$ 369,536</b>           | <b>\$ 475,096</b>           |
| <b>Total: Revenue from Fixed Charges</b>       | <b>10,132</b>                     | <b>\$ 3,359,561</b>         | <b>\$ 4,740,412</b>         |
| Estimated Rate Revenue from Volumetric Charges | Estimated Water Consumption (hcf) | Revenue From Existing Rates | Revenue from Proposed Rates |
| Residential, Tier 1                            | 1,345,929                         | \$ 2,166,946                | \$ 1,984,333                |
| Residential, Tier 2                            | 548,099                           | \$ 882,439                  | \$ 1,181,942                |
| Multi-Family                                   | 123,461                           | \$ 198,771                  | \$ 206,391                  |
| Commercial & Industrial                        | 1,205,990                         | \$ 1,941,644                | \$ 2,016,072                |
| Municipal                                      | 128,937                           | \$ 207,589                  | \$ 215,546                  |
| Commercial Fire                                | 15,426                            | \$ 24,836                   | \$ 25,788                   |
| <b>Total: Revenue from Volumetric Charges</b>  | <b>3,367,842</b>                  | <b>\$ 5,422,225</b>         | <b>\$ 5,630,072</b>         |
| <b>Grand Total: Rate Revenue</b>               | <b>--</b>                         | <b>\$ 8,781,786</b>         | <b>\$ 10,370,483</b>        |

**G. COMPARISON OF CURRENT AND PROPOSED WATER BILLS**

**Figure 16** and **Figure 17** compare the monthly water bills for the current and proposed water rates as a result of the first year rate adjustment for single-family residential (SFR) and commercial customers. These monthly bills are based on typical meter sizes. The average consumption levels for each customer class are highlighted.

**Figure 16. Monthly Water Bill Comparison for Single-Family Customers**

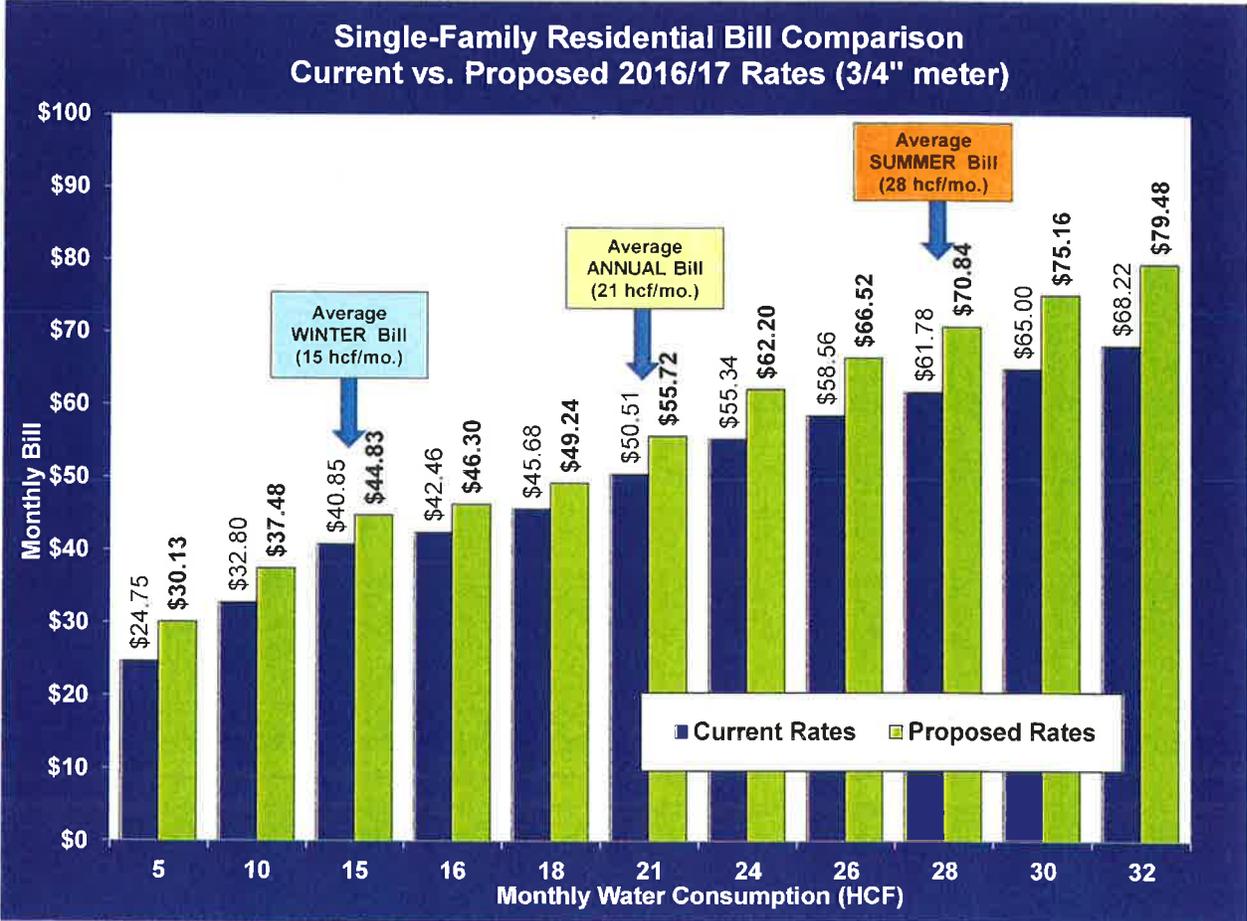
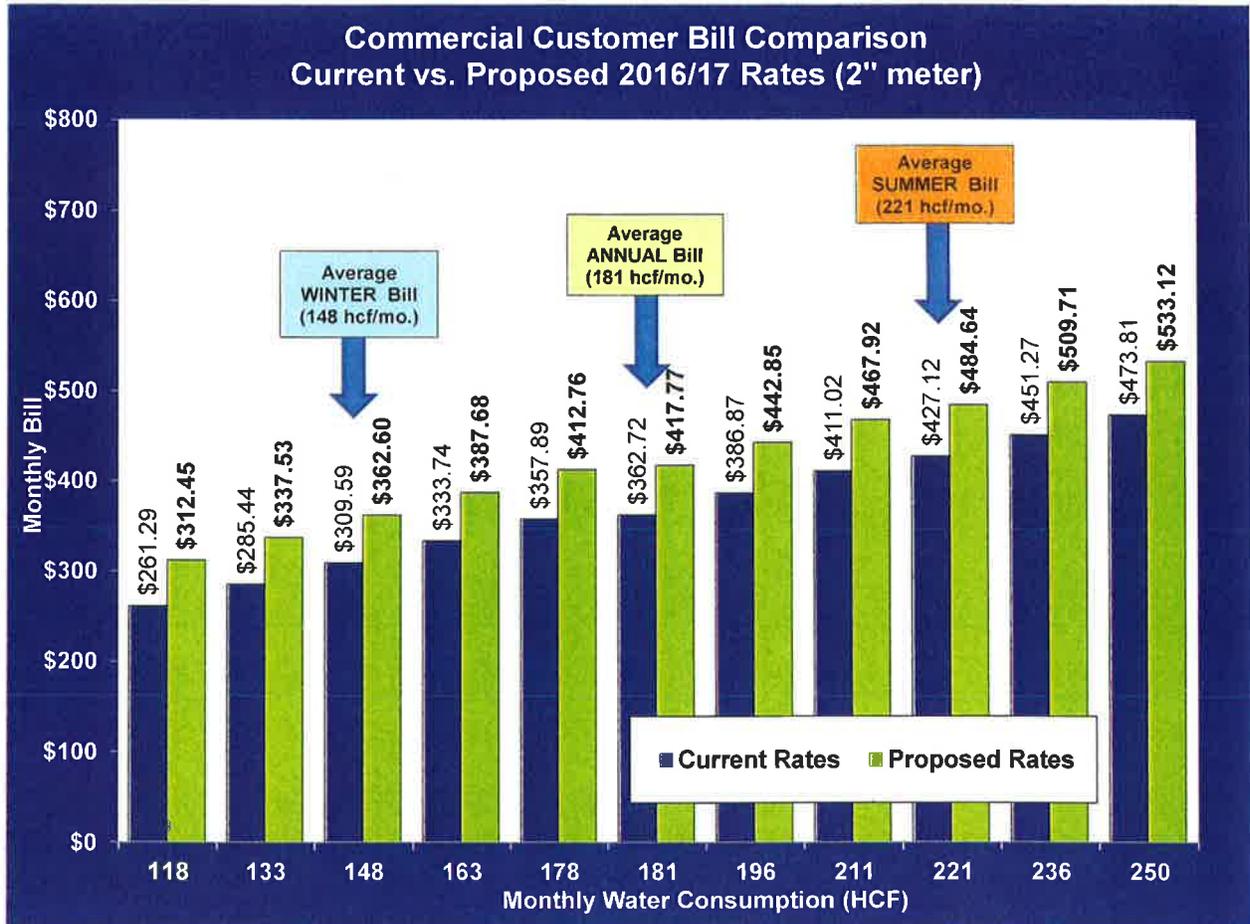


Figure 17. Monthly Water Bill Comparison for Commercial Customers



## SECTION 3. RECOMMENDATIONS AND NEXT STEPS

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### A. CONSULTANT RECOMMENDATIONS

NBS recommends the City take the following actions:

- **Approve and Accept This Study:** NBS recommends the City Council formally approve and adopt this Study and its recommendations, and then proceed with the next steps outlined below to implement the recommended rate structure. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.
- **Implement Recommended Levels of Rate Increases and Proposed Rates:** Based on successfully meeting the Proposition 218 procedural requirements, the City Council should proceed with implementing the five-years of recommended rates and rate increases<sup>19</sup> previously shown in Figure 14. This will help ensure the continued financial health of the City's water utility.
- **Adopt Reserve Fund Targets:** NBS recommends the City Council adopt the consultant proposed reserve fund targets described in this Study for the water utility. The City should periodically evaluate reserve fund levels and attempt to maintain the recommended levels for the Operating, Capital Rehabilitation and Replacement, and Debt Reserves.

### B. NEXT STEPS

- **Annually Review Rates and Revenue** – Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements, particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

*Note: The attached Technical Appendix provides more detailed information on the analysis of the water revenue requirements, cost-of-service analysis and cost allocations, and the rate design analyses that have been summarized in this Study.*

### C. NBS' PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this Study and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions and events that may occur in the future. This information and assumptions, including the City's budgets, capital improvement costs, and information from City staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this Study and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

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<sup>19</sup> A full rate schedule for Prop 218 purposes shown in Exhibit A at the end of this Study

# TECHNICAL APPENDIX

## Proposition 218 Rate Table

| Water Rate Schedule   | Current Rates | Proposed Water Rates<br>46% Fixed / 54% Variable |            |            |            |            |
|---|---------------|--|------------|------------|------------|------------|
|   |               | FY 2016/17                                       | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 |
| <i>Projected Increase in Rate Revenue per Financial Plan:</i> |               | 15.50%   | 11.00%     | 1.00%      | 1.00%      | 1.00%      |
| <b>Fixed Service Charge</b>                                   |               |  |            |            |            |            |
| 5/8-inch meter  | \$16.70       | \$22.78  | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 3/4-inch meter  | \$16.70       | \$22.78  | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 1-inch meter  | \$26.23       | \$37.00  | \$41.07    | \$41.48    | \$41.90    | \$42.31    |
| 1.5-inch meter  | \$47.00       | \$72.54  | \$80.52    | \$81.32    | \$82.14    | \$82.96    |
| 2-inch meter  | \$71.31       | \$115.19   | \$127.86   | \$129.13   | \$130.43   | \$131.73   |
| 3-inch meter  | \$84.86       | \$228.91   | \$254.09   | \$256.63   | \$259.20   | \$261.79   |
| 4-inch meter  | \$288.78      | \$356.85   | \$396.10   | \$400.07   | \$404.07   | \$408.11   |
| 6-inch meter  | \$489.49      | \$712.24   | \$790.59   | \$798.49   | \$806.48   | \$814.54   |
| 8-inch meter  | \$627.22      | \$1,280.86                                       | \$1,421.76 | \$1,435.98 | \$1,450.34 | \$1,464.84 |
| 10-inch meter   | \$896.96      | \$1,707.33                                       | \$1,895.14 | \$1,914.09 | \$1,933.23 | \$1,952.56 |
| 12-inch meter   | \$1,456.16    | \$2,400.34                                       | \$2,664.38 | \$2,691.02 | \$2,717.93 | \$2,745.11 |
| <b>Commercial Fire Meters - Fixed Service Charge</b>          |               |  |            |            |            |            |
| 4-inch meter  | \$62.28       | \$79.30  | \$88.02    | \$88.90    | \$89.79    | \$90.69    |
| 6-inch meter  | \$139.73      | \$179.38   | \$199.11   | \$201.10   | \$203.11   | \$205.14   |
| 8-inch meter  | \$242.99      | \$312.81   | \$347.22   | \$350.69   | \$354.20   | \$357.74   |
| 10-inch meter   | \$380.68      | \$490.73   | \$544.71   | \$550.15   | \$555.66   | \$561.21   |
| <b>Commodity Charges for All Water Consumed</b>               |               |  |            |            |            |            |
| <b>Single Family Residential Volumetric Rates:</b>            |               |  |            |            |            |            |
| Current, Uniform Volumetric Rate                              | \$1.61        | --   | --         | --         | --         | --         |
| <b>New, Tiered Rates</b>                                      |               |  |            |            |            |            |
| Tier 1: 0 - 18 hcf  | --            | \$1.47   | \$1.64     | \$1.65     | \$1.67     | \$1.69     |
| Tier 2: 19+ hcf   | --            | \$2.16   | \$2.39     | \$2.42     | \$2.44     | \$2.47     |
| <b>All Other Customers</b>                                    |               |  |            |            |            |            |
| Rate Per HCF of Water Consumed                                | \$1.61        | \$1.67   | \$1.86     | \$1.87     | \$1.89     | \$1.91     |

## Detailed Water Rate Study Tables & Figures

CITY OF COLTON  
WATER RATE STUDY  
Financial Plan and Reserve Projections

TABLE 1  
FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

|   | Budget                |                      | Projected            |                      |                      |                      |                      |                      |                      |                      |  |  |  |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|--|--|
|   | FY 2015/16            | FY 2016/17           | FY 2017/18           | FY 2018/19           | FY 2019/20           | FY 2020/21           | FY 2021/22           | FY 2022/23           | FY 2023/24           | FY 2024/25           |  |  |  |
| <b>Sources of Water Funds</b>                                   |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |  |  |  |
| Rate Revenue Under Prevailing Rates (1,2)                       | \$ 8,893,070          | \$ 9,978,774         | \$ 9,065,334         | \$ 9,152,761         | \$ 9,263,136         | \$ 9,397,243         | \$ 9,556,047         | \$ 9,740,714         | \$ 9,929,074         | \$ 10,121,202        |  |  |  |
| Non-Rate Revenues   | 2,312,655             | 239,834              | 240,015              | 240,197              | 240,428              | 240,708              | 241,039              | 241,818              | 241,818              | 242,219              |  |  |  |
| Interest Earnings (in Operating & Capital Reserves) (3)         | 41,661                | 6,855                | 15,692               | 19,060               | 33,768               | 33,088               | 54,979               | 80,745               | 131,447              | 99,442               |  |  |  |
| <b>Total Sources of Funds</b>                                   | <b>\$ 11,247,386</b>  | <b>\$ 9,225,463</b>  | <b>\$ 9,321,041</b>  | <b>\$ 9,412,017</b>  | <b>\$ 9,537,332</b>  | <b>\$ 9,671,038</b>  | <b>\$ 9,852,065</b>  | <b>\$ 10,062,884</b> | <b>\$ 10,302,339</b> | <b>\$ 10,462,864</b> |  |  |  |
| <b>Uses of Water Funds</b>                                      |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |  |  |  |
| Operating Expenses (4):   |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |  |  |  |
| Water Operations  | \$ 1,707,292          | \$ 1,743,828         | \$ 1,781,167         | \$ 1,819,326         | \$ 1,859,324         | \$ 1,898,181         | \$ 1,938,915         | \$ 1,980,548         | \$ 2,023,098         | \$ 2,066,588         |  |  |  |
| Salaries and Benefits   | 4,791,594             | 4,903,049            | 5,017,847            | 4,936,283            | 5,058,271            | 5,183,919            | 5,313,337            | 5,446,637            | 5,583,936            | 5,725,354            |  |  |  |
| Maintenance and Operations                                      | 314,184               | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |  |  |  |
| Maint. & Operations - Perchlorate Resin                         | -                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |  |  |  |
| Increase to Lease Payment                                       | 6,000                 | 6,180                | 6,365                | 6,556                | 6,753                | 6,956                | 7,164                | 7,379                | 7,601                | 7,829                |  |  |  |
| Other Expenses  | 905,859               | 932,410              | 959,745              | 987,888              | 1,016,862            | 1,046,692            | 1,077,403            | 1,109,021            | 1,141,575            | 1,175,090            |  |  |  |
| Cost Allocations  | 907,170               | 926,583              | 946,423              | 966,699              | 987,421              | 1,008,599            | 1,030,243            | 1,052,364            | 1,074,974            | 1,098,082            |  |  |  |
| Water/Wastewater Admin/Tech                                     | 75,739                | 78,011               | 80,352               | 82,762               | 85,245               | 87,802               | 90,436               | 93,149               | 95,944               | 98,822               |  |  |  |
| Salaries and Benefits   | (341,571)             | (352,197)            | (363,149)            | (374,437)            | (386,072)            | (398,064)            | (410,424)            | (423,163)            | (436,293)            | (449,825)            |  |  |  |
| Maintenance and Operations                                      | 627,850               | 669,877              | 671,964              | 674,114              | 676,329              | 678,609              | 680,915              | 683,239              | 685,575              | 687,911              |  |  |  |
| Cost Allocations  | \$ 8,994,117          | \$ 8,807,742         | \$ 9,000,715         | \$ 8,999,191         | \$ 9,203,132         | \$ 9,412,693         | \$ 9,627,074         | \$ 9,841,936         | \$ 10,057,834        | \$ 10,273,940        |  |  |  |
| Water Conservation Program                                      |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |  |  |  |
| Subtotal: Operating Expenses                                    | \$ 1,410,924          | \$ 1,414,774         | \$ 1,075,161         | \$ 1,072,349         | \$ 1,073,824         | \$ 1,074,349         | \$ 1,078,924         | \$ 1,077,311         | \$ 1,079,749         | \$ 1,082,187         |  |  |  |
| Other Expenditures:   |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |  |  |  |
| Existing Debt Service   | -                     | -                    | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            |  |  |  |
| New Debt Service  | -                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |  |  |  |
| Rate-Funded Capital Expenses                                    | 3,445,000             | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |  |  |  |
| Subtotal: Other Expenditures                                    | \$ 4,855,924          | \$ 1,414,774         | \$ 2,207,829         | \$ 2,205,017         | \$ 2,207,829         | \$ 2,207,829         | \$ 2,207,829         | \$ 2,207,829         | \$ 2,207,829         | \$ 2,207,829         |  |  |  |
| <b>Total Uses of Water Funds</b>                                | <b>\$ 13,850,040</b>  | <b>\$ 10,222,515</b> | <b>\$ 11,208,544</b> | <b>\$ 11,204,207</b> | <b>\$ 12,488,605</b> | <b>\$ 11,619,710</b> | <b>\$ 12,089,269</b> | <b>\$ 12,306,538</b> | <b>\$ 12,694,088</b> | <b>\$ 13,156,568</b> |  |  |  |
| plus: Revenue from Rate Increases (5)                           | -                     | 1,391,710            | 2,557,433            | 2,700,365            | 2,854,092            | 3,019,845            | 3,198,979            | 3,392,996            | 3,594,755            | 3,804,529            |  |  |  |
| <b>Annual Surplus/(Deficit) - Including Add'l. Rate Revenue</b> | <b>\$ (2,602,655)</b> | <b>\$ 394,657</b>    | <b>\$ 669,930</b>    | <b>\$ 908,175</b>    | <b>\$ (97,181)</b>   | <b>\$ 1,071,173</b>  | <b>\$ 961,756</b>    | <b>\$ 1,149,342</b>  | <b>\$ 1,203,007</b>  | <b>\$ 1,111,824</b>  |  |  |  |
| <b>Net Revenue Rent. (Total Uses less Non-Rate Revenue)</b>     | <b>\$ 11,495,724</b>  | <b>\$ 9,975,826</b>  | <b>\$ 10,952,837</b> | <b>\$ 10,944,951</b> | <b>\$ 12,214,410</b> | <b>\$ 11,345,914</b> | <b>\$ 11,793,271</b> | <b>\$ 11,884,368</b> | <b>\$ 12,320,823</b> | <b>\$ 12,813,906</b> |  |  |  |
| <b>Total Rate Revenue After Rate Increases</b>                  | <b>\$ 8,893,070</b>   | <b>\$ 10,370,483</b> | <b>\$ 11,622,767</b> | <b>\$ 11,853,125</b> | <b>\$ 12,117,228</b> | <b>\$ 12,417,088</b> | <b>\$ 12,755,027</b> | <b>\$ 13,133,710</b> | <b>\$ 13,523,829</b> | <b>\$ 13,925,730</b> |  |  |  |
| <b>Projected Annual Rate Revenue Increase</b>                   | <b>0.00%</b>          | <b>15.50%</b>        | <b>11.00%</b>        | <b>1.00%</b>         |  |  |  |
| Cumulative Increase from Annual Revenue Increases               | 0.00%                 | 15.50%               | 28.21%               | 29.49%               | 30.78%               | 32.09%               | 33.41%               | 34.74%               | 36.09%               | 37.45%               |  |  |  |
| Debt Coverage After Rate Increase (6)                           | 1.60                  | 1.28                 | 1.30                 | 1.41                 | 1.44                 | 1.49                 | 1.52                 | 1.58                 | 1.65                 | 1.71                 |  |  |  |

(1) Revenues for FY 2014/15 were provided by City Staff on 6/17/2015. FY 2015/16 were provided by City Staff on 6/16/15 (file: Water Revenue FY 14-15 and FY 15-16.xlsx)

Future rate revenue reduced to account for a 20% reduction in consumption, per the State mandate

(2) Per City Staff, customer growth is estimated to be approximately 1% through 2015/16 and phased-in to 2% annually in 2019/20, to be conservative

(3) Interest earnings for 2015/16 are per City budget estimates. For all years beyond 2015/16, it is calculated here based on historical LAIF returns and projected cash balances.

(4) The FY 2014/15 operating expenses are from the City's Suggested Budget. Inflationary factors are applied to these expenses to project costs in 2016/17 and beyond

(5) Revenue from rate increases assumes an implementation date of July 1, 2016 for new rates. For each year thereafter, the assumption is that new rates will be implemented on July 1st of each year.

(6) Per the Installment Purchase Agreement for the 1998 Water Revenue Bonds, the Utility is required to collect net revenues (revenue less maintenance & operations expenses) equal to 125% of the installment payment and debt service on any parity obligations

TABLE 2  
RESERVE FUND SUMMARY

|   | Budget       |              | Projected     |              |              |              |              |              |              |              |              |              |
|---|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | FY 2015/16   |              | FY 2016/17    | FY 2017/18   | FY 2018/19   | FY 2019/20   | FY 2020/21   | FY 2021/22   | FY 2022/23   | FY 2023/24   | FY 2024/25   |              |
| <b>SUMMARY OF CASH ACTIVITY</b>   |              |              |               |              |              |              |              |              |              |              |              |              |
| Total Beginning Cash (1)  | \$ 5,545,363 |              |               |              |              |              |              |              |              |              |              |              |
| <b>Operating Reserve</b>  |              |              |               |              |              |              |              |              |              |              |              |              |
| Beginning Reserve Balance (2)   | \$ 5,301,411 | \$ 2,249,000 | \$ 2,202,000  | \$ 2,202,000 | \$ 2,250,000 | \$ 2,250,000 | \$ 2,166,582 | \$ 2,353,000 | \$ 2,262,000 | \$ 2,316,000 | \$ 2,316,000 | \$ 2,373,000 |
| Plus: Net Cash Flow (After Rate Increases)                              | (2,602,655)  | 394,657      | 669,930       | 908,175      | (97,181)     | 1,071,173    | 961,756      | 1,149,342    | 1,149,342    | 1,203,007    | 1,111,824    | 1,111,824    |
| Plus: Transfer of Debt Reserve Surplus                                  | 43,312       | 1,756        | 3,513         | 9,176        | 13,764       | 18,352       | 22,940       | 39,987       | 39,987       | 53,316       | 53,316       | 54,316       |
| Less: Transfer Out to Capital Replacement Reserve                       | (493,068)    | (443,414)    | (625,443)     | (917,351)    | -            | (903,107)    | (1,075,695)  | (1,135,329)  | (1,135,329)  | (1,199,322)  | (1,199,322)  | (1,109,140)  |
| <b>Ending Operating Reserve Balance</b>                                 | \$ 2,249,000 | \$ 2,202,000 | \$ 2,250,000  | \$ 2,250,000 | \$ 2,166,582 | \$ 2,353,000 | \$ 2,262,000 | \$ 2,316,000 | \$ 2,316,000 | \$ 2,373,000 | \$ 2,373,000 | \$ 2,430,000 |
| <b>Capital Rehabilitation (90-days of O&amp;M)</b>                      |              |              |               |              |              |              |              |              |              |              |              |              |
| Beginning Reserve Balance   | \$ -         | \$ 493,068   | \$ 936,482    | \$ 1,561,925 | \$ 2,252,334 | \$ 1,142,200 | \$ 1,142,200 | \$ 2,045,307 | \$ 2,045,307 | \$ 3,121,003 | \$ 4,256,331 | \$ 2,599,122 |
| Plus: Grant Proceeds  | -            | -            | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Plus: Transfer of Operating Reserve Surplus                             | 493,068      | 443,414      | 625,443       | 917,351      | (226,942)    | (1,110,134)  | 903,107      | 1,075,695    | 1,135,329    | 1,199,322    | (2,856,531)  | 1,109,140    |
| Less: Use of Reserves for Capital Projects                              | -            | -            | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Ending Capital Improvement &amp; Depreciation Reserve Balance</b>    | \$ 493,068   | \$ 936,482   | \$ 1,561,925  | \$ 2,252,334 | \$ 1,142,200 | \$ 1,142,200 | \$ 2,045,307 | \$ 3,121,003 | \$ 4,256,331 | \$ 2,599,122 | \$ 2,523,940 | \$ 1,414,800 |
| Target Ending Balance (3% of Assets) (3)                                | \$ 747,500   | \$ 853,800   | \$ 1,022,800  | \$ 1,111,900 | \$ 1,142,200 | \$ 1,222,000 | \$ 1,297,500 | \$ 1,348,100 | \$ 1,399,800 | \$ 1,399,800 | \$ 1,399,800 | \$ 1,414,800 |
| <b>Ending Balance - Excludes Debt Reserve &amp; Bond Fund</b>           | \$ 2,742,068 | \$ 3,138,482 | \$ 3,811,925  | \$ 4,502,334 | \$ 3,308,782 | \$ 4,338,307 | \$ 5,383,003 | \$ 6,572,331 | \$ 6,572,331 | \$ 4,972,122 | \$ 4,972,122 | \$ 4,955,940 |
| <b>Minimum Target Ending Balance - Excl. Debt Resv. &amp; Bond Fund</b> | \$ 2,996,500 | \$ 3,056,800 | \$ 3,272,800  | \$ 3,361,300 | \$ 3,443,200 | \$ 3,575,000 | \$ 3,569,500 | \$ 3,654,100 | \$ 3,654,100 | \$ 3,772,800 | \$ 3,772,800 | \$ 3,844,800 |
| <b>Ending Surplus/(Deficit) Compared to Reserve Targets</b>             | \$ (254,432) | \$ 82,682    | \$ 539,125    | \$ 1,140,434 | \$ (134,418) | \$ 823,307   | \$ 1,823,503 | \$ 2,908,231 | \$ 2,908,231 | \$ 1,199,322 | \$ 1,199,322 | \$ 1,109,140 |
| No. Days Cash On Hand   | 96           | 112          | 138           | 163          | 118          | 153          | 194          | 172          | 172          | 172          | 172          | 174          |
| <b>Restricted Reserves:</b>   |              |              |               |              |              |              |              |              |              |              |              |              |
| <b>Bond Project Fund</b>  |              |              |               |              |              |              |              |              |              |              |              |              |
| Beginning Reserve Balance (4)   | \$ 500,000   | \$ -         | \$ 10,576,150 | \$ 3,887,176 | \$ -         | \$ -         | \$ 7,081,654 | \$ 3,224,865 | \$ 3,224,865 | \$ 150,180   | \$ -         | \$ (0)       |
| Plus: Lease-Purchase Financing Proceeds                                 | -            | -            | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Plus: Revenue Bond Proceeds   | 15,000,000   | (4,423,850)  | (6,688,975)   | (3,887,176)  | -            | 11,000,000   | (3,918,346)  | (3,856,789)  | (3,074,685)  | (150,180)    | -            | -            |
| Less: Use of Bond & Loan Funds for Capital Projects                     | (500,000)    | -            | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Ending Bond Project Fund Balance</b>                                 | \$ -         | \$ -         | \$ -          | \$ -         | \$ -         | \$ -         | \$ 7,081,654 | \$ 3,224,865 | \$ 150,180   | \$ (0)       | \$ (0)       | \$ (0)       |
| Target Ending Balance   | \$ -         | \$ -         | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Debt Reserve</b>   |              |              |               |              |              |              |              |              |              |              |              |              |
| Beginning Reserve Balance (4)   | \$ 743,952   | \$ 702,500   | \$ 702,500    | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 |
| Plus: Reserve Funding from New Debt Obligations                         | -            | -            | 1,132,668     | 3,513        | 9,176        | 13,764       | 18,352       | 22,940       | 39,987       | 53,316       | 53,316       | 53,316       |
| Plus: Interest Earnings   | 1,860        | 1,756        | (3,513)       | (9,176)      | (13,764)     | (18,352)     | (22,940)     | (39,987)     | (39,987)     | (53,316)     | (53,316)     | (54,316)     |
| Less: Transfer of Surplus to Operating Reserve                          | (43,312)     | (1,756)      | (3,513)       | (9,176)      | (13,764)     | (18,352)     | (22,940)     | (39,987)     | (39,987)     | (53,316)     | (53,316)     | (54,316)     |
| <b>Ending Debt Reserve Balance</b>                                      | \$ 702,500   | \$ 702,500   | \$ 1,835,168  | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,664,791 |
| Target Ending Balance   | \$ 702,500   | \$ 702,500   | \$ 1,835,168  | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,664,791 |
| <b>Connection Fee Reserve</b>   |              |              |               |              |              |              |              |              |              |              |              |              |
| Beginning Reserve Balance (5)   | \$ -         | \$ 100,000   | \$ 201,250    | \$ 304,266   | \$ 408,818   | \$ 516,202   | \$ 627,247   | \$ 742,823   | \$ 863,856   | \$ 993,221   | \$ 1,127,415 | \$ 1,274,145 |
| Plus: Interest Earnings   | -            | 250          | 1,006         | 1,521        | 3,066        | 5,162        | 7,841        | 11,142       | 17,277       | 19,864       | 114,330      | 114,330      |
| Plus: Capacity Fee Revenue (6)  | 100,000      | 101,000      | 102,010       | 103,030      | 104,318      | 105,883      | 107,736      | 109,890      | 112,088      | 114,330      | 114,330      | 114,330      |
| Less: Use of Reserves for Capital Projects                              | -            | -            | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Ending Connection Fee Fund Balance</b>                               | \$ 100,000   | \$ 201,250   | \$ 304,266    | \$ 408,818   | \$ 516,202   | \$ 627,247   | \$ 742,823   | \$ 863,856   | \$ 993,221   | \$ 1,127,415 | \$ 1,274,145 | \$ 1,427,415 |
| Annual Interest Earnings Rate (7)                                       | 0.25%        | 0.25%        | 0.50%         | 0.50%        | 0.75%        | 1.00%        | 1.25%        | 1.50%        | 1.50%        | 2.00%        | 2.00%        | 2.00%        |

(1) Beginning cash balance is from the Trial Balance Report for July 2015 as of 1/4/2016, and is the sum of: Cash in Banks \$5,301,411; Cash with Fiscal Agent \$743,952 and the actual balance in the Cash with Fiscal Agent-Citizens Trust of \$500,000 (per email from city staff 1/4/2016)

(2) The beginning Operating Reserve balance is equal to the amount in the Cash in Banks account, per the City's Trial Balance report for July 2015 as of January 4, 2016.

(3) The Capital Rehab & Replacement reserve target is set to 3% of net assets

(4) The total bond fund balance of \$500,000 confirmed by staff via email 1/4/2016

(5) Per City Staff, the City isn't holding any previously paid capacity fees in reserves.

(6) NBS assumes that capacity fee revenue in future years will be consistent with FY 2013/14 estimates, and the funds will be available to spend on future capital projects

(7) Historical interest earning rates were referenced on the California Treasurer's Office website for funds invested in LAIF. Future years earnings were conservatively estimated through 2023 and phase into the historical 10 year average interest earnings rate

CHART 1

## Water Revenue Requirements vs. Revenue Under Existing and Increased Rates

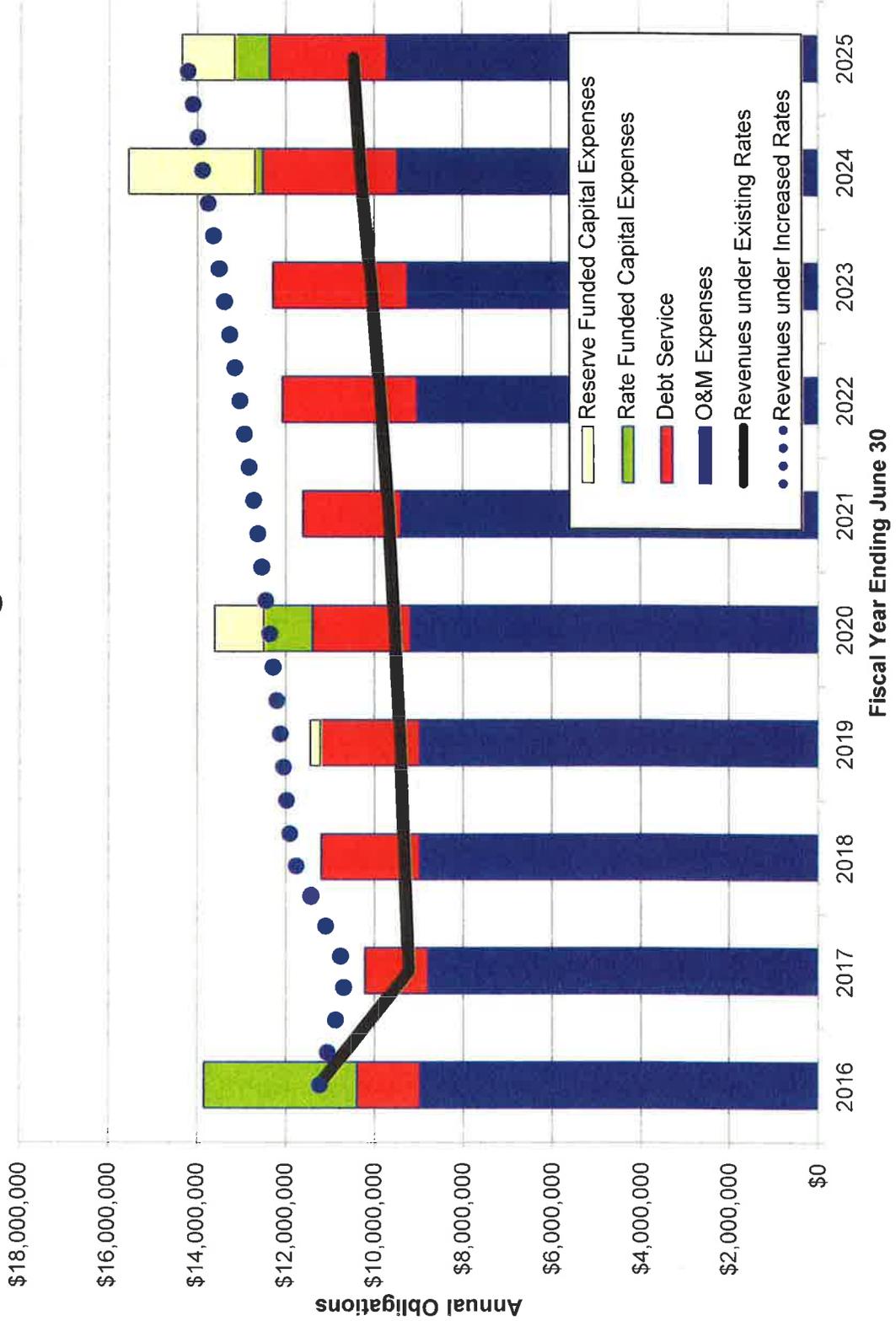


CHART 2

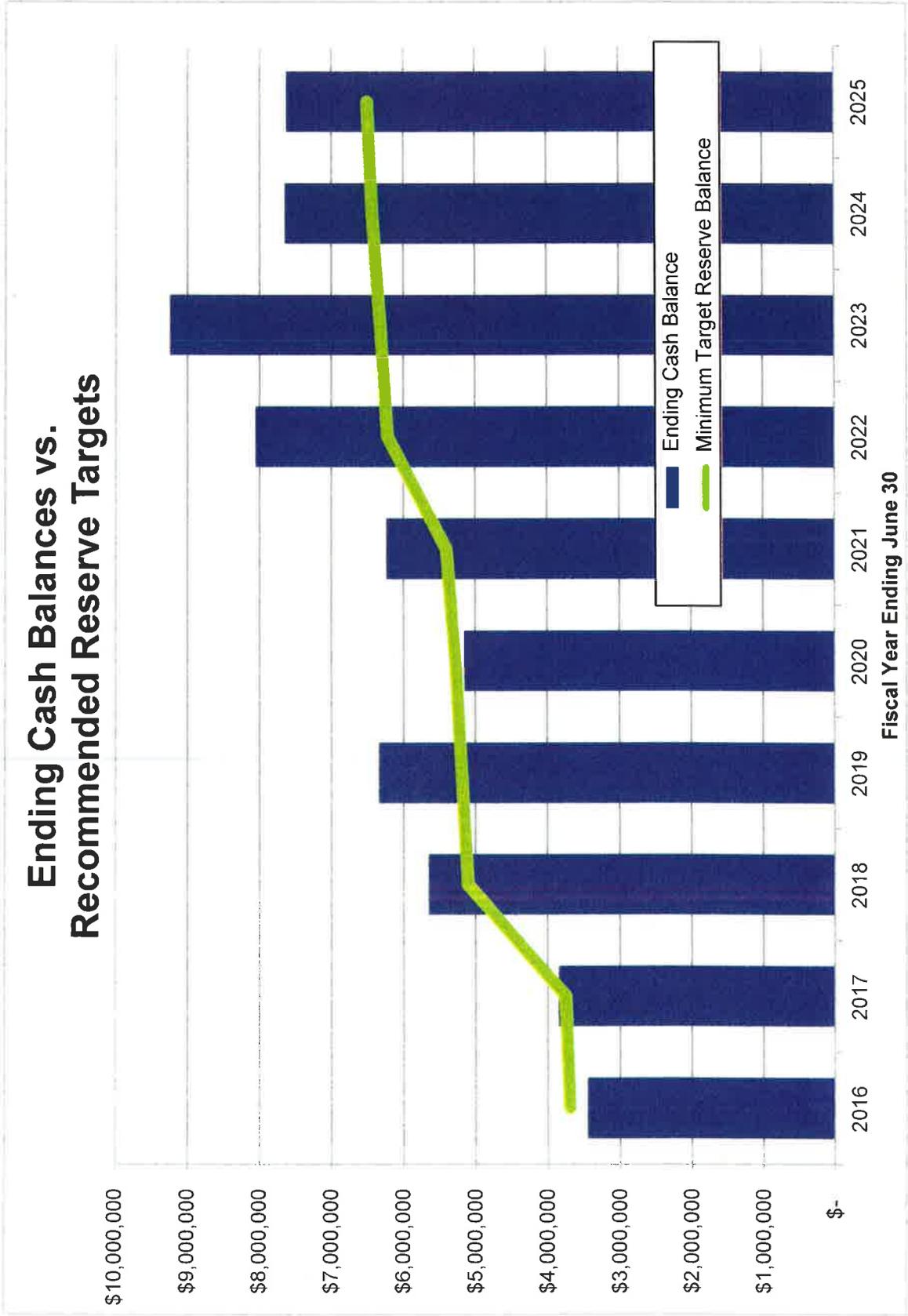
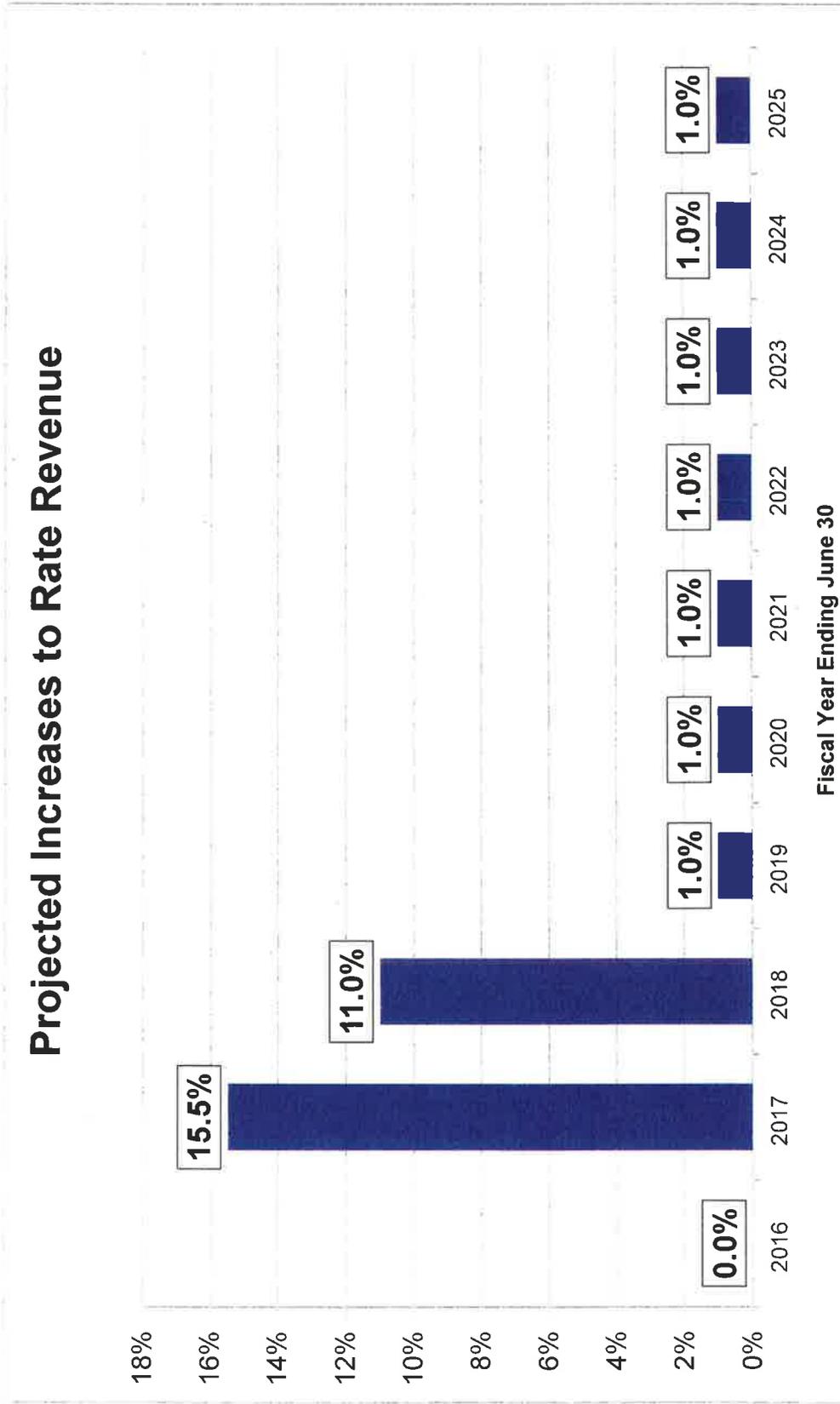


CHART 3



CITY OF COLTON  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 3  
REVENUE FORECAST (1)  
SOURCES OF REVENUE

|  | Basis     | 2016                 | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                 | 2024                 | 2025                 |
|--|-----------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| <b>5600 - Use of Money and Property</b>          |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 5601 Pooled Interest                             | Ref to FP | \$ 4,181             | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 5604 Trustee Interest Income (2)                 | Ref to FP | \$ 37,480            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| <b>6700 - Charges for Current Services</b>       |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 6702 Sale of Maps and Pubs                       | 6         | \$ -                 | \$ 4,479            | \$ 4,524            | \$ 4,569            | \$ 4,627            | \$ 4,696            | \$ 4,778            | \$ 4,874             | \$ 4,971             | \$ 5,071             |
| 6729 Plan Check Fees                             | 1         | \$ 4,435             | \$ 3,495            | \$ 3,530            | \$ 3,565            | \$ 3,609            | \$ 3,664            | \$ 3,728            | \$ 3,802             | \$ 3,878             | \$ 3,956             |
| 6758 Inspection Fees                             | 6         | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 6788 Fee for Temp Fire Hydrant                   | 6         | \$ 14,557            | \$ 14,557           | \$ 14,557           | \$ 14,557           | \$ 14,557           | \$ 14,557           | \$ 14,557           | \$ 14,557            | \$ 14,557            | \$ 14,557            |
| 6792 Customer Service Charge                     | 6         | \$ -                 | \$ 12,000           | \$ 12,000           | \$ 12,000           | \$ 12,000           | \$ 12,000           | \$ 12,000           | \$ 12,000            | \$ 12,000            | \$ 12,000            |
| 6793 Mtr Conn Chg/Reimbmt for Wtr Meter          | 6         | \$ 8,450             | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450             | \$ 8,450             | \$ 8,450             |
| 6794 Frontage/Land Use Fee for Water Line        | 6         | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 6796 Water Meter Installation Fee                | 6         | \$ 8,450             | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450             | \$ 8,450             | \$ 8,450             |
| <b>6800 - Charges for Current Services</b>       |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 6800 Residential Sales                           | 1         | \$ 5,321,497         | \$ 5,374,712        | \$ 5,428,459        | \$ 5,482,744        | \$ 5,551,278        | \$ 5,634,548        | \$ 5,733,152        | \$ 5,847,815         | \$ 5,964,771         | \$ 6,084,067         |
| 6803 Commercial Sales                            | 1         | \$ 3,248,870         | \$ 3,281,359        | \$ 3,314,173        | \$ 3,347,314        | \$ 3,389,166        | \$ 3,439,993        | \$ 3,500,193        | \$ 3,570,197         | \$ 3,641,601         | \$ 3,714,433         |
| 6806 Sales To City Deps                          | 6         | \$ 322,702           | \$ 322,702          | \$ 322,702          | \$ 322,702          | \$ 322,702          | \$ 322,702          | \$ 322,702          | \$ 322,702           | \$ 322,702           | \$ 322,702           |
| 6888 Construction Water                          | 6         | \$ 104,734           | \$ 104,734          | \$ 104,734          | \$ 104,734          | \$ 104,734          | \$ 104,734          | \$ 104,734          | \$ 104,734           | \$ 104,734           | \$ 104,734           |
| <b>7800 - Miscellaneous Revenue</b>              |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 7820 Refunds, Rebates & Reimbursements           | 6         | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 7822 Damage to City Property-Recovery            | 6         | \$ 1,000             | \$ 1,000            | \$ 1,000            | \$ 1,000            | \$ 1,000            | \$ 1,000            | \$ 1,000            | \$ 1,000             | \$ 1,000             | \$ 1,000             |
| 7830 Miscellaneous Revenue (3)                   | 1         | \$ 10,000            | \$ 10,100           | \$ 10,201           | \$ 10,303           | \$ 10,432           | \$ 10,588           | \$ 10,774           | \$ 10,989            | \$ 11,209            | \$ 11,433            |
| <b>7900 - Miscellaneous Revenue - Enterprise</b> |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 7907 Sales to Outside Agencies                   | 6         | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 7908 Connection Fees-B \$                        | 1         | \$ 100,000           | \$ 101,000          | \$ 102,010          | \$ 103,030          | \$ 104,318          | \$ 105,883          | \$ 107,736          | \$ 109,890           | \$ 112,088           | \$ 114,330           |
| 7910 5% Late Charge                              | 6         | \$ 81,019            | \$ 81,019           | \$ 81,019           | \$ 81,019           | \$ 81,019           | \$ 81,019           | \$ 81,019           | \$ 81,019            | \$ 81,019            | \$ 81,019            |
| -- Revenue from: Sale of Property                | 6         | \$ 2,073,000         | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| <b>TOTAL: REVENUE</b>                            |           | <b>\$ 11,347,386</b> | <b>\$ 9,319,608</b> | <b>\$ 9,407,359</b> | <b>\$ 9,495,988</b> | <b>\$ 9,607,882</b> | <b>\$ 9,743,833</b> | <b>\$ 9,904,822</b> | <b>\$ 10,092,030</b> | <b>\$ 10,282,981</b> | <b>\$ 10,477,751</b> |

TABLE 4

|                                  | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025          |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>REVENUE SUMMARY</b>           |              |              |              |              |              |              |              |              |              |               |
| WATER RATE REVENUE               | \$ 8,893,070 | \$ 8,978,774 | \$ 9,065,334 | \$ 9,152,761 | \$ 9,263,136 | \$ 9,397,243 | \$ 9,556,047 | \$ 9,740,714 | \$ 9,929,074 | \$ 10,121,202 |
| CAPACITY CHARGES/CONNECTION FEES | \$ 100,000   | \$ 101,000   | \$ 102,010   | \$ 103,030   | \$ 104,318   | \$ 105,883   | \$ 107,736   | \$ 109,890   | \$ 112,088   | \$ 114,330    |
| INTEREST INCOME                  | \$ 41,661    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          |
| ALL OTHER OPERATING REVENUE      | \$ 2,312,655 | \$ 239,834   | \$ 240,015   | \$ 240,197   | \$ 240,428   | \$ 240,708   | \$ 241,039   | \$ 241,425   | \$ 241,818   | \$ 242,219    |

CITY OF COLTON  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 5  
OPERATING EXPENSE FORECAST (4):

| Water Operations                               | Basis    | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|--|----------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>1000 - Salaries &amp; Benefits</b>          |          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 1010 Salaries - Miscellaneous                  | 3        | \$ 1,032,111        | \$ 1,054,198        | \$ 1,076,770        | \$ 1,099,839        | \$ 1,123,415        | \$ 1,147,509        | \$ 1,172,134        | \$ 1,197,302        | \$ 1,223,026        | \$ 1,249,317        |
| 1040 Salaries - Part time                      | 3        | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| 1050 Salaries - Overtime                       | 3        | \$ 160,924          | \$ 164,368          | \$ 167,887          | \$ 171,484          | \$ 175,160          | \$ 178,917          | \$ 182,756          | \$ 186,680          | \$ 190,691          | \$ 194,790          |
| 1100 Salary Related Benefits                   | 3        | \$ 240,306          | \$ 245,449          | \$ 250,704          | \$ 256,075          | \$ 261,564          | \$ 267,174          | \$ 272,908          | \$ 278,767          | \$ 284,757          | \$ 290,878          |
| 1101 Non-Perseable Benefits                    | 3        | \$ 249,033          | \$ 254,362          | \$ 259,809          | \$ 265,375          | \$ 271,063          | \$ 276,877          | \$ 282,819          | \$ 288,891          | \$ 295,098          | \$ 301,441          |
| 1150 Retiree Health Insurance                  | 3        | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| 1161 Certification-Training/Renew              | 3        | \$ 4,500            | \$ 4,596            | \$ 4,695            | \$ 4,795            | \$ 4,898            | \$ 5,003            | \$ 5,111            | \$ 5,220            | \$ 5,332            | \$ 5,447            |
| 1170 Uniforms                                  | 3        | \$ 12,918           | \$ 13,194           | \$ 13,477           | \$ 13,766           | \$ 14,061           | \$ 14,362           | \$ 14,671           | \$ 14,986           | \$ 15,308           | \$ 15,637           |
| 1180 Safety Equipment                          | 3        | \$ 7,500            | \$ 7,661            | \$ 7,825            | \$ 7,992            | \$ 8,163            | \$ 8,339            | \$ 8,518            | \$ 8,700            | \$ 8,887            | \$ 9,078            |
| <b>2000 - Maintenance and Operations</b>       |          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 2210 Vehicle Operating Expense                 | 2        | \$ 45,667           | \$ 47,037           | \$ 48,448           | \$ 49,902           | \$ 51,399           | \$ 52,941           | \$ 54,529           | \$ 56,165           | \$ 57,850           | \$ 59,585           |
| 2240 Misc. Equipment Maint.                    | 2        | \$ 2,500            | \$ 2,575            | \$ 2,652            | \$ 2,732            | \$ 2,814            | \$ 2,898            | \$ 2,985            | \$ 3,075            | \$ 3,167            | \$ 3,262            |
| 2241 Permits                                   | 2        | \$ 16,805           | \$ 17,309           | \$ 17,828           | \$ 18,363           | \$ 18,914           | \$ 19,482           | \$ 20,066           | \$ 20,668           | \$ 21,288           | \$ 21,927           |
| 2250 Buildings & Grounds Maint.                | 2        | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| 2301 Operating Supp./Equip.                    | 2        | \$ 178,166          | \$ 183,511          | \$ 189,016          | \$ 194,687          | \$ 200,527          | \$ 206,543          | \$ 212,740          | \$ 219,122          | \$ 225,695          | \$ 232,466          |
| 2303 Unsch. Immed. Line Repair                 | 2        | \$ 15,000           | \$ 15,450           | \$ 15,914           | \$ 16,391           | \$ 16,883           | \$ 17,389           | \$ 17,911           | \$ 18,448           | \$ 19,002           | \$ 19,572           |
| 2308 Hypochlorite Solution Purchases           | 2        | \$ 140,562          | \$ 144,779          | \$ 149,122          | \$ 153,596          | \$ 158,204          | \$ 162,950          | \$ 167,838          | \$ 172,874          | \$ 178,060          | \$ 183,402          |
| 2309 Perchlorate Resin - Non-Capitalizable (5) | 2        | \$ 314,184          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 2310 Telecommunication Expense                 | 2        | \$ 20,800           | \$ 21,424           | \$ 22,067           | \$ 22,729           | \$ 23,411           | \$ 24,113           | \$ 24,836           | \$ 25,581           | \$ 26,349           | \$ 27,139           |
| 2320 Utilities Expense (6)                     | 2        | \$ 2,625,007        | \$ 2,703,757        | \$ 2,784,870        | \$ 2,868,416        | \$ 2,954,469        | \$ 3,043,103        | \$ 3,134,396        | \$ 3,228,428        | \$ 3,325,280        | \$ 3,425,039        |
| 2331 Purchased Water                           | 2        | \$ 50,000           | \$ 51,500           | \$ 53,045           | \$ 54,636           | \$ 56,275           | \$ 57,964           | \$ 59,703           | \$ 61,494           | \$ 63,339           | \$ 65,239           |
| 2350 Professional Services                     | 2        | \$ 412,000          | \$ 424,360          | \$ 437,091          | \$ 450,204          | \$ 463,710          | \$ 477,621          | \$ 491,950          | \$ 506,708          | \$ 521,909          | \$ 537,567          |
| 2352 Professional Svc - Perchlorate (7)        | 2        | \$ 200,000          | \$ 200,000          | \$ 200,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 2380 Administrative Charges                    | 2        | \$ 6,436            | \$ 6,436            | \$ 6,436            | \$ 6,629            | \$ 6,828            | \$ 7,033            | \$ 7,244            | \$ 7,461            | \$ 7,685            | \$ 7,915            |
| 2381 Lease Payment To Gen Fund (8)             | 6        | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          |
| 2381 Increase in Lease Payment To Gen Fund (8) | 6        | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| 2411 Production Maintenance                    | 2        | \$ 142,651          | \$ 146,931          | \$ 151,338          | \$ 155,879          | \$ 160,555          | \$ 165,372          | \$ 170,333          | \$ 175,443          | \$ 180,706          | \$ 186,127          |
| 2420 Equipment Lease                           | 2        | \$ 25,000           | \$ 25,750           | \$ 26,523           | \$ 27,318           | \$ 28,138           | \$ 28,982           | \$ 29,851           | \$ 30,747           | \$ 31,669           | \$ 32,619           |
| 2500 Principal (9)                             | Ref Ex 3 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| 2510 Interest Expense (9)                      | Ref Ex 3 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| 2550 Depreciation Expense                      | 2        | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| 2560 Bad Debt Expense                          | 2        | \$ 38,500           | \$ 39,655           | \$ 40,845           | \$ 42,070           | \$ 43,332           | \$ 44,632           | \$ 45,971           | \$ 47,350           | \$ 48,771           | \$ 50,234           |
| 2570 Property Tax Expense                      | 2        | \$ 2,500            | \$ 2,575            | \$ 2,652            | \$ 2,732            | \$ 2,814            | \$ 2,898            | \$ 2,985            | \$ 3,075            | \$ 3,167            | \$ 3,262            |
| 2600 Cost Of Issuance                          | 2        | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Other Expenses</b>                          |          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 3888 Stores Write Off                          | 2        | \$ 6,000            | \$ 6,180            | \$ 6,365            | \$ 6,556            | \$ 6,753            | \$ 6,956            | \$ 7,164            | \$ 7,379            | \$ 7,601            | \$ 7,829            |
| <b>5000 - Total Cost Allocations</b>           |          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 5990 Alloc. From Other Departments (10)        | 2        | \$ 833,232          | \$ 858,229          | \$ 883,976          | \$ 910,495          | \$ 937,810          | \$ 965,944          | \$ 994,923          | \$ 1,024,770        | \$ 1,055,513        | \$ 1,087,179        |
| 5991 Transfer Out - PERS Bond                  | 3        | \$ 72,627           | \$ 74,181           | \$ 75,770           | \$ 77,393           | \$ 79,052           | \$ 80,747           | \$ 82,480           | \$ 84,251           | \$ 86,061           | \$ 87,911           |
| <b>Total: Water Operations Expenses</b>        |          | <b>\$ 7,724,929</b> | <b>\$ 7,585,467</b> | <b>\$ 7,765,124</b> | <b>\$ 7,750,052</b> | <b>\$ 7,940,210</b> | <b>\$ 8,135,747</b> | <b>\$ 8,336,819</b> | <b>\$ 8,543,585</b> | <b>\$ 8,756,209</b> | <b>\$ 8,974,861</b> |

CITY OF COLTON  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 6  
OPERATING EXPENSE FORECAST, continued (4):  
Water/Wastewater Admin/Tech

|  | Basis | 2016              | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              | 2024              | 2025              |
|--|-------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>1000 - Salaries &amp; Benefits</b>                |       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| 1010 Salaries - Miscellaneous                        | 3     | \$ 533,915        | \$ 545,341        | \$ 557,018        | \$ 568,951        | \$ 581,147        | \$ 593,611        | \$ 606,350        | \$ 619,369        | \$ 632,676        | \$ 646,276        |
| -- Salaries - Miscellaneous - Positional Changes (1) | 3     | \$ 91,360         | \$ 93,315         | \$ 95,313         | \$ 97,355         | \$ 99,442         | \$ 101,575        | \$ 103,755        | \$ 105,982        | \$ 108,259        | \$ 110,587        |
| 1040 Salaries - Part Time                            | 3     | \$ 8,237          | \$ 8,413          | \$ 8,593          | \$ 8,778          | \$ 8,966          | \$ 9,158          | \$ 9,354          | \$ 9,555          | \$ 9,761          | \$ 9,970          |
| 1050 Salaries - Overtime                             | 3     | \$ 8,500          | \$ 8,682          | \$ 8,868          | \$ 9,058          | \$ 9,252          | \$ 9,450          | \$ 9,653          | \$ 9,860          | \$ 10,072         | \$ 10,289         |
| 1100 Salary Related Benefits                         | 3     | \$ 114,089        | \$ 116,531        | \$ 119,026        | \$ 121,576        | \$ 124,182        | \$ 126,845        | \$ 129,567        | \$ 132,349        | \$ 135,193        | \$ 138,099        |
| 1101 Non-Perseable Benefits                          | 3     | \$ 100,375        | \$ 102,523        | \$ 104,718        | \$ 106,962        | \$ 109,254        | \$ 111,598        | \$ 113,993        | \$ 116,440        | \$ 118,942        | \$ 121,499        |
| -- Benefit Cost Positional Changes (11)              | 3     | \$ 36,544         | \$ 37,326         | \$ 38,125         | \$ 38,942         | \$ 39,777         | \$ 40,630         | \$ 41,502         | \$ 42,393         | \$ 43,304         | \$ 44,235         |
| 1150 Retiree Health Insurance                        | 3     | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| 1160 Education & Training                            | 3     | \$ 7,500          | \$ 7,661          | \$ 7,825          | \$ 7,992          | \$ 8,163          | \$ 8,339          | \$ 8,518          | \$ 8,700          | \$ 8,887          | \$ 9,078          |
| 1161 Certification - Training/Renew                  | 3     | \$ 5,000          | \$ 5,107          | \$ 5,216          | \$ 5,328          | \$ 5,442          | \$ 5,559          | \$ 5,678          | \$ 5,800          | \$ 5,925          | \$ 6,052          |
| 1170 Uniforms  | 3     | \$ 650            | \$ 664            | \$ 678            | \$ 693            | \$ 708            | \$ 723            | \$ 738            | \$ 754            | \$ 770            | \$ 787            |
| 1180 Safety equipment                                | 3     | \$ 1,000          | \$ 1,021          | \$ 1,043          | \$ 1,066          | \$ 1,088          | \$ 1,112          | \$ 1,136          | \$ 1,160          | \$ 1,185          | \$ 1,210          |
| <b>2000 - Maintenance and Operations</b>             |       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| 2210 Vehicle Operating Expense                       | 2     | \$ 6,500          | \$ 6,695          | \$ 6,896          | \$ 7,103          | \$ 7,316          | \$ 7,535          | \$ 7,761          | \$ 7,994          | \$ 8,234          | \$ 8,481          |
| 2230 Vehicle Allowance                               | 2     | \$ 1,514          | \$ 1,559          | \$ 1,606          | \$ 1,654          | \$ 1,704          | \$ 1,755          | \$ 1,808          | \$ 1,862          | \$ 1,918          | \$ 1,975          |
| 2240 Misc. Equipment Maint.                          | 2     | \$ 1,725          | \$ 1,777          | \$ 1,830          | \$ 1,885          | \$ 1,942          | \$ 2,000          | \$ 2,060          | \$ 2,122          | \$ 2,185          | \$ 2,251          |
| 2250 Bldg & Grnds Maintenance                        | 2     | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| 2270 Dues & Publications                             | 2     | \$ 8,000          | \$ 8,240          | \$ 8,487          | \$ 8,742          | \$ 9,004          | \$ 9,274          | \$ 9,552          | \$ 9,839          | \$ 10,134         | \$ 10,438         |
| 2280 Travel & Meetings                               | 2     | \$ 3,500          | \$ 3,605          | \$ 3,713          | \$ 3,825          | \$ 3,939          | \$ 4,057          | \$ 4,179          | \$ 4,305          | \$ 4,434          | \$ 4,567          |
| 2300 Office Supplies/Postage                         | 2     | \$ 12,500         | \$ 12,875         | \$ 13,261         | \$ 13,659         | \$ 14,069         | \$ 14,491         | \$ 14,926         | \$ 15,373         | \$ 15,835         | \$ 16,310         |
| 2340 Legal Printing                                  | 2     | \$ 5,000          | \$ 5,150          | \$ 5,305          | \$ 5,464          | \$ 5,628          | \$ 5,796          | \$ 5,970          | \$ 6,149          | \$ 6,334          | \$ 6,524          |
| 2350 Professional Services                           | 2     | \$ 26,000         | \$ 26,780         | \$ 27,583         | \$ 28,411         | \$ 29,263         | \$ 30,141         | \$ 31,045         | \$ 31,977         | \$ 32,936         | \$ 33,924         |
| 2354 Printing & Publications                         | 2     | \$ 5,000          | \$ 5,150          | \$ 5,305          | \$ 5,464          | \$ 5,628          | \$ 5,796          | \$ 5,970          | \$ 6,149          | \$ 6,334          | \$ 6,524          |
| 2420 Equipment Lease                                 | 2     | \$ 6,000          | \$ 6,180          | \$ 6,365          | \$ 6,556          | \$ 6,753          | \$ 6,956          | \$ 7,164          | \$ 7,379          | \$ 7,601          | \$ 7,829          |
| <b>5000 - Total Cost Allocations</b>                 |       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| 5990 Alloc from Gen Fund Depts. (10)                 | 2     | \$ 187,610        | \$ 193,238        | \$ 199,035        | \$ 205,007        | \$ 211,157        | \$ 217,491        | \$ 224,016        | \$ 230,737        | \$ 237,659        | \$ 244,788        |
| 5991 Transfer Out - POBs (12)                        | 3     | \$ 44,017         | \$ 44,959         | \$ 45,922         | \$ 46,906         | \$ 47,911         | \$ 48,939         | \$ 49,989         | \$ 51,063         | \$ 52,160         | \$ 53,281         |
| 5995 Alloc Admin/Tech to Wastewater (13)             | 2     | \$ (573,199)      | \$ (590,395)      | \$ (608,107)      | \$ (626,350)      | \$ (645,140)      | \$ (664,494)      | \$ (684,429)      | \$ (704,962)      | \$ (726,111)      | \$ (747,894)      |
| <b>Total: Water Admin/Tech Expenses</b>              |       | <b>\$ 641,338</b> | <b>\$ 652,398</b> | <b>\$ 663,626</b> | <b>\$ 675,024</b> | <b>\$ 686,594</b> | <b>\$ 698,337</b> | <b>\$ 710,255</b> | <b>\$ 722,351</b> | <b>\$ 734,625</b> | <b>\$ 747,079</b> |

TABLE 7

|   | Basis | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|---|-------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Water Conservation Programs (14.15)</b>        |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>1000 - Salaries &amp; Benefits</b>             |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 1160 Education & Training                         | 3     | \$ 1,000            | \$ 1,021            | \$ 1,043            | \$ 1,066            | \$ 1,088            | \$ 1,112            | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>2000 - Maintenance and Operations</b>          |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 2041 Rebates - Water Conservation                 | 2     | \$ 35,000           | \$ 36,050           | \$ 37,132           | \$ 38,245           | \$ 39,393           | \$ 40,575           | \$ -                | \$ -                | \$ -                | \$ -                |
| 2270 Dues & Publications                          | 2     | \$ 20,000           | \$ 20,600           | \$ 21,218           | \$ 21,855           | \$ 22,510           | \$ 23,185           | \$ -                | \$ -                | \$ -                | \$ -                |
| 2280 Travel & Meetings                            | 2     | \$ 1,350            | \$ 1,391            | \$ 1,432            | \$ 1,475            | \$ 1,519            | \$ 1,565            | \$ -                | \$ -                | \$ -                | \$ -                |
| 2300 Office Supplies/Postage                      | 2     | \$ 5,500            | \$ 5,665            | \$ 5,835            | \$ 6,010            | \$ 6,190            | \$ 6,376            | \$ -                | \$ -                | \$ -                | \$ -                |
| 2341 Advertising                                  | 2     | \$ 5,000            | \$ 5,150            | \$ 5,305            | \$ 5,464            | \$ 5,628            | \$ 5,796            | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Additional Expenses (16)</b>                   |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| -- Turf Removal Rebate Program                    | 2     | \$ 60,000           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| -- Water Conservation Rebate Program (17)         | 6     | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Total: Water Conservation Program Expenses</b> |       | <b>\$ 627,850</b>   | <b>\$ 569,877</b>   | <b>\$ 571,964</b>   | <b>\$ 574,114</b>   | <b>\$ 576,329</b>   | <b>\$ 578,609</b>   | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Grand Total: Operating Expenses</b>            |       | <b>\$ 8,994,117</b> | <b>\$ 8,807,742</b> | <b>\$ 9,000,715</b> | <b>\$ 8,999,191</b> | <b>\$ 9,203,132</b> | <b>\$ 9,412,693</b> | <b>\$ 9,047,074</b> | <b>\$ 9,265,936</b> | <b>\$ 9,490,834</b> | <b>\$ 9,721,940</b> |

CITY OF COLTON  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 8  
FORECASTING ASSUMPTIONS:  
ECONOMIC VARIABLES

|                             | 2016 | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  |
|-----------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1 Customer Growth (18)      | -    | 1.00% | 1.00% | 1.00% | 1.25% | 1.50% | 1.75% | 2.00% | 2.00% | 2.00% |
| 2 General Cost Inflation    | -    | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3 Labor Cost Inflation (19) | -    | 2.14% | 2.14% | 2.14% | 2.14% | 2.14% | 2.15% | 2.15% | 2.15% | 2.15% |
| 4 Other Cost Inflation      | -    | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 5 Other Cost Inflation      | -    | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| 6 No Escalation             | -    | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

(1) Revenues for FY 2014/15 were provided by City Staff on 6/17/2015. FY 2015/16 were provided by City staff on 6/16/15 file: Water Revenue FY 14-15 and FY 15-16.xlsx). This excludes the Loan/Bond proceeds, which are accounted for in Exhibit 2.  
(2) Interest earnings are zeroed out here because it is calculated in the Financial Plan section of this model, in Table 2 (Reserve Fund Summary).

(3) Per City Staff, miscellaneous Revenue is estimated to be approximately \$20,000 per year.

(4) The FY 2014/15 operating expenses are from the City's Adjusted Budget, unless otherwise noted. FY 2015/16 expenses are from the City's suggested Budget. Inflationary factors are applied to these expenses to project costs in 2015/16 and beyond.  
Budget files provided by City: Water Adopted Budget FY 2014-2015-Expenditures.pdf and Water Proposed Budget FY 2015-2016-Expenditures.pdf.

(5) Per City Staff (on 2/10/2014), Perchlorate Resin expense will only continue through FY 2014/15, expanded to included budgeted amount for 2015-16.

(6) Utility Expense consists of: wells & boosters Time of Use (TOU) electric bills, Well 19-Edison, corporate yard electricity. So California Gas Co-Corporate Yard and City Departments Water.

(7) Expense for Perchlorate Professional Services is per City Staff estimates through 2016/17. The expense is expected to drop off in 2017/18, per City Staff 6/4/2015.

(8) Lease payment to General Fund is the Joint Powers Authority (JPA) 55 Year General Lease Payment for Corporate Yard/Water Facilities (Lease Ends 2055) Payments increased at the request of staff (email dated 5/6/2015) to \$2.26 million.

NBS assumes the final payment will be made in FY 2030/31, as opposed to FY 2055/56, since the payment amount is being increased. As a conservative estimate, 0% is used as the discount rate

(9) Principal and interest payments on outstanding debt is accounted for in Exhibit 3 of this module

(10) This is for General Fund allocations to supporting departments (Finance, City Clerk, City Manager, City Attorney, IS, HR, Purchasing, Auto Shop, etc.).

(11) Expense for positional change assumes the Industrial Engineer cost at a rate of \$37/hr, plus the reclassification of the Utilities Associate Engineer to Utilities Associate Engineer at an additional cost of \$1,200/month. Benefit costs are assumed to be 40% of salary cost.

(12) POB expense is allocated based upon salary and was budgeted at 7.04% of Salary. It was increased by 7.04% of Positional Changes Salary Increase

(13) Allocation of Admin/Tech to Wastewater is for Wastewater's share of Admin/Tech expenditures (Water's Admin Staff does the Wastewater budget, A/P, contracts, inspections, engineering, etc.)

50% of costs due to positional changes were added to budgeted values

(14) Annual budget is expected to be \$67,850 starting in 2015/16 and for 5 years. This excludes capital projects, landscape efficiency upgrades such as the one time \$60,000 estimated by the City for turf removal in 2015/16

These costs are included in the \$1.5m Water Conservation Program detailed in Exhibit 2, with the exception of the turf removal program.

(15) These projects are expected to be City/landscape changes, home efficiency promotions and possible additional required for drought management. Only expected for 5 years

(16) Additional costs beginning in FY 2015/16, provided by City Staff, via email 5/6/2015. Landscape Efficiency Upgrades are included in Exhibit 2

(17) Added per City Staff request, 6/17/2015.

(18) Per City Staff, customer growth is estimated to be approximately 1% through 2015/16 and phased-in to 2% annually in 2020/21, to be conservative.

(19) Labor cost inflation is calculated as follows: 14% of labor cost is increasing by 3% per year and the other 86% is increasing by 2% per year. The blended inflation rate is approximately 2.15% each year.

CITY OF COLTON  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

TABLE 9  
CAPITAL FUNDING SUMMARY  
CAPITAL FUNDING FORECAST

| Funding Sources:                                      | Budget              |                      | Projected           |                     |                     |                      |                     |                     |                     |                     |      |      |      |
|---|---------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|------|------|------|
|   | FY 2015/16          | FY 2016/17           | FY 2017/18          | FY 2018/19          | FY 2019/20          | FY 2020/21           | FY 2021/22          | FY 2022/23          | FY 2023/24          | FY 2024/25          |      |      |      |
| Grants  | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ - | \$ - | \$ - |
| Use of Capacity Fee Reserves                          | -                   | -                    | -                   | -                   | -                   | -                    | -                   | -                   | -                   | -                   | -    | -    | -    |
| Use of Existing Bond Proceeds                         | 500,000             | -                    | -                   | -                   | -                   | -                    | -                   | -                   | -                   | -                   | -    | -    | -    |
| Lease-Purchase Financing                              | -                   | 4,423,850            | 6,688,975           | 3,887,176           | -                   | 3,918,346            | 3,856,789           | 3,074,685           | 150,180             | -                   | -    | -    | -    |
| Use of New Revenue Bond Proceeds (1)                  | -                   | -                    | -                   | 226,942             | 1,110,134           | -                    | -                   | -                   | 2,866,531           | 1,184,322           | -    | -    | -    |
| Use of Capital Improvement and Depreciation Reserve   | -                   | -                    | -                   | -                   | 1,078,981           | -                    | -                   | -                   | 160,214             | 772,837             | -    | -    | -    |
| Rate Revenue  | 3,445,000           | -                    | -                   | -                   | -                   | -                    | -                   | -                   | -                   | -                   | -    | -    | -    |
| <b>Total Sources of Capital Funds</b>                 | <b>\$ 3,945,000</b> | <b>\$ 4,423,850</b>  | <b>\$ 6,688,975</b> | <b>\$ 4,114,117</b> | <b>\$ 2,189,115</b> | <b>\$ 3,918,346</b>  | <b>\$ 3,856,789</b> | <b>\$ 3,074,685</b> | <b>\$ 3,166,925</b> | <b>\$ 1,957,160</b> |      |      |      |
| <b>Uses of Capital Funds:</b>                         |                     |                      |                     |                     |                     |                      |                     |                     |                     |                     |      |      |      |
| Project Costs (excluding water conservation projects) | \$ 3,945,000        | \$ 4,423,850         | \$ 6,688,975        | \$ 4,114,117        | \$ 2,189,115        | \$ 3,918,346         | \$ 3,856,789        | \$ 3,074,685        | \$ 3,166,925        | \$ 1,957,160        |      |      |      |
| Water Conservation Projects                           | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                |      |      |      |
| <b>Capital Funding Surplus (Deficiency)</b>           | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |      |      |      |
| <b>New Lease-Purchase Financing</b>                   | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |      |      |      |
| <b>New Revenue Bond Proceeds</b>                      | <b>\$ -</b>         | <b>\$ 15,000,000</b> | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 11,000,000</b> | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |      |      |      |

(1) New Revenue Bonds represent new debt issued by the Water Fund to pay for some capital projects

CITY OF COLTON  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

CAPITAL IMPROVEMENT PROGRAM (1)

TABLE 10  
Capital Improvement Program Costs (in Current-Year Dollars):

| Project Description  | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Well Sites (\$3,430,000)</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Well 22 (500 gpm)  | \$ 300,000          |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Well 24 (1800 gpm)   | \$ 200,000          |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Well 23 (1200 gpm)   |                     | \$ 100,000          |                     |                     |                     |                     |                     |                     |                     |                     |
| Well 17 (1100 gpm)   |                     | \$ 200,000          |                     |                     |                     |                     |                     |                     |                     |                     |
| Well 21 (1300 gpm)   |                     |                     | \$ 100,000          |                     |                     |                     |                     |                     |                     |                     |
| Well 19 (800 gpm)  |                     |                     | \$ 60,000           |                     |                     |                     |                     |                     |                     |                     |
| Well 16 (500 gpm)  |                     |                     | \$ 50,000           |                     |                     |                     |                     |                     |                     |                     |
| Well 13 (800 gpm)  |                     |                     |                     | \$ 30,000           |                     |                     |                     |                     |                     |                     |
| Well 26 (800 gpm)  |                     |                     |                     | \$ 140,000          |                     |                     |                     |                     |                     |                     |
| Well 27 (1200 gpm)   |                     |                     |                     |                     | \$ 50,000           |                     |                     |                     |                     |                     |
| Well 28 (800 gpm)  |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     |                     |                     |
| Well 30 (2800 gpm)   |                     |                     |                     |                     |                     | \$ 500,000          | \$ 1,600,000        |                     |                     |                     |
| New Well   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Booster Station (\$2,250,000)</b>                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| New Booster Station  |                     |                     |                     |                     | \$ 300,000          | \$ 1,500,000        |                     |                     |                     |                     |
| Reche Canyon Booster Station   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Prado Booster Station  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Transmission &amp; Distribution (\$8,100,000)</b>                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| La Cadena Drive  | \$ 300,000          | \$ 1,700,000        |                     |                     |                     |                     |                     |                     |                     |                     |
| 9th Street   | \$ 1,800,000        |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Bordwell - MT Vernon   |                     | \$ 1,000,000        | \$ 1,000,000        |                     |                     |                     |                     |                     |                     |                     |
| Rialto Distribution  |                     |                     | \$ 1,000,000        |                     |                     |                     |                     |                     |                     |                     |
| Randal Line  |                     |                     |                     |                     |                     | \$ 300,000          |                     |                     |                     |                     |
| Center Street  |                     |                     |                     |                     |                     | \$ 300,000          | \$ 700,000          |                     |                     |                     |
| <b>Reservoir (\$10,750,000)</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Railito 2 Rehabilitation (3MG)   |                     | \$ 500,000          |                     |                     |                     |                     |                     |                     |                     |                     |
| Rialto 1 Reservoir Replacement (4MG)                                   |                     |                     | \$ 2,000,000        | \$ 2,500,000        | \$ 500,000          |                     |                     |                     |                     |                     |
| La Loma Reservoir (4MG)  |                     |                     |                     |                     |                     |                     |                     | \$ 2,000,000        | \$ 2,000,000        | \$ 1,000,000        |
| La Loma (3MG)  |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     |                     |
| Montecito (3MG)  |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     |                     |
| Wild Canyon (2MG)  |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     |                     |
| Domecq (3MG)   |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     |                     |
| Domecq Above (0.3MG)   |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     |                     |
| <b>Water Conservation</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Projected Future Capital Improvements (2)                              | \$ 400,000          | \$ 400,000          | \$ 400,000          | \$ 400,000          | \$ 400,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          |
| <b>Capital Outlay (3)</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Automobile (Water Operations, 4910)                                    | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          |
| Automobile (Water Admin/Tech, 8300)                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Radio Equipment  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Miscellaneous Equipment  | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           |
| Water Meters (4)   | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          |
| Operations Equipment   | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           |
| <b>Total: Capital Improvement Program Costs (Current-Year Dollars)</b> | <b>\$ 3,945,000</b> | <b>\$ 4,295,000</b> | <b>\$ 6,305,000</b> | <b>\$ 3,765,000</b> | <b>\$ 1,945,000</b> | <b>\$ 3,380,000</b> | <b>\$ 3,230,000</b> | <b>\$ 2,500,000</b> | <b>\$ 2,500,000</b> | <b>\$ 1,500,000</b> |

CITY OF COLTON  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

TABLE 11  
Capital Improvement Program Costs (in Future-Year Dollars):

| Project Description   | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Well Sites (\$3,430,000)</b>                                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Well 22 (500 gpm)   | \$ 300,000          | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Well 24 (1800 gpm)  | \$ 200,000          | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Well 23 (1200 gpm)  | -                   | \$ 103,000          | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Well 17 (1100 gpm)  | -                   | \$ 206,000          | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Well 21 (1300 gpm)  | -                   | -                   | \$ 106,090          | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Well 19 (800 gpm)   | -                   | -                   | \$ 63,654           | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Well 16 (500 gpm)   | -                   | -                   | \$ 53,045           | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Well 13 (800 gpm)   | -                   | -                   | -                   | \$ 32,782           | -                   | -                   | -                   | -                   | -                   | -                   |
| Well 26 (800 gpm)   | -                   | -                   | -                   | \$ 152,982          | \$ 56,275           | -                   | -                   | -                   | -                   | -                   |
| Well 27 (1200 gpm)  | -                   | -                   | -                   | -                   | -                   | \$ 57,964           | -                   | -                   | -                   | -                   |
| Well 28 (800 gpm)   | -                   | -                   | -                   | -                   | -                   | \$ 57,964           | -                   | -                   | -                   | -                   |
| Well 30 (2800 gpm)  | -                   | -                   | -                   | -                   | -                   | \$ 579,637          | \$ 1,910,484        | -                   | -                   | -                   |
| New Well  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Booster Station (\$2,250,000)</b>                                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| New Booster Station   | \$ -                | \$ -                | \$ -                | \$ -                | \$ 337,653          | \$ 1,738,911        | \$ -                | \$ -                | \$ -                | \$ -                |
| Reche Canyon Booster Station  | \$ 250,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Prado Booster Station   | \$ -                | \$ 206,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Transmission &amp; Distribution (\$8,100,000)</b>                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| La Cadena Drive   | \$ 300,000          | \$ 1,751,000        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 9th Street  | \$ 1,800,000        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Bordwell - MT Vernon  | \$ -                | \$ 1,030,000        | \$ 1,060,900        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Rialto Distribution   | \$ -                | \$ -                | \$ 1,060,900        | \$ -                | \$ -                | \$ 347,782          | \$ -                | \$ -                | \$ -                | \$ -                |
| Randall Line  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 347,782          | \$ 835,837          | \$ -                | \$ -                | \$ -                |
| Center Street   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Reservoir (\$10,750,000)</b>                                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Rialto 2 Rehabilitation (3MG)   | \$ -                | \$ 515,000          | \$ -                | \$ 2,731,818        | \$ 562,754          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Rialto 1 Reservoir Replacement (4MG)                                  | \$ -                | \$ -                | \$ 2,121,800        | \$ -                | \$ -                | \$ -                | \$ -                | \$ 2,459,748        | \$ 2,533,540        | \$ 1,304,773        |
| La Loma Reservoir (4MG)   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| La Loma (3MG)   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 59,703           | \$ -                | \$ -                | \$ -                |
| Montecito (3MG)   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 59,703           | \$ -                | \$ -                | \$ -                |
| Wild Canyon (2MG)   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 59,703           | \$ -                | \$ -                | \$ -                |
| Domecq (3MG)  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 59,703           | \$ -                | \$ -                | \$ -                |
| Domecq Above (0.3MG)  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 59,703           | \$ -                | \$ -                | \$ -                |
| <b>Water Conservation</b>   | \$ 400,000          | \$ 412,000          | \$ 424,360          | \$ 437,091          | \$ 450,204          | \$ 579,637          | \$ 597,026          | \$ 614,937          | \$ 633,385          | \$ 652,387          |
| <b>Projected Future Capital Improvements (2)</b>                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Capital Outlay (3)</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Automobile (Water Operations, 4910)                                   | \$ 150,000          | \$ 154,500          | \$ 159,135          | \$ 163,909          | \$ 168,826          | \$ 173,891          | \$ 179,108          | \$ -                | \$ -                | \$ -                |
| Automobile (Water Admin/Tech, 8300)                                   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Radio Equipment   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Miscellaneous Equipment   | \$ 30,000           | \$ 30,900           | \$ 31,827           | \$ 32,782           | \$ 33,765           | \$ 34,778           | \$ 35,822           | \$ -                | \$ -                | \$ -                |
| Water Meters (4)  | \$ 500,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Operations Equipment  | \$ 15,000           | \$ 15,450           | \$ 15,914           | \$ 16,391           | \$ 16,883           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Total: Capital Improvement Program Costs (Future-Year Dollars)</b> | <b>\$ 3,945,000</b> | <b>\$ 4,423,850</b> | <b>\$ 6,688,975</b> | <b>\$ 4,114,117</b> | <b>\$ 2,189,115</b> | <b>\$ 3,918,346</b> | <b>\$ 3,856,789</b> | <b>\$ 3,074,685</b> | <b>\$ 3,166,925</b> | <b>\$ 1,957,160</b> |

CITY OF COLTON  
 WATER RATE STUDY  
 Capital Improvement Plan Expenditures

TABLE 12  
 FORECASTING ASSUMPTIONS:

| Economic Variables  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Annual Construction Cost Inflation, Per Engineering News Record (5.6) | 0.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Cumulative Construction Cost Multiplier from 2016                     | 1.00  | 1.03  | 1.06  | 1.09  | 1.13  | 1.16  | 1.19  | 1.23  | 1.27  | 1.30  |

- (1) Capital projects and cost data for FY2015/16 and beyond was provided via email by City Staff on 2/1/2016.
- (2) Future Capital projects through 2025 provided by staff. Beginning in 2026, it is the average of all previous CIP project costs to represent expected future spending.
- (3) Capital Outlay expense from Water Proposed Budget, FY 2015-16-Expenditures.pdf
- (4) Bank of America AMR loan will be used for water meter replacements in 2016 per City Staff 1/4/2016.
- (5) Project costs are inflated by 3% per year, Engineering News Record estimates of construction cost inflation.
- (6) For reference purposes, the annual Construction Cost Inflation percentage is the 10 year average change in the Construction Cost Index for 2005-2015. Source: Engineering News Record website (<http://enr.construction.com>)

CITY OF COLTON  
WATER RATE STUDY  
Debt Service

TABLE 13

| EXISTING DEBT OBLIGATIONS                                   | Budget              |                     | Projected           |                     |                     |                     |                     |                     |                     |                   |  |  |  |  |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|--|--|--|--|
|   | FY 2015/16          | FY 2016/17          | FY 2017/18          | FY 2018/19          | FY 2019/20          | FY 2020/21          | FY 2021/22          | FY 2022/23          | FY 2023/24          | FY 2024/25        |  |  |  |  |
| <b>Annual Repayment Schedules:</b>                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |  |  |  |  |
| 1998 Water Revenue Bonds                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |  |  |  |  |
| Principal Payment   | \$ 340,000          | \$ 360,000          | \$ 375,000          | \$ 390,000          | \$ 410,000          | \$ 430,000          | \$ 455,000          | \$ 475,000          | \$ 500,000          | \$ 520,000        |  |  |  |  |
| Interest Payment  | 356,163             | 340,013             | 322,913             | 305,100             | 286,575             | 267,100             | 246,675             | 225,063             | 202,500             | 177,500           |  |  |  |  |
| <b>Subtotal: Annual Debt Service</b>                        | <b>\$ 696,163</b>   | <b>\$ 700,013</b>   | <b>\$ 697,913</b>   | <b>\$ 695,100</b>   | <b>\$ 696,575</b>   | <b>\$ 697,100</b>   | <b>\$ 701,675</b>   | <b>\$ 700,063</b>   | <b>\$ 702,500</b>   | <b>\$ 702,500</b> |  |  |  |  |
| Coverage Requirement(% above annual payment) (1)            | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%               |  |  |  |  |
| Reserve Requirement (total fund balance) (2)                | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500        |  |  |  |  |
| Loan from Wastewater Fund to Water Fund, \$1.67 Million (3) |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |  |  |  |  |
| Principal Payment   | \$ 335,091          | \$ 336,300          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              |  |  |  |  |
| Interest Payment  | 2,421               | 1,213               | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                 |  |  |  |  |
| <b>Subtotal: Annual Debt Service</b>                        | <b>\$ 337,512</b>   | <b>\$ 337,512</b>   | <b>\$ -</b>         | <b>\$ -</b>       |  |  |  |  |
| Coverage Requirement(% above annual payment)                | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                |  |  |  |  |
| Reserve Requirement (total fund balance)                    | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              |  |  |  |  |
| Bank of America - 10 Year AMR Loan                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |  |  |  |  |
| Principal Payment   | \$ 301,809          | \$ 309,384          | \$ 317,150          | \$ 325,110          | \$ 333,270          | \$ 341,635          | \$ 350,210          | \$ 359,001          | \$ 368,012          | \$ -              |  |  |  |  |
| Interest Payment  | 75,440              | 67,865              | 60,099              | 52,139              | 43,978              | 35,613              | 27,038              | 18,248              | 9,237               | -                 |  |  |  |  |
| <b>Subtotal: Annual Debt Service</b>                        | <b>\$ 377,249</b>   | <b>\$ 377,249</b> |  |  |  |  |
| Coverage Requirement(% above annual payment)                | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                |  |  |  |  |
| Reserve Requirement (total fund balance)                    | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              |  |  |  |  |
| <b>Grand Total: Existing Annual Debt Service</b>            | <b>\$ 1,410,924</b> | <b>\$ 1,414,774</b> | <b>\$ 1,075,161</b> | <b>\$ 1,072,349</b> | <b>\$ 1,073,824</b> | <b>\$ 1,074,349</b> | <b>\$ 1,078,924</b> | <b>\$ 1,077,311</b> | <b>\$ 1,079,749</b> | <b>\$ 697,500</b> |  |  |  |  |
| <b>Grand Total: Existing Annual Coverage Requirement</b>    | <b>\$ 174,041</b>   | <b>\$ 175,003</b>   | <b>\$ 174,478</b>   | <b>\$ 173,775</b>   | <b>\$ 174,144</b>   | <b>\$ 174,275</b>   | <b>\$ 175,419</b>   | <b>\$ 175,016</b>   | <b>\$ 175,625</b>   | <b>\$ 174,375</b> |  |  |  |  |
| <b>Grand Total: Existing Debt Reserve Target</b>            | <b>\$ 702,500</b>   | <b>\$ 702,500</b> |  |  |  |  |

(1) Per the Installment Purchase Agreement for the 1998 Water Revenue Bonds, the Utility is required to maintain a debt coverage ratio of 1.25 for this bond issue and all future debt.  
 (2) The Reserve Requirement in future years is equal to the least of: 10% of the principal amount of the original principal amount of the bonds, the maximum annual debt service payment, or 125% of the average annual debt service payment.  
 In all years the reserve requirement is equal to the maximum annual debt service payment.  
 (3) Amortization schedule provided by City Staff on 7/28/2014.

CITY OF COLTON  
WATER RATE STUDY  
Debt Service

TABLE 14  
NEW DEBT FINANCING ASSUMPTIONS:

| Long-Term Debt Terms                          | SRF Loan Funding | Revenue Bonds |
|---|------------------|---------------|
| Issuance Cost                                 | 0.00%            | 2.00%         |
| Annual Interest Cost (%)                      | 2.49%            | 5.50%         |
| Term  | 7                | 30            |
| Debt Reserve Funded?                          | No               | Yes           |
| Coverage Requirement (% above annual pmt) (1) | 25%              | 25%           |

TABLE 15

NEW DEBT OBLIGATIONS:

| Annual Repayment Schedules                          | 2016        | 2017        | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|---|-------------|-------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| State Revolving Fund Loan                           |             |             |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal Payment                                   | \$ -        | \$ -        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Interest Payment                                    |             |             |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Subtotal: Annual Debt Service</b>                | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| Revenue Bonds                                       |             |             |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal Payment                                   | \$ -        | \$ -        | \$ 227,263          | \$ 239,762          | \$ 252,949          | \$ 266,862          | \$ 448,199          | \$ 472,850          | \$ 498,856          | \$ 526,293          |
| Interest Payment                                    |             |             | 905,405             | 892,905             | 879,718             | 865,806             | 1,515,092           | 1,490,441           | 1,464,435           | 1,436,998           |
| <b>Subtotal: Annual Debt Service</b>                | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> |
| <b>Grand Total: New Annual Debt Service</b>         | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> |
| <b>Grand Total: New Annual Coverage Requirement</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 283,167</b>   | <b>\$ 283,167</b>   | <b>\$ 283,167</b>   | <b>\$ 283,167</b>   | <b>\$ 490,823</b>   | <b>\$ 490,823</b>   | <b>\$ 490,823</b>   | <b>\$ 490,823</b>   |
| <b>Grand Total: New Debt Reserve Target</b>         | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> |

TABLE 16

TOTAL DEBT SERVICE:

| Annual Obligations          | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Annual Debt Service         | \$ 1,410,924 | \$ 1,414,774 | \$ 2,207,829 | \$ 2,205,017 | \$ 2,206,492 | \$ 2,207,017 | \$ 3,042,215 | \$ 3,040,602 | \$ 3,043,040 | \$ 2,660,791 |
| Annual Coverage Requirement | \$ 174,041   | \$ 175,003   | \$ 457,645   | \$ 456,942   | \$ 457,311   | \$ 457,442   | \$ 666,241   | \$ 665,838   | \$ 666,448   | \$ 665,198   |
| Total Debt Reserve Target   | \$ 702,500   | \$ 702,500   | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,664,791 |

CITY OF COLTON  
WATER RATE STUDY  
Cost of Service Analysis

TABLE 17

| Budget Categories                          | Classification of Expenses           |                     |                                  |                     | Basis of Classification |                            |                              |                      |              |             |             |             |
|--|--------------------------------------|---------------------|----------------------------------|---------------------|-------------------------|----------------------------|------------------------------|----------------------|--------------|-------------|-------------|-------------|
|  | Test Year <sup>1</sup><br>FY 2017/18 | Commodity<br>(COM)  | Conservation<br>Charge<br>(CONS) | Capacity<br>(CAP)   | Customer<br>(CA)        | Fire<br>Protection<br>(FP) | (COM) (CONS) (CAP) (CA) (FP) | (CA) (CAP) (CA) (FP) |              |             |             |             |
| <b>Water Operations Expenses</b>           |                                      |                     |                                  |                     |                         |                            |                              |                      |              |             |             |             |
| <b>1000 - Salaries &amp; Benefits</b>      |                                      |                     |                                  |                     |                         |                            |                              |                      |              |             |             |             |
| 1010 Salaries - Miscellaneous              | \$ 1,076,770                         | \$ 323,031          | \$ -                             | \$ 624,527          | \$ 53,839               | \$ 75,374                  | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 1040 Salaries - Part time                  | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -                    | \$ -                       | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 1050 Salaries - Overtime                   | \$ 167,887                           | \$ 50,366           | \$ -                             | \$ 97,375           | \$ 8,394                | \$ 11,752                  | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 1100 Salary Related Benefits               | \$ 250,704                           | \$ 75,211           | \$ -                             | \$ 145,408          | \$ 12,535               | \$ 17,549                  | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 1101 Non-Persable Benefits                 | \$ 259,809                           | \$ 77,943           | \$ -                             | \$ 150,689          | \$ 12,990               | \$ 18,187                  | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 1150 Retiree Health Insurance              | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -                    | \$ -                       | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 1161 Certification-Training/Renew          | \$ 4,695                             | \$ 1,408            | \$ -                             | \$ 2,723            | \$ 235                  | \$ 329                     | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 1170 Uniforms                              | \$ 13,477                            | \$ 4,043            | \$ -                             | \$ 7,817            | \$ 674                  | \$ 943                     | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 1180 Safety Equipment                      | \$ 7,825                             | \$ 2,347            | \$ -                             | \$ 4,538            | \$ 391                  | \$ 548                     | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| <b>2000 - Maintenance and Operations</b>   |                                      |                     |                                  |                     |                         |                            |                              |                      |              |             |             |             |
| 2210 Vehicle Operating Expense             | \$ 48,448                            | \$ 14,534           | \$ -                             | \$ 31,491           | \$ 2,422                | \$ -                       | 30%                          | 0%                   | 65%          | 0%          | 5%          | 0%          |
| 2240 Misc. Equipment Maint.                | \$ 2,652                             | \$ 796              | \$ -                             | \$ 1,538            | \$ 133                  | \$ 186                     | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 2241 Permits                               | \$ 17,828                            | \$ 5,349            | \$ -                             | \$ 11,588           | \$ 891                  | \$ -                       | 30%                          | 0%                   | 65%          | 0%          | 5%          | 0%          |
| 2250 Buildings & Grounds Maint.            | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -                    | \$ -                       | 30%                          | 0%                   | 65%          | 0%          | 5%          | 0%          |
| 2301 Operating Supp./Equip.                | \$ 189,016                           | \$ 56,705           | \$ -                             | \$ 109,629          | \$ 9,451                | \$ 13,231                  | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 2303 Unsch. Immed. Line Repair             | \$ 15,914                            | \$ 4,774            | \$ -                             | \$ 9,230            | \$ 796                  | \$ 1,114                   | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 2308 Hypochlorite Solution Purchases       | \$ 149,122                           | \$ 149,122          | \$ -                             | \$ -                | \$ -                    | \$ -                       | 100%                         | 0%                   | 0%           | 0%          | 0%          | 0%          |
| 2309 Perchlorate Resin - Non-Capitalizable | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -                    | \$ -                       | 100%                         | 0%                   | 0%           | 0%          | 0%          | 0%          |
| 2310 Telecommunication Expense             | \$ 22,067                            | \$ 6,620            | \$ -                             | \$ 14,343           | \$ 1,103                | \$ -                       | 30%                          | 0%                   | 65%          | 0%          | 5%          | 0%          |
| 2320 Utilities Expense                     | \$ 2,784,870                         | \$ 2,506,383        | \$ -                             | \$ 278,487          | \$ -                    | \$ -                       | 90%                          | 0%                   | 10%          | 0%          | 0%          | 0%          |
| 2331 Purchased Water                       | \$ 53,045                            | \$ 53,045           | \$ -                             | \$ -                | \$ -                    | \$ -                       | 100%                         | 0%                   | 0%           | 0%          | 0%          | 0%          |
| 2350 Professional Services                 | \$ 437,091                           | \$ 131,127          | \$ -                             | \$ 253,513          | \$ 21,855               | \$ 30,596                  | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 2352 Professional Svc - Perchlorate        | \$ 200,000                           | \$ 200,000          | \$ -                             | \$ -                | \$ -                    | \$ -                       | 100%                         | 0%                   | 0%           | 0%          | 0%          | 0%          |
| 2380 Administrative Charges                | \$ 6,436                             | \$ -                | \$ -                             | \$ 6,436            | \$ -                    | \$ -                       | 0%                           | 0%                   | 100%         | 0%          | 0%          | 0%          |
| 2381 Lease Payment To Gen Fund             | \$ 870,000                           | \$ 261,000          | \$ -                             | \$ 461,100          | \$ 87,000               | \$ 60,900                  | 30%                          | 0%                   | 53%          | 0%          | 10%         | 7%          |
| 2381 Increase in Lease Payment To Gen Fund | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -                    | \$ -                       | 0%                           | 0%                   | 0%           | 0%          | 0%          | 0%          |
| 2411 Production Maintenance                | \$ 151,338                           | \$ -                | \$ -                             | \$ 140,745          | \$ -                    | \$ 10,594                  | 0%                           | 0%                   | 93%          | 0%          | 0%          | 7%          |
| 2420 Equipment Lease                       | \$ 26,523                            | \$ 7,957            | \$ -                             | \$ 15,383           | \$ 1,326                | \$ 1,857                   | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 2500 Principal                             | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -                    | \$ -                       | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 2510 Interest Expense                      | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -                    | \$ -                       | 0%                           | 0%                   | 93%          | 0%          | 0%          | 7%          |
| 2550 Depreciation Expense                  | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -                    | \$ -                       | 0%                           | 0%                   | 0%           | 0%          | 0%          | 0%          |
| 2560 Bad Debt Expense                      | \$ 40,845                            | \$ -                | \$ -                             | \$ 40,845           | \$ -                    | \$ -                       | 0%                           | 0%                   | 100%         | 0%          | 0%          | 0%          |
| 2570 Property Tax Expense                  | \$ 2,652                             | \$ -                | \$ -                             | \$ 2,652            | \$ -                    | \$ -                       | 0%                           | 0%                   | 100%         | 0%          | 0%          | 0%          |
| 2600 Cost Of Issuance                      | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -                    | \$ -                       | 30%                          | 0%                   | 65%          | 0%          | 5%          | 0%          |
| <b>Other Expenses</b>                      |                                      |                     |                                  |                     |                         |                            |                              |                      |              |             |             |             |
| 3888 Stores Write Off                      | \$ 6,365                             | \$ 1,910            | \$ -                             | \$ 3,692            | \$ 318                  | \$ 446                     | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| <b>5000 - Total Cost Allocations</b>       |                                      |                     |                                  |                     |                         |                            |                              |                      |              |             |             |             |
| 5990 Alloc. From Other Departments         | \$ 883,976                           | \$ 265,193          | \$ -                             | \$ 512,706          | \$ 44,199               | \$ 61,878                  | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| 5991 Transfer Out - PERS Bond              | \$ 75,770                            | \$ 22,731           | \$ -                             | \$ 43,946           | \$ 3,788                | \$ 5,304                   | 30%                          | 0%                   | 58%          | 0%          | 5%          | 7%          |
| <b>Total: Water Operations Expenses</b>    | <b>\$ 7,765,124</b>                  | <b>\$ 4,221,595</b> | <b>\$ -</b>                      | <b>\$ 2,970,402</b> | <b>\$ 262,341</b>       | <b>\$ 310,787</b>          | <b>54.4%</b>                 | <b>0.0%</b>          | <b>38.3%</b> | <b>0.0%</b> | <b>3.4%</b> | <b>4.0%</b> |

CITY OF COLTON  
WATER RATE STUDY  
Cost of Service Analysis

TABLE 18

| Classification of Expenses                   |   | Test Year <sup>1</sup><br>FY 2017/18 | Commodity<br>(COM)  | Conservation<br>Charge<br>(CONS) | Capacity<br>(CAP)   | Customer<br>(CA)  | Fire<br>Protection<br>(FP) | Basis of Classification |               |              |             |             |             |
|--|---|--------------------------------------|---------------------|----------------------------------|---------------------|-------------------|----------------------------|-------------------------|---------------|--------------|-------------|-------------|-------------|
|  |   |                                      |                     |                                  |                     |                   |                            | (COM)                   | (CONS)        | (CAP)        | (CA)        | (FP)        |             |
| <b>Water Admin/Tech Expenses</b>             |   |                                      |                     |                                  |                     |                   |                            |                         |               |              |             |             |             |
| <b>1000 - Salaries &amp; Benefits</b>        |   |                                      |                     |                                  |                     |                   |                            |                         |               |              |             |             |             |
| 1010   | Salaries - Miscellaneous                      | \$ 557,018                           | \$ 167,105          | \$ -                             | \$ 323,070          | \$ 27,851         | \$ 38,991                  | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| --   | Salaries - Miscellaneous - Positional Changes | \$ 95,313                            | \$ 28,594           | \$ -                             | \$ 55,282           | \$ 4,766          | \$ 6,672                   | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 1040   | Salaries - Part Time                          | \$ 8,593                             | \$ 2,578            | \$ -                             | \$ 4,984            | \$ 430            | \$ 602                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 1050   | Salaries - Overtime                           | \$ 8,868                             | \$ 2,660            | \$ -                             | \$ 5,143            | \$ 443            | \$ 621                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 1100   | Salary Related Benefits                       | \$ 119,026                           | \$ 35,708           | \$ -                             | \$ 69,035           | \$ 5,951          | \$ 8,332                   | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 1101   | Non-Persable Benefits                         | \$ 104,718                           | \$ 31,415           | \$ -                             | \$ 60,737           | \$ 5,236          | \$ 7,330                   | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| --   | Benefit Cost Positional Changes               | \$ 38,125                            | \$ 11,438           | \$ -                             | \$ 22,113           | \$ 1,906          | \$ 2,669                   | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 1150   | Retiree Health Insurance                      | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 1160   | Education & Training                          | \$ 7,825                             | \$ 2,347            | \$ -                             | \$ 4,538            | \$ 391            | \$ 548                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 1161   | Certification - Training/Renew                | \$ 5,216                             | \$ 1,565            | \$ -                             | \$ 3,025            | \$ 261            | \$ 365                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 1170   | Uniforms                                      | \$ 678                               | \$ 203              | \$ -                             | \$ 393              | \$ 34             | \$ 47                      | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 1180   | Safety equipment                              | \$ 1,043                             | \$ 313              | \$ -                             | \$ 605              | \$ 52             | \$ 73                      | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| <b>2000 - Maintenance and Operations</b>     |   |                                      |                     |                                  |                     |                   |                            |                         |               |              |             |             |             |
| 2210   | Vehicle Operating Expense                     | \$ 6,896                             | \$ 2,069            | \$ -                             | \$ 4,000            | \$ 345            | \$ 483                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 2230   | Vehicle Allowance                             | \$ 1,606                             | \$ 482              | \$ -                             | \$ 932              | \$ 80             | \$ 112                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 2240   | Misc. Equipment Maint.                        | \$ 1,830                             | \$ 549              | \$ -                             | \$ 1,061            | \$ 92             | \$ 128                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 2250   | Bldg & Grnds Maintenance                      | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 30%                     | 0%            | 65%          | 0%          | 5%          | 0%          |
| 2270   | Dues & Publications                           | \$ 8,487                             | \$ 2,546            | \$ -                             | \$ 5,517            | \$ 424            | \$ -                       | 30%                     | 0%            | 65%          | 0%          | 5%          | 0%          |
| 2280   | Travel & Meetings                             | \$ 3,713                             | \$ 1,114            | \$ -                             | \$ 2,414            | \$ 186            | \$ -                       | 30%                     | 0%            | 65%          | 0%          | 5%          | 0%          |
| 2300   | Office Supplies/Postage                       | \$ 13,261                            | \$ 3,978            | \$ -                             | \$ 7,692            | \$ 663            | \$ 928                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 2340   | Legal Printing                                | \$ 5,305                             | \$ 1,591            | \$ -                             | \$ 3,448            | \$ 265            | \$ -                       | 30%                     | 0%            | 65%          | 0%          | 5%          | 0%          |
| 2350   | Professional Services                         | \$ 27,583                            | \$ 8,275            | \$ -                             | \$ 15,998           | \$ 1,379          | \$ 1,931                   | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 2354   | Printing & Publications                       | \$ 5,305                             | \$ 1,591            | \$ -                             | \$ 3,077            | \$ 265            | \$ 371                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 2420   | Equipment Lease                               | \$ 6,365                             | \$ 1,910            | \$ -                             | \$ 3,692            | \$ 318            | \$ 446                     | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| <b>5000 - Total Cost Allocations</b>         |   |                                      |                     |                                  |                     |                   |                            |                         |               |              |             |             |             |
| 5990   | Alloc from Gen Fund Depts.                    | \$ 199,035                           | \$ 59,711           | \$ -                             | \$ 115,441          | \$ 9,952          | \$ 13,932                  | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 5991   | Transfer Out - POBs                           | \$ 45,922                            | \$ 13,777           | \$ -                             | \$ 26,635           | \$ 2,296          | \$ 3,215                   | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| 5995   | Alloc Admin/Tech to Wastewater                | \$ (608,107)                         | \$ (182,432)        | \$ -                             | \$ (352,702)        | \$ (30,405)       | \$ (42,567)                | 30%                     | 0%            | 58%          | 0%          | 5%          | 7%          |
| <b>Total: Water Admin/Tech Expenses</b>      |   | <b>\$ 663,626</b>                    | <b>\$ 199,088</b>   | <b>\$ -</b>                      | <b>\$ 386,128</b>   | <b>\$ 33,181</b>  | <b>\$ 45,228</b>           | <b>30.0%</b>            | <b>0.0%</b>   | <b>58.2%</b> | <b>0.0%</b> | <b>5.0%</b> | <b>6.8%</b> |
| <b>Water Conservation Program Expenses</b>   |   |                                      |                     |                                  |                     |                   |                            |                         |               |              |             |             |             |
| <b>1000 - Salaries &amp; Benefits</b>        |   |                                      |                     |                                  |                     |                   |                            |                         |               |              |             |             |             |
| 1160   | Education & Training                          | \$ 1,043                             | \$ -                | \$ 1,043                         | \$ -                | \$ -              | \$ -                       | 0%                      | 100%          | 0%           | 0%          | 0%          | 0%          |
| <b>2000 - Maintenance and Operations</b>     |   |                                      |                     |                                  |                     |                   |                            |                         |               |              |             |             |             |
| 2041   | Rebates - Water Conservation                  | \$ 37,132                            | \$ -                | \$ 37,132                        | \$ -                | \$ -              | \$ -                       | 0%                      | 100%          | 0%           | 0%          | 0%          | 0%          |
| 2270   | Dues & Publications                           | \$ 21,218                            | \$ -                | \$ 21,218                        | \$ -                | \$ -              | \$ -                       | 0%                      | 100%          | 0%           | 0%          | 0%          | 0%          |
| 2280   | Travel & Meetings                             | \$ 1,432                             | \$ -                | \$ 1,432                         | \$ -                | \$ -              | \$ -                       | 0%                      | 100%          | 0%           | 0%          | 0%          | 0%          |
| 2300   | Office Supplies/Postage                       | \$ 5,835                             | \$ -                | \$ 5,835                         | \$ -                | \$ -              | \$ -                       | 0%                      | 100%          | 0%           | 0%          | 0%          | 0%          |
| 2341   | Advertising                                   | \$ 5,305                             | \$ -                | \$ 5,305                         | \$ -                | \$ -              | \$ -                       | 0%                      | 100%          | 0%           | 0%          | 0%          | 0%          |
| <b>Additional Expenses</b>                   |   |                                      |                     |                                  |                     |                   |                            |                         |               |              |             |             |             |
| --   | Turf Removal Rebate Program                   | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 100%          | 0%           | 0%          | 0%          | 0%          |
| --   | Water Conservation Rebate Program             | \$ 500,000                           | \$ -                | \$ 500,000                       | \$ -                | \$ -              | \$ -                       | 0%                      | 100%          | 0%           | 0%          | 0%          | 0%          |
| <b>Total: Water Conservation Expenses</b>    |   | <b>\$ 571,964</b>                    | <b>\$ -</b>         | <b>\$ 571,964</b>                | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ -</b>                | <b>0.0%</b>             | <b>100.0%</b> | <b>0.0%</b>  | <b>0.0%</b> | <b>0.0%</b> | <b>0.0%</b> |
| <b>Grand Total: Water Operating Expenses</b> |   | <b>\$ 9,000,715</b>                  | <b>\$ 4,420,693</b> | <b>\$ 571,964</b>                | <b>\$ 3,356,530</b> | <b>\$ 295,522</b> | <b>\$ 356,015</b>          | <b>49.1%</b>            | <b>6.4%</b>   | <b>37.3%</b> | <b>6.4%</b> | <b>3.3%</b> | <b>4.0%</b> |

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Cost of Service Analysis

TABLE 19

| Classification of Expenses, continued                     |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
|---|--------------------------------------|---------------------|----------------------------------|---------------------|-------------------|----------------------------|-------------------------|-------------|--------------|-------------|-------------|
| Budget Categories   | Test Year <sup>1</sup><br>FY 2017/18 | Commodity<br>(COM)  | Conservation<br>Charge<br>(CONS) | Capacity<br>(CAP)   | Customer<br>(CA)  | Fire<br>Protection<br>(FP) | Basis of Classification |             |              |             |             |
|   |                                      |                     |                                  |                     |                   |                            | (COM)                   | (CONS)      | (CAP)        | (CA)        | (FP)        |
| <b>Debt Service Payments</b>                              |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 1998 Water Revenue Bonds                                  | \$ 697,913                           | \$ 202,395          | \$ -                             | \$ 446,664          | \$ -              | \$ 48,854                  | 29%                     | 0%          | 64%          | 0%          | 7%          |
| Loan from Wastewater Fund to Water Fund                   | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 100%                    | 0%          | 0%           | 0%          | 0%          |
| B of A 10-Yr AMR Loan                                     | \$ 377,249                           | \$ 377,249          | \$ -                             | \$ -                | \$ -              | \$ -                       | 100%                    | 0%          | 0%           | 0%          | 0%          |
| New Debt Issue - Revenue Bond (Net of Conservation Costs) | \$ 1,002,513                         | \$ 320,804          | \$ -                             | \$ 601,508          | \$ -              | \$ 80,201                  | 32%                     | 0%          | 60%          | 0%          | 8%          |
| Allocation of New Debt Issue to Conservation Costs        | \$ 130,155                           | \$ -                | \$ 130,155                       | \$ -                | \$ -              | \$ -                       | 0%                      | 100%        | 0%           | 0%          | 0%          |
| <b>Total Debt Service Payments</b>                        | <b>\$ 2,207,829</b>                  | <b>\$ 900,447</b>   | <b>\$ 130,155</b>                | <b>\$ 1,048,172</b> | <b>\$ -</b>       | <b>\$ 129,055</b>          | <b>40.8%</b>            | <b>5.9%</b> | <b>47.5%</b> | <b>0.0%</b> | <b>5.8%</b> |
| <b>Capital Expenditures</b>                               |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| Rate-Funded General Capital Expenses                      | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 0%          | 100%         | 0%          | 0%          |
| Conservation-Related Capital Expenses                     | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 100%        | 0%           | 0%          | 0%          |
| <b>TOTAL REVENUE REQUIREMENTS</b>                         | <b>\$ 11,208,544</b>                 | <b>\$ 5,321,130</b> | <b>\$ 702,120</b>                | <b>\$ 4,404,702</b> | <b>\$ 295,522</b> | <b>\$ 485,070</b>          | <b>47.5%</b>            | <b>6.3%</b> | <b>39.3%</b> | <b>2.6%</b> | <b>4.3%</b> |
| <b>Less: Non-Rate Revenues</b>                            |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| Interest Earnings (in Operating & Capital Reserves)       | \$ (15,692)                          | \$ (7,948)          | \$ -                             | \$ (6,579)          | \$ (441)          | \$ (725)                   | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| <b>6700 - Charges for Current Services</b>                |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 6702 Sale of Maps and Pubs                                | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 6729 Plan Check Fees                                      | \$ (4,524)                           | \$ -                | \$ -                             | \$ -                | \$ (4,524)        | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 6758 Inspection Fees                                      | \$ (3,530)                           | \$ -                | \$ -                             | \$ -                | \$ (3,530)        | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 6788 Fee for Temp Fire Hydrant                            | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 6792 Customer Service Charge                              | \$ (14,557)                          | \$ -                | \$ -                             | \$ -                | \$ (14,557)       | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 6793 Mtr Conn Chg/Reimbt for Wtr Meter                    | \$ (12,000)                          | \$ (6,078)          | \$ -                             | \$ (5,031)          | \$ (338)          | \$ (554)                   | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 6794 Frontage/Land Use Fee for Water Line                 | \$ (8,450)                           | \$ (4,280)          | \$ -                             | \$ (3,543)          | \$ (238)          | \$ (390)                   | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 6796 Water Meter Installation Fee                         | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| <b>6800 - Charges for Current Services</b>                |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 6800 Residential Sales                                    | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 0.0%        | 0.0%        |
| 6803 Commercial Sales                                     | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 0.0%        | 0.0%        |
| 6806 Sales To City Depts                                  | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 0.0%        | 0.0%        |
| 6888 Construction Water                                   | \$ (104,734)                         | \$ (53,044)         | \$ -                             | \$ (43,909)         | \$ (2,946)        | \$ (4,835)                 | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| <b>7800 - Miscellaneous Revenue</b>                       |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 7820 Refunds, Rebates & Reimbursements                    | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 7822 Damage to City Property-Recovery                     | \$ (1,000)                           | \$ (506)            | \$ -                             | \$ (419)            | \$ (28)           | \$ (46)                    | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 7830 Miscellaneous Revenue                                | \$ (10,201)                          | \$ (5,166)          | \$ -                             | \$ (4,277)          | \$ (287)          | \$ (471)                   | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| <b>7900 - Miscellaneous Revenue - Enterprise</b>          |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 7907 Sales to Outside Agencies                            | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 7908 Connection Fees-B \$                                 | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 0.0%        | 0.0%        |
| 7910 5% Late Charge                                       | \$ (81,019)                          | \$ -                | \$ -                             | \$ -                | \$ (81,019)       | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| --- Revenue from Sale of Property                         | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| <b>NET REVENUE REQUIREMENTS</b>                           | <b>\$ 10,952,837</b>                 | <b>\$ 5,244,108</b> | <b>\$ 702,120</b>                | <b>\$ 4,340,945</b> | <b>\$ 187,615</b> | <b>\$ 478,049</b>          |                         |             |              |             |             |
| <b>Allocation of Revenue Requirements</b>                 |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
|   | <b>100.0%</b>                        | <b>47.9%</b>        | <b>6.4%</b>                      | <b>39.6%</b>        | <b>1.7%</b>       | <b>4.4%</b>                |                         |             |              |             |             |

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 Cost of Service Analysis

TABLE 20

| Rate Alternative #1<br>Per COSA Results   |       |                      | (COM)               | (CONS)            | (CAP)               | (CA)              | (FP)              |
|---|-------|----------------------|---------------------|-------------------|---------------------|-------------------|-------------------|
| Adjustment for Current Rate Level:  |       | Total                |                     |                   |                     |                   |                   |
| Target Rate Rev. After Rate Increases, FY 2016/17                               |       | \$10,370,483         |                     |                   |                     |                   |                   |
| Projected Rate Revenue at Current Rates<br>FY 2016/17 Projected Rate Adjustment | 15.5% | \$8,978,774          |                     |                   |                     |                   |                   |
| <b>Adjusted Net Revenue Req'ts</b>  |       | <b>\$ 10,370,483</b> | <b>\$ 4,965,283</b> | <b>\$ 664,789</b> | <b>\$ 4,110,141</b> | <b>\$ 177,639</b> | <b>\$ 452,631</b> |
| <i>Percent of Revenue</i>   |       |                      | 47.9%               | 6.4%              | 39.6%               | 1.7%              | 4.4%              |

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**TABLE 21**  
Development of the COMMODITY Allocation Factor

| Customer Class            | April '14 - March '15 Volume (hcf) <sup>1</sup> | Percent of Total Volume | % Adjustment for Conservation <sup>2</sup> | Estimated Volume Adjusted for Conservation | Estimated Percent of Total Volume |
|---------------------------|---|-------------------------|--|--|-----------------------------------|
| Single-Family Residential | 2,244,826                                       | 56.2%                   | 16%  | 1,894,028                                  | 56.2%                             |
| Multi-Family Residential  | 146,327   | 3.7%                    | 16%  | 123,461                                    | 3.7%                              |
| Commercial & Industrial   | 1,429,355                                       | 35.8%                   | 16%  | 1,205,990                                  | 35.8%                             |
| Municipal                 | 152,818   | 3.8%                    | 16%  | 128,937                                    | 3.8%                              |
| Sub Total                 | 3,973,326                                       | 99.5%                   | 16%  | 3,352,416                                  | 99.5%                             |
| Commercial Fire           | 18,283  | 0.5%                    | 16%  | 15,426                                     | 0.5%                              |
| <b>Total</b>              | <b>3,991,609</b>                                | <b>100%</b>             | <b>16%</b>                                 | <b>3,367,842</b>                           | <b>100%</b>                       |

1 Consumption data source: City of Colton utility billing system data for April 2014 - March 2015 (file: WaterRateStudy-Mithy Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx)

2 Assumed conservation is 16% from April 2014 - May 2015 consumption levels, to comply with the State's 20% conservation mandate (2014-15 consumption is down 4% from 2013 levels)

**Commodity Related Costs:** These costs are associated with the total consumption (flow) of water over a specified period of time (e.g. annual).

**TABLE 22**  
Development of the CAPACITY (MAX MONTH) Allocation Factors

| Customer Class            | Average Monthly Use (hcf) | Peak Month Use (hcf) (1) | Peak Month Capacity Factor | Max Month Capacity Factor |
|---------------------------|---------------------------|--------------------------|----------------------------|---------------------------|
| Single-Family Residential | 187,069                   | 259,338                  | 1.39                       | 58.6%                     |
| Multi-Family Residential  | 12,194                    | 14,899                   | 1.22                       | 3.4%                      |
| Commercial & Industrial   | 119,113                   | 145,915                  | 1.23                       | 33.0%                     |
| Municipal                 | 12,735                    | 20,090                   | 1.58                       | 4.5%                      |
| Commercial Fire           | 1,524                     | 2,095                    | 1.38                       | 0.5%                      |
| <b>Total</b>              | <b>332,634</b>            | <b>442,337</b>           | <b>1.33</b>                | <b>100%</b>               |

1 Based on peak monthly data (peak day data not available)

**Capacity Related Costs:** Costs associated with the maximum demand required at one point in time the maximum size of facilities required to meet this demand.

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 Water Cost of Service Analysis

TABLE 23

| Development of the Customer Allocation Factor |                        |                  |
|---|------------------------|------------------|
| Customer Class                                | Number of Meters (1,2) | Percent of Total |
| Single-Family Residential                     | 8,807                  | 86.9%            |
| Multi-Family Residential                      | 48                     | 0.5%             |
| Commercial & Industrial                       | 950                    | 9.4%             |
| Municipal                                     | 156                    | 1.5%             |
| Commercial Fire                               | 171                    | 1.7%             |
| <b>Total</b>                                  | <b>10,132</b>          | <b>100.0%</b>    |

1. Number of meters is per the City of Colton's utility billing data as of February 2015 for standard meters and as of April 2015 for commercial fire meters

2. Construction hydrants are excluded

**Customer Related Costs** : Costs associated with having a customer on the water system. These costs vary with the addition or deletion of customers on the system. Examples: Meter-reading, Postage and billing.

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**TABLE 24**  
**ALLOCATION OF WATER REVENUE REQUIREMENTS:**

| Classification Components      | Total Rate Revenue Requirements FY 2016/17 |
|--------------------------------|--|
| Commodity-Related Costs        |  |
| <i>Standard Expense</i>        | \$ 4,965,283 48%                           |
| <i>Conservation Expense</i>    | \$ 664,789 6%                              |
| Capacity-Related Costs         | \$ 4,110,141 40%                           |
| Customer-Related Costs         | \$ 177,639 2%                              |
| Fire Protection-Related Costs  | \$ 452,631 4%                              |
| <b>Net Revenue Requirement</b> | <b>\$ 10,370,483 100%</b>                  |

**TABLE 25**  
**Allocation of Net Revenue Requirements - FY 2016/17:**

| Customer Class            | Commodity Related Costs |                     | Capacity Related Costs |                     | Customer Related Costs |                   | Fire Protection Related Costs |                   | Cost of Service Net Revenue | % of COS Net Revenue |
|---------------------------|-------------------------|---------------------|------------------------|---------------------|------------------------|-------------------|-------------------------------|-------------------|-----------------------------|----------------------|
|                           | Allocation Factor %     | Allocated Costs     | Allocation Factor %    | Allocated Costs     | Allocation Factor %    | Allocated Costs   | Allocation Factor %           | Allocated Costs   |                             |                      |
| <b>Allocated Costs</b>    |                         | <b>\$ 4,110,141</b> |                        | <b>\$ 4,110,141</b> |                        | <b>\$ 177,639</b> |                               | <b>\$ 452,631</b> | <b>\$ 10,370,483</b>        |                      |
| Single-Family Residential | 56%                     | \$ 2,792,407        | 59%                    | \$ 2,409,737        | 87%                    | \$ 154,408.89     | 0%                            | \$ -              | \$ 5,730,422                | 55%                  |
| Multi-Family              | 4%                      | \$ 182,021          | 3%                     | \$ 138,440          | 0%                     | \$ 842            | 0%                            | \$ -              | \$ 345,672                  | 3%                   |
| Commercial & Industrial   | 36%                     | \$ 1,778,018        | 33%                    | \$ 1,355,824        | 9%                     | \$ 16,656         | 0%                            | \$ -              | \$ 3,388,553                | 33%                  |
| Municipal                 | 4%                      | \$ 190,095          | 5%                     | \$ 186,674          | 2%                     | \$ 2,735          | 0%                            | \$ -              | \$ 404,955                  | 4%                   |
| Commercial Fire           | 0%                      | \$ 22,743           | 0%                     | \$ 19,466           | 2%                     | \$ 2,998          | 100%                          | \$ 452,631        | \$ 500,885                  | 5%                   |
| <b>Total</b>              | <b>100%</b>             | <b>\$ 4,965,283</b> | <b>100%</b>            | <b>\$ 4,110,141</b> | <b>100%</b>            | <b>\$ 177,639</b> | <b>100%</b>                   | <b>\$ 452,631</b> | <b>\$ 10,370,486</b>        | <b>100%</b>          |

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TABLE 26  
CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES (EXCLUDING COMMERCIAL FIRE METERS) FOR FY 2016/17:

| Number of Meters by Class and Size (1)                | FY 2016/17          |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   | Total             |                     |
|---|---------------------|---------------------|-------------------|-------------------|-----------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|   | 3/4 inch            | 1 inch              | 1.5 inch          | 2 inch            | 3 inch          | 4 inch            | 6 inch           | 8 inch            | 10 inch           | 12 inch           |                   |                   |                     |
| Single-Family Residential                             | 4,854               | 3,878               | 61                | 14                | -               | 1                 | -                | 1                 | -                 | -                 | -                 | -                 | 8,807               |
| Multi-Family  | 8                   | 12                  | 5                 | 20                | -               | -                 | -                | 1                 | -                 | -                 | -                 | -                 | 48                  |
| Commercial & Industrial                               | 214                 | 203                 | 208               | 294               | -               | 22                | 6                | 3                 | -                 | -                 | -                 | -                 | 950                 |
| Municipal   | 19                  | 44                  | 32                | 57                | -               | 4                 | -                | -                 | -                 | -                 | -                 | -                 | 156                 |
| <b>Total Meters/Accounts</b>                          | <b>5,095</b>        | <b>4,137</b>        | <b>306</b>        | <b>385</b>        | <b>27</b>       | <b>27</b>         | <b>7</b>         | <b>4</b>          | <b>80.00</b>      | <b>112.50</b>     | <b>-</b>          | <b>-</b>          | <b>9,961</b>        |
| Hydraulic Capacity Factor (2)                         | 1.00                | 1.67                | 3.33              | 5.33              | 10.67           | 16.67             | 33.33            | 60.00             | 80.00             | 112.50            | -                 | -                 | 15,987              |
| Total Equivalent Meters                               | 5,095               | 6,895               | 1,020             | 2,053             | -               | 450               | 233              | 240               | -                 | -                 | -                 | -                 | -                   |
| Monthly Fixed Service Charges                         | \$1.46              | \$1.46              | \$1.46            | \$1.46            | \$1.46          | \$1.46            | \$1.46           | \$1.46            | \$1.46            | \$1.46            | \$1.46            | \$1.46            | \$1.46              |
| Customer Costs (\$/Acct/mo.) (3)                      | \$21.32             | \$35.54             | \$71.08           | \$113.72          | \$227.45        | \$355.39          | \$710.78         | \$1,279.40        | \$1,705.87        | \$2,398.88        | \$2,400.34        | \$2,400.34        | \$2,400.34          |
| Capacity Costs (\$/Acct/mo.) (4)                      | \$22.78             | \$37.00             | \$72.54           | \$115.19          | \$228.91        | \$356.85          | \$712.24         | \$1,280.86        | \$1,707.33        | \$2,400.34        | \$2,400.34        | \$2,400.34        | \$2,400.34          |
| <b>Total Monthly Meter Charge</b>                     | <b>\$22.78</b>      | <b>\$37.00</b>      | <b>\$72.54</b>    | <b>\$115.19</b>   | <b>\$228.91</b> | <b>\$356.85</b>   | <b>\$712.24</b>  | <b>\$1,280.86</b> | <b>\$1,707.33</b> | <b>\$2,400.34</b> | <b>\$2,400.34</b> | <b>\$2,400.34</b> | <b>\$2,400.34</b>   |
| Annual Fixed Costs Allocated to Monthly Meter Charges |                     |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                   |                     |
| Customer Costs (w/o Comm. Fire Meters)                | \$ 174,641          |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                   |                     |
| Capacity Costs  | 4,090,674           |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                   |                     |
| <b>Total Fixed Meter Costs</b>                        | <b>\$ 4,265,316</b> |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                   |                     |
| Annual Revenue from Mo. Meter Charges                 |                     |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                   |                     |
| Customer Charges                                      | \$ 89,328           | \$ 72,532           | \$ 5,365          | \$ 6,750          | \$ -            | \$ 473            | \$ 123           | \$ 70             | \$ -              | \$ -              | \$ -              | \$ -              | \$ 174,641          |
| Capacity Charges                                      | 1,303,710           | 1,764,295           | 260,998           | 525,408           | -               | 115,146           | 59,705           | 61,411            | -                 | -                 | -                 | -                 | 4,090,674           |
| <b>Total Revenue from Mo. Meter Charges</b>           | <b>\$ 1,393,039</b> | <b>\$ 1,836,827</b> | <b>\$ 266,363</b> | <b>\$ 532,158</b> | <b>\$ -</b>     | <b>\$ 115,620</b> | <b>\$ 59,828</b> | <b>\$ 61,481</b>  | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 4,265,316</b> |

(1) From the City's utility billing system data, as of February 2015 (File: WaterRateStudy-Mthly Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx).  
 (2) Source: AWWA Manual M1, "Safe Maximum Operating Capacity by Meter Type", Table B-1. Assumes displacement meters for 3/4 to 2-inch, singlejet meters for 3 to 6-inch and propeller meters for 8 to 12-inch meters.  
 (3) Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.  
 (4) Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

TABLE 27  
CALCULATION OF COMMERCIAL FIRE METER MONTHLY FIXED METER SERVICE CHARGES FOR FY 2016/17:

| Number of Meters by Class and Size (1)                | FY 2016/17        |             |             |             |             |                  |                   |                   |                  |             |             | Total       |                   |
|---|-------------------|-------------|-------------|-------------|-------------|------------------|-------------------|-------------------|------------------|-------------|-------------|-------------|-------------------|
|   | 3/4 inch          | 1 inch      | 1.5 inch    | 2 inch      | 3 inch      | 4 inch           | 6 inch            | 8 inch            | 10 inch          | 12 inch     |             |             |                   |
| Commercial Fire Meters                                | -                 | -           | -           | -           | -           | 42               | 48                | 68                | 13               | -           | -           | -           | 171               |
| <b>Total Meters/Accounts</b>                          | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>42</b>        | <b>48</b>         | <b>68</b>         | <b>13</b>        | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>171</b>        |
| Hydraulic Capacity Factor (2)                         | -                 | -           | -           | -           | -           | 23.33            | 53.33             | 93.33             | 146.67           | -           | -           | -           | 171               |
| Total Equivalent Meters                               | -                 | -           | -           | -           | -           | 980              | 2,560             | 6,347             | 1,907            | -           | -           | -           | 11,793            |
| Monthly Fixed Service Charges                         |                   |             |             |             |             |                  |                   |                   |                  |             |             |             |                   |
| Customer Costs (\$/Acct/mo.) (3)                      | -                 | -           | -           | -           | -           | \$1.46           | \$1.46            | \$1.46            | \$1.46           | -           | -           | -           | -                 |
| Capacity Costs (\$/Acct/mo.) (4)                      | -                 | -           | -           | -           | -           | \$77.84          | \$177.92          | \$311.35          | \$489.27         | -           | -           | -           | -                 |
| <b>Total Monthly Meter Charge</b>                     | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>\$79.30</b>   | <b>\$179.38</b>   | <b>\$312.81</b>   | <b>\$490.73</b>  | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>          |
| Annual Fixed Costs Allocated to Monthly Meter Charges |                   |             |             |             |             |                  |                   |                   |                  |             |             |             |                   |
| Customer Costs  | \$ 2,998          |             |             |             |             |                  |                   |                   |                  |             |             |             |                   |
| Capacity & Fire Protection Costs                      | 472,098           |             |             |             |             |                  |                   |                   |                  |             |             |             |                   |
| <b>Total Fixed Meter Costs</b>                        | <b>\$ 475,096</b> |             |             |             |             |                  |                   |                   |                  |             |             |             |                   |
| Annual Revenue from Mo. Meter Charges                 |                   |             |             |             |             |                  |                   |                   |                  |             |             |             |                   |
| Customer Charges                                      | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 736           | \$ 842            | \$ 1,192          | \$ 228           | \$ -        | \$ -        | \$ -        | \$ 2,998          |
| Capacity Charges                                      | -                 | -           | -           | -           | -           | 39,230           | 102,479           | 254,063           | 76,326           | -           | -           | -           | 472,098           |
| <b>Total Revenue from Mo. Meter Charges</b>           | <b>\$ -</b>       | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 39,967</b> | <b>\$ 103,321</b> | <b>\$ 255,255</b> | <b>\$ 76,554</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 475,096</b> |

(1) From the City's utility billing system data for April 2015 data (WaterRateStudy-Mthly Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx).  
 (2) Source: AWWA Manual M6, "Water Meters - Selection, Installation, Testing, and Maintenance", Table 5-3. Fire Service Type (C703) for 4"-10" meters

CITY OF COLTON  
WATER RATE STUDY  
Water Cost of Service Analysis/Rate Design

TABLE 28  
PROPOSED VOLUMETRIC CHARGES FOR FY 2016/17:

| Customer Classes          | Number of Meters <sup>1</sup> | Water Consumption (hcf/yr.) <sup>2</sup> | Target Rev. Req't from Vol. Charges <sup>3</sup> | % of Total Rate Revenue | Proposed Rate Structure |
|---------------------------|-------------------------------|--|--|-------------------------|-------------------------|
| Single-Family Residential | 8,807                         | 1,894,028                                | \$ 3,166,275                                     | 31%                     | Tiered                  |
| Multi-Family Residential  | 48                            | 123,461                                  | \$ 206,391                                       | 2%                      | Uniform                 |
| Commercial & Industrial   | 950                           | 1,205,990                                | \$ 2,016,072                                     | 19%                     | Uniform                 |
| Municipal                 | 156                           | 128,937                                  | \$ 215,546                                       | 2%                      | Uniform                 |
| Commercial Fire           | 171                           | 15,426                                   | \$ 25,788  | 0%                      | Uniform                 |
| <b>Total</b>              | <b>10,132</b>                 | <b>3,367,842</b>                         | <b>\$ 5,630,072</b>                              | <b>54%</b>              |                         |

1. From the City's utility billing system data for February 2015 (File: WaterRateStudy-Mthly Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx.)
2. Water consumption is adjusted to account for conservation.
3. Commercial Fire meters class does not pay for conservation costs.

TABLE 29  
Estimated SFR Water Consumption by Tier:

| Customer Class            | Upper Tier Breakpoint <sup>1</sup> | Applicable Water Consumption | % of SFR Consumption |
|---------------------------|------------------------------------|------------------------------|----------------------|
| Single Family Residential | 18 hcf                             | 1,345,929                    | 71%                  |
|                           | --                                 | 548,099                      | 29%                  |
| <b>Total</b>              |                                    | <b>1,894,028</b>             | <b>100%</b>          |

1. The Tier 1 breakpoint is set to the average annual consumption amount for SFR customers that would allow the City to meet its conservation mandate (i.e. if SFR customers consume 18 hcf/month on average, this customer group would meet its mandated conservation).
2. Water consumption by tier is where consumption would fall in the two tiers, if the Tier 1 breakpoint is set to 18 hcf, based on historical consumption patterns. From calculations in a separate NBS worksheet: Tiered Usage Analysis\_2-3-16.xlsx.

CITY OF COLTON  
WATER RATE STUDY  
Water Cost of Service Analysis/Rate Design

TABLE 28  
PROPOSED VOLUMETRIC CHARGES FOR FY 2016/17:

TABLE 30  
Tiered Rates by Meter Size:

| Customer Class            | Upper Tier Breakpoint <sup>1</sup> | Applicable Water Consumption | Costs to Recover <sup>2</sup> | Cost/hcf         | Cumulative Rate  |
|---------------------------|------------------------------------|------------------------------|-------------------------------|------------------|------------------|
| Single Family Residential | Tier 1<br>18 hcf<br>Tier 2<br>--   | 1,894,028<br>548,099         | \$ 2,792,407<br>\$ 373,868    | \$1.47<br>\$0.68 | \$1.47<br>\$2.16 |
| <b>Total</b>              |                                    |                              | <b>\$ 3,166,275</b>           |                  |                  |

1. The Tier 1 breakpoint is set to the average annual consumption amount for SFR customers that would allow the City to meet its conservation mandate (i.e. if SFR customers consume 18 hcf/month on average, this customer group would meet its mandated conservation).
2. Costs recovered in Tier 1 are base commodity costs allocated to SFR customers based on % of consumption compared to all other users. Costs recovered in Tier 2 are base commodity costs (same as Tier 1), plus the additional water conservation-related costs allocated to SFR customers. While conservation program costs are spread proportionately to all users based on consumption, conservation program costs would not be as high, if users consumed 18 hcf/month or less.

TABLE 30  
Estimated Revenue by Customer Class:

| Customer Class            | Estimated Consumption |                |                  | Estimated Volumetric Rate Revenue | Estimated Fixed Rate Revenue | Total Estimated Rate Revenue | Cost of Service Net Revenue Reqts. |
|---------------------------|-----------------------|----------------|------------------|-----------------------------------|------------------------------|------------------------------|------------------------------------|
|                           | Tier 1                | Tier 2         | Uniform          |                                   |                              |                              |                                    |
| Single-Family Residential | 1,345,929             | 548,099        | 123,461          | \$ 3,166,275                      | \$ 3,121,427                 | \$ 6,287,702                 | \$ 5,730,422                       |
| Multi-Family Residential  |                       |                | 1,205,990        | \$ 206,391                        | \$ 67,712                    | \$ 274,102                   | \$ 345,672                         |
| Commercial & Industrial   |                       |                | 128,937          | \$ 2,016,072                      | \$ 927,675                   | \$ 2,943,747                 | \$ 3,388,553                       |
| Municipal                 |                       |                | 15,426           | \$ 215,546                        | \$ 148,502                   | \$ 364,048                   | \$ 404,955                         |
| Commercial Fire           |                       |                |                  | \$ 25,788                         | \$ 475,096                   | \$ 500,884                   | \$ 500,885                         |
| <b>Total</b>              | <b>1,345,929</b>      | <b>548,099</b> | <b>1,473,814</b> | <b>\$ 5,630,072</b>               | <b>\$ 4,740,412</b>          | <b>\$ 10,370,483</b>         | <b>\$ 10,370,486</b>               |

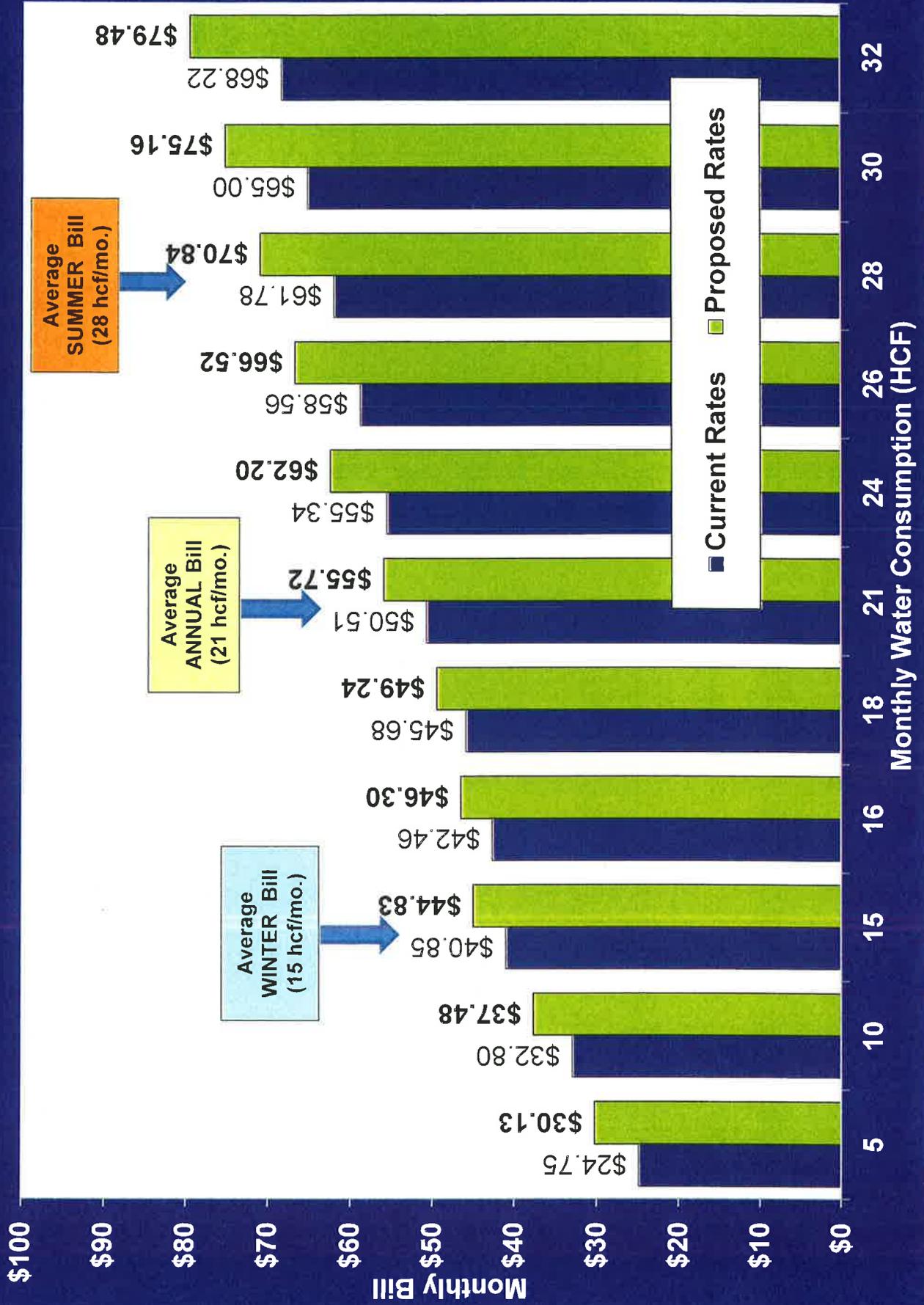
CITY OF COLTON  
WATER RATE STUDY  
Water Cost of Service Analysis/Rate Design

TABLE 32  
Current vs. Proposed Water Rates

| Water Rate Schedule   | Current Rates | Proposed Water Rates<br>46% Fixed / 54% Variable |                      |                     |                     |                     |
|---|---------------|--|----------------------|---------------------|---------------------|---------------------|
|   |               | FY 2016/17<br>15.50%                             | FY 2017/18<br>11.00% | FY 2018/19<br>1.00% | FY 2019/20<br>1.00% | FY 2020/21<br>1.00% |
| <i>Projected Increase in Rate Revenue per Financial Plan:</i> |               |  |                      |                     |                     |                     |
| <b>Fixed Service Charge</b>                                   |               |  |                      |                     |                     |                     |
| 5/8-inch meter  | \$16.70       | \$22.78  | \$25.29              | \$25.54             | \$25.80             | \$26.06             |
| 3/4-inch meter  | \$16.70       | \$22.78  | \$25.29              | \$25.54             | \$25.80             | \$26.06             |
| 1-inch meter  | \$26.23       | \$37.00  | \$41.07              | \$41.48             | \$41.90             | \$42.31             |
| 1.5-inch meter  | \$47.00       | \$72.54  | \$80.52              | \$81.32             | \$82.14             | \$82.96             |
| 2-inch meter  | \$71.31       | \$115.19   | \$127.86             | \$129.13            | \$130.43            | \$131.73            |
| 3-inch meter  | \$84.86       | \$228.91   | \$254.09             | \$256.63            | \$259.20            | \$261.79            |
| 4-inch meter  | \$288.78      | \$356.85   | \$396.10             | \$400.07            | \$404.07            | \$408.11            |
| 6-inch meter  | \$489.49      | \$712.24   | \$790.59             | \$798.49            | \$806.48            | \$814.54            |
| 8-inch meter  | \$627.22      | \$1,280.86                                       | \$1,421.76           | \$1,435.98          | \$1,450.34          | \$1,464.84          |
| 10-inch meter   | \$896.96      | \$1,707.33                                       | \$1,895.14           | \$1,914.09          | \$1,933.23          | \$1,952.56          |
| 12-inch meter   | \$1,456.16    | \$2,400.34                                       | \$2,664.38           | \$2,691.02          | \$2,717.93          | \$2,745.11          |
| <b>Commercial Fire Meters - Fixed Service Charge</b>          |               |  |                      |                     |                     |                     |
| 4-inch meter  | \$62.28       | \$79.30  | \$88.02              | \$88.90             | \$89.79             | \$90.69             |
| 6-inch meter  | \$139.73      | \$179.38   | \$199.11             | \$201.10            | \$203.11            | \$205.14            |
| 8-inch meter  | \$242.99      | \$312.81   | \$347.22             | \$350.69            | \$354.20            | \$357.74            |
| 10-inch meter   | \$380.68      | \$490.73   | \$544.71             | \$550.15            | \$555.66            | \$561.21            |
| <b>Commodity Charges for All Water Consumed</b>               |               |  |                      |                     |                     |                     |
| <b>Single Family Residential Volumetric Rates:</b>            |               |  |                      |                     |                     |                     |
| Current, Uniform Volumetric Rate                              | \$1.61        | --   | --                   | --                  | --                  | --                  |
| New, Tiered Rates   | --            | \$1.47   | \$1.64               | \$1.65              | \$1.67              | \$1.69              |
| Tier 1: 0 - 18 hcf  | --            | \$2.16   | \$2.39               | \$2.42              | \$2.44              | \$2.47              |
| Tier 2: 19+ hcf   | --            | --   | --                   | --                  | --                  | --                  |
| <b>All Other Customers</b>                                    | \$1.61        | \$1.67   | \$1.86               | \$1.87              | \$1.89              | \$1.91              |
| Rate Per HCF of Water Consumed                                |               |  |                      |                     |                     |                     |

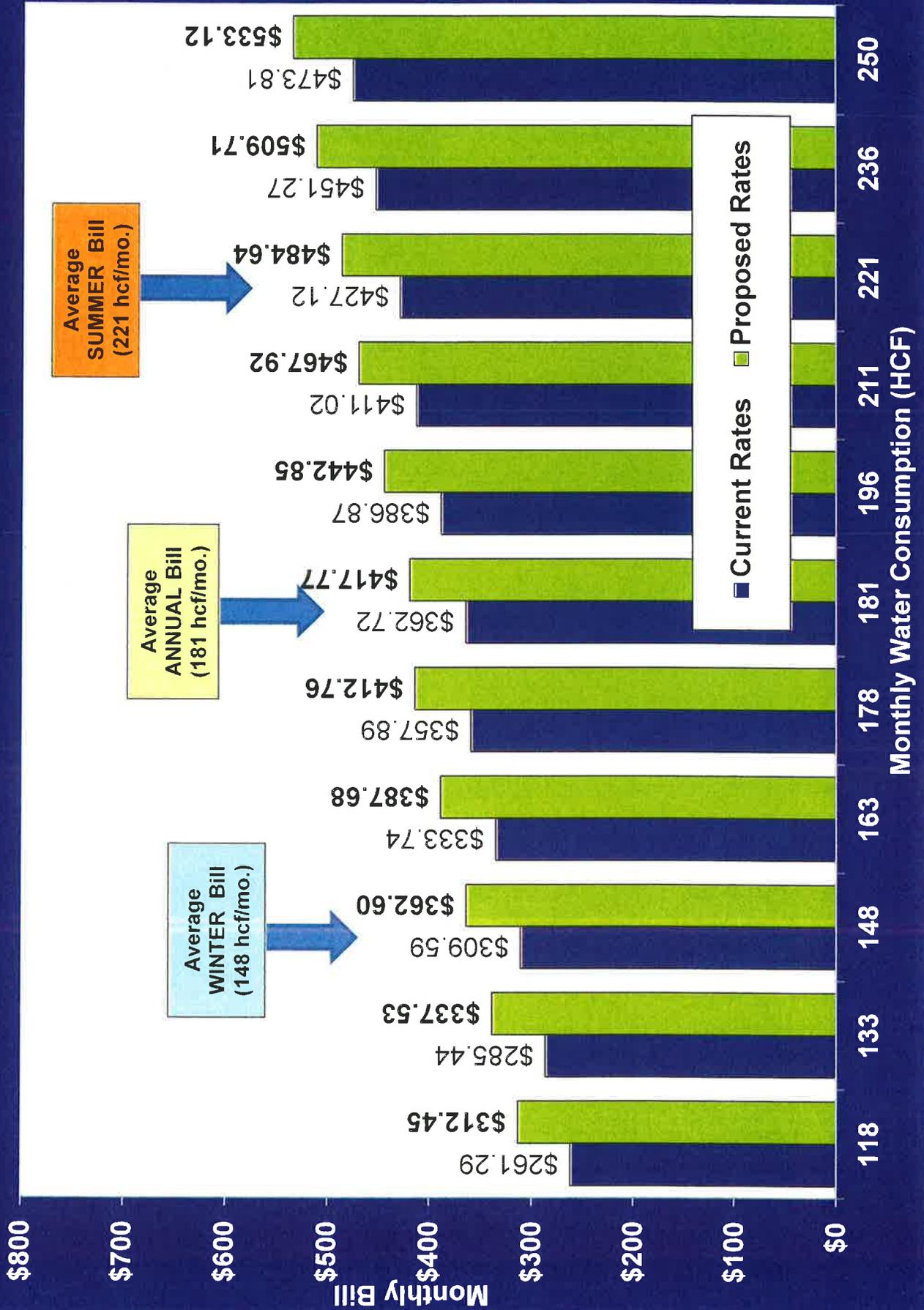
**CHART 4**

**Single-Family Residential Bill Comparison  
Current vs. Proposed Rates (3/4" meter)**



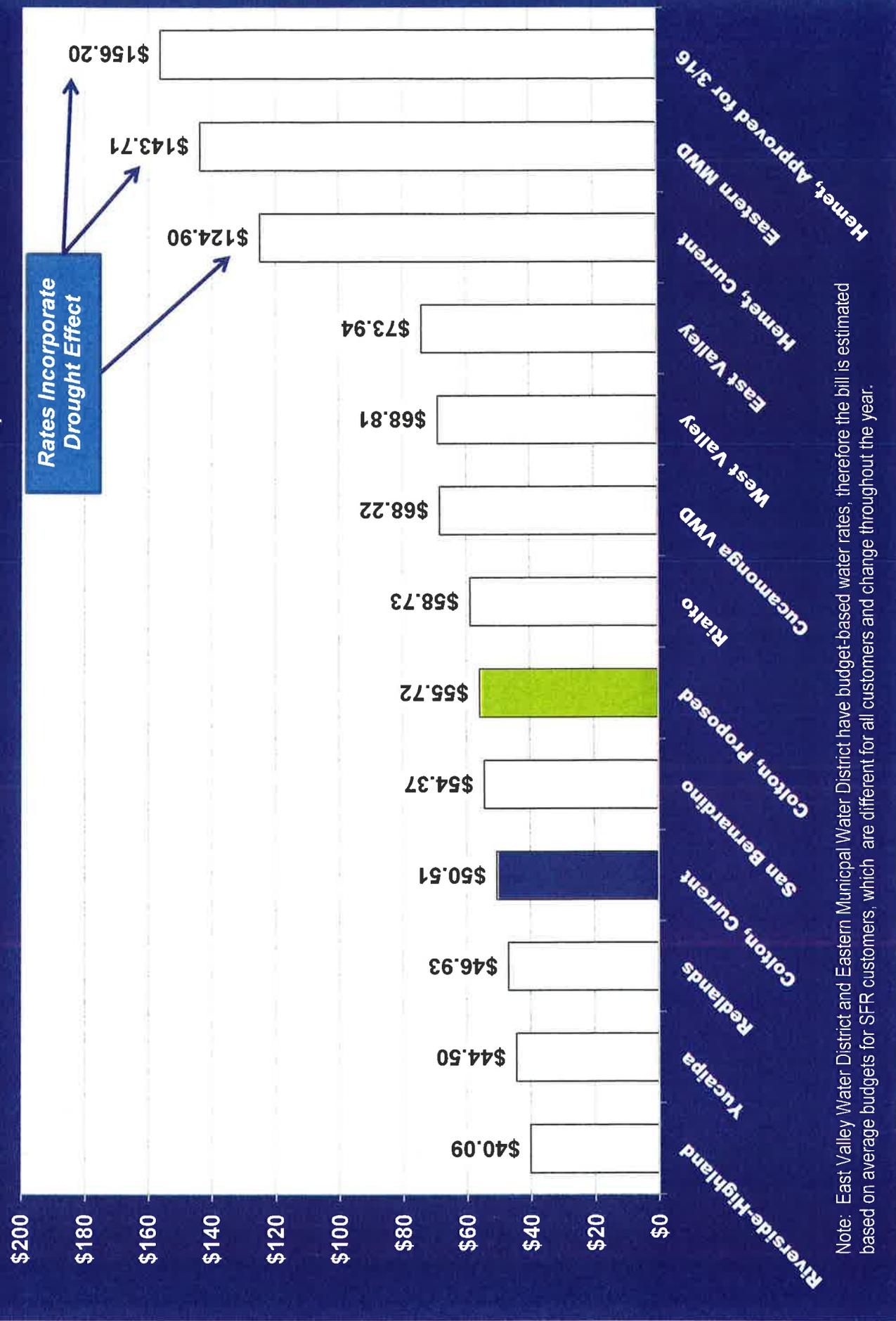
# Commercial Customer Bill Comparison Current vs. Proposed 2016/17 Rates (2" meter)

CHART 5



# Regional Bill Comparison - SFR Customer Assumes 3/4" Meter, 21 hcf Consumption

CHART 6



Note: East Valley Water District and Eastern Municipal Water District have budget-based water rates, therefore the bill is estimated based on average budgets for SFR customers, which are different for all customers and change throughout the year.

**Exhibit B**

**Fourth Amendment To**

**Professional Services Agreement**

**FOURTH AMENDMENT TO  
PROFESSIONAL SERVICES AGREEMENT**

**BETWEEN THE CITY OF COLTON  
AND  
NBS**

**1. PARTIES AND DATE.**

This Fourth Amendment to the Professional Services Agreement (“Fourth Amendment”) is made and entered into this 6th day of April, 2015 by and between the City of Colton (“City”) and NBS (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Fourth Amendment.

**2. RECITALS.**

2.1 Agreement. City and Consultant entered into that certain Professional Services Agreement dated September 3, 2013 (“Agreement”), whereby Consultant agreed to provide Water Rate Analysis and Capacity Fee Study project, is licensed in the State of California, and is familiar with the plans of City.

2.2 Project: Colton Utility Authority

City desires to engage Consultant to render such services for additional Water Rate/Financial Plan Analysis project (“Project”) as set forth in this Agreement. Consultant understands that the City has entered into a Utility System Management Agreement, dated September 1, 2000, with the Colton Utility Authority (“CUA”) for the maintenance, management and operation of its Water Enterprise and Wastewater Enterprise (“CUA Management Agreement”). To the extent that this Agreement is deemed to be a “material contract” under the CUA Management Agreement, City enters into this Agreement on behalf of the CUA and subject to the terms of the CUA Management Agreement.

2.3 Amendment. City and Consultant desire to amend the Agreement for the Fourth time to: (1) increase the total amount of compensation for the additional Water Rate/Financial Plan Analysis for the Public Utilities Water Department in an amount not to exceed **\$23,735**.

**3. TERMS.**

3.2 3.2 Compensation. Section 3.3.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

"3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed **One Hundred Four Thousand One Hundred Thirty**

**Dollars and Zero Cents (\$104,130)**, without written approval of the City Council. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.”

3.2 Continuing Effect of Agreement. Except as amended by this Fourth Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Fourth Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by this Fourth Amendment.

3.3 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Third Amendment.

3.4 Counterparts. This Fourth Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

**CITY OF COLTON**

By: \_\_\_\_\_  
William R. Smith  
City Manager

*Attest:* \_\_\_\_\_  
Carolina R. Padilla  
City Clerk

*Recommended for Approval:*

\_\_\_\_\_  
Executive Director  
Colton Utility Authority

**NBS**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Title (Print)

\_\_\_\_\_  
Title (Print)

## EXHIBIT "A"

### SCOPE OF SERVICES

- Update Water Financial Plan
- Update Water Cost-of-Service Analysis
- Update Rate Design
- Update Water Capacity Fee Analysis
- Update Written Study Report
- Presentation at Public Meetings<sup>1</sup>
- Additional Work as Needed (Optional)<sup>2</sup>

- 1. Cost provides five hours of time (per meeting) for Boehler to present at City Council and Utility omission meetings.*
- 2. As an optional task, NBS will provide additional rate/fee analyses as determined by the City's Utilities Director in order to complete the project.*

**EXHIBIT "B"**  
**SCHEDULE OF SERVICES**

The Professional Water Rate Analysis will begin immediately.

**EXHIBIT “C”**

**COMPENSATION**

The Water Rate/Financial Plan Analysis under this Agreement shall not exceed Twenty-Three Thousand Seven Hundred Thirty-Five Dollars (**\$23,735**), and the total aggregate amount not to exceed One Hundred Four Thousand One Hundred Thirty Dollars and Zero Cents (**\$104,130**) through June 30, 2016.

| <b>NBS - FOURTH CONTRACT AMENDMENT</b>                    |                               |                                     |   |                                     |                               |
|---|-------------------------------|-------------------------------------|---|-------------------------------------|-------------------------------|
| <b>Study Tasks</b>  | <b>Consultant Labor Hours</b> |                                     |   | <b>Total Consultant Labor Hours</b> | <b>Total Consultant Costs</b> |
|   | <b>Director (Clumpner)</b>    | <b>Associate Director (Boehler)</b> | <b>Analysis (Henry Bowers or Narayanan)</b> |                                     |                               |
| <b>Hourly Rate</b>  | <b>\$235</b>                  | <b>\$185</b>                        | <b>\$135</b>                                |                                     |                               |
| Task 1. Update Water Financial Plan                       | 1                             | 6                                   | 8   | 15                                  | \$2,425                       |
| Task 2. Update Water Cost of Service Analysis             | 0                             | 2                                   | 4   | 6                                   | \$910                         |
| Task 3. Update Rate Design                                | 1                             | 2                                   | 4   | 7                                   | \$1,145                       |
| Task 4. Update Water Capacity Fee Analysis                | 1                             | 6                                   | 8   | 15                                  | \$2,425                       |
| Task 5. Update Written Study Report                       | 2                             | 8                                   | 0   | 10                                  | \$1,950                       |
| Task 6. Presentations at Public Meetings <sup>1</sup>     | 0                             | 20                                  | 0   | 20                                  | \$3,700                       |
| Task 7. Additional Work as Needed (Optional) <sup>2</sup> | 8                             | 24                                  | 36  | 68                                  | \$11,180                      |
| <b>Grand Total Not to Exceed</b>                          | <b>13</b>                     | <b>68</b>                           | <b>60</b>                                   | <b>141</b>                          | <b>\$23,735</b>               |

**NBS Hourly Rates**

- Director, Greg Clumpner \$235.00
- Assoc. Director, Kim Boehler \$185.00
- Analysts Greg Henry, David Bowers or Carmen Narayanan \$135.00



**DESCRIPTION OF OPERATIONS -**

**NBS Government Finance Group  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592**

**City of Colton  
Attn: Public Works  
650 North La Cadena Drive  
Colton, CA 92324-**

**City of Colton, its directors, officials, officers, employees, agents and volunteers are named additional insured regarding General Liability and Auto Liability. Primary Wording applies. Waiver of Subrogation applies regarding the Workers' Compensation. Blanket forms apply when required by written contract:**

**GENERAL LIABILITY:**

**Additional Insured-Special Broadening Endt: 391-1006 06 09**

**Additional Insured-Completed Operations: 391-1602 12 11**

**Primary & Non-Contributory: 391-1331 06 09**

**Waiver of Subrogation: BP0497 07 02**

**AUTO:**

**Additional Insured: 461-0478 12 12**

**Primary & Non-Contributory: 461-0478 12 12**

**Waiver of Subrogation: 461-0500 11 13**

**WORKERS' COMPENSATION:**

**Waiver of Subrogation: WC040306 4-84**

**\*CERTIFICATE ISSUED DUE TO POLICY RENEWAL\***

## BUSINESSOWNERS LIABILITY SPECIAL BROADENING ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

| SUMMARY OF COVERAGES   | Limits                                    | Page |
|--|---|------|
| 1. Additional Insured by Contract, Agreement or Permit                                       |   | 1    |
| 2. Additional Insured – Broad Form Vendors   |   | 2    |
| 3. Alienated Premises  |   | 2    |
| 4. Bodily Injury Redefined   |   | 2    |
| 5. Broad Form Property Damage -- Borrowed Equipment, Customers<br>Goods and Use of Elevators |   | 2    |
| 6. Incidental Malpractice (Employed Nurses, EMT's and Paramedics)                            |   | 3    |
| 7. Personal and Advertising Injury – Broad Form  |   | 3    |
| 8. Product Recall Expense  | \$25,000 Occurrence<br>\$50,000 Aggregate | 3    |
| 9. Unintentional Failure to Disclose Hazards   |   | 5    |
| 10. Unintentional Failure to Notify  |   | 5    |

This endorsement amends coverages provided under the Businessowners Coverage Form through new coverages and broader coverage grants. This coverage is subject to the provisions applicable to the Businessowners Coverage Form, except as provided below.

**1. Additional Insured by Contract, Agreement or Permit**

Under SECTION II – LIABILITY, C. Who Is An Insured, Paragraph 4. is added as follows:

a. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract, agreement or permit that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- (1) Your acts or omissions; or
- (2) The acts or omissions of those acting on your behalf,

but only with respect to:

- (3) "Your work" for the additional insured(s) at the location designated in the contract, agreement or permit; or
- (4) Premises you own, rent, lease, control or occupy.

This insurance applies on a primary basis if that is required by the written contract, agreement or permit.

**b. This provision does not apply:**

- (1) Unless the written contract or written agreement has been executed or permit has been issued prior to the "bodily injury", "property damage" or "personal and advertising injury";
- (2) To any person or organization included as an insured by an endorsement issued by us and made part of this Policy;
- (3) To any person or organization included as an insured under Item 1.a.2. of this endorsement;
- (4) To any lessor of equipment:
  - (a) After the equipment lease expires; or
  - (b) If the "bodily injury", "property damage" or "personal and advertising injury" arises out of the sole negligence of the lessor;
- (5) To any:
  - (a) Owners or other interests from whom land has been leased which takes

place after the lease for that land expires; or

(b) Managers or lessors of premises if:

(i) The occurrence takes place after you cease to be a tenant in that premises; or

(ii) The "bodily injury", "property damage" or "personal and advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor; or

(6) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.

c. Additional insured coverage provided by this provision will not be broader than coverage provided to any other insured.

d. All other insuring agreements, exclusions, and conditions of the policy apply.

**2. Additional Insured - Broad Form Vendors**

Under SECTION II – LIABILITY, C. Who Is An Insured, paragraph 5. is added as follows:

5. Any person or organization with whom you agreed, because of a written contract or written agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.

The insurance afforded the vendor does not apply to:

a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

b. Any express warranty unauthorized by you;

c. Any physical or chemical change in the product made intentionally by the vendor;

d. Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;

e. Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of

business in connection with the distribution or sale of the product;

f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any thing or substance by or for the vendor; or

h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(1) The exceptions contained in paragraphs 5.d. or 5.f.; or

(2) Such inspections, adjustments, test or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**3. Alienated Premises**

Under SECTION II – LIABILITY, B. Exclusions, paragraph 1.k.(2) is replaced in its entirety with the following:

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

**4. Bodily Injury Redefined**

Under SECTION II – LIABILITY, F. Liability and Medical Expenses Definitions, definition 4. is replaced in its entirety by the following:

4. "Bodily injury" means bodily injury, disability, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily Injury" includes mental anguish or other mental injury resulting from "bodily injury".

**5. Broad Form Property Damage – Borrowed Equipment, Customers Goods, Use of Elevators**

- a. Under SECTION II – LIABILITY, B. Exclusions, paragraph 1.k., the following is added:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraph (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor to the use of elevators.

- b. Under SECTION II – LIABILITY, F. Liability and Medical Expenses Definitions, the following additional definition is added:

"Customers goods" means property of your customer on your premises for the purpose of being:

- a. Worked on; or
- b. Used in your manufacturing process.

- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent or on any other basis.

**6. Incidental Malpractice – Employed Nurses, EMT's and Paramedics**

Under SECTION II – LIABILITY, C. Who Is An Insured, paragraph 2.a.(1)(d) does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

**7. Personal and Advertising Injury – Broad Form**

Under SECTION II – LIABILITY, F. Liability and Medical Expenses Definitions, definition 15, "Personal and Advertising Injury", paragraph h. is added as follows:

- h. Discrimination or humiliation (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:

- (1) Not done intentionally by or at the direction of:

- (a) The insured; or
- (b) Any officer of the corporation, director, stockholder, partner or member of the insured; and

- (2) Not directly or indirectly related to an "employee", nor to the employment, prospective employment or termination of any person or persons by an insured.

**8. Product Recall Expense**

- a. Under SECTION II – LIABILITY, B. Exclusions, Paragraph 1. o. is replaced in its entirety by the following:

**o. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

If such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product". The exception to the exclusion does not apply to "product recall expenses" resulting from:

- (1) Failure of any products to accomplish their intended purpose;
- (2) Breach of warranties of fitness, quality, durability or performance;
- (3) Loss of customer approval, or any cost incurred to regain customer approval;
- (4) Redistribution or replacement of "your product" which has been recalled by like products or substitutes;
- (5) Caprice or whim of the insured;
- (6) A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;
- (7) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials; or
- (8) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.

- b. Under SECTION II – LIABILITY, C. Who Is An Insured, paragraph 4.c. is added as follows:

- c. "Bodily injury" or "property damage" do not apply to "product recall expense" arising out of any withdrawal

or recall that occurred before you acquired or formed the organization.

- c. Under **SECTION II – LIABILITY, E. Liability and Medical Expense General Conditions, 2. Duties in the Event of Occurrence, Offense, Claim or Suit**, paragraph e. is added as follows:

e. You must see to it that the following are done in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

- (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled. Include a description of "your product" and the reason for the withdrawal or recall;
- (2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

- d. Under **SECTION II – LIABILITY, F. Liability and Medical Expenses Definitions**, the following additional definitions are added:

"Covered recall" means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".

"Product recall expense(s)" means:

- a. Necessary and reasonable expenses for:
- (1) Communications, including radio or television announcements or printed advertisements including stationary, envelopes and postage;
  - (2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;
  - (3) Remuneration paid to your regular "employees" for necessary overtime;
  - (4) Hiring additional persons, other than your regular "employees";

(5) Expenses incurred by "employees" including transportation and accommodations;

(6) Expenses to rent additional warehouse or storage space;

(7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal,

you incur exclusively for the purpose of recalling "your product"; and

b. Your lost profit resulting from such "covered recall".

- e. Under **SECTION II – LIABILITY, D. Liability and Medical Expenses Limits of Insurance**, the following is added:

5. The Limits of Insurance and rules stated below fix the most that we will pay under this Product Recall Expense Coverage.

(1) The Aggregate Limit is the most that we will reimburse you for the sum of all "product recall expenses" incurred for all "product recall expenses" initiated during the policy period.

(2) The Occurrence Limit shown on the Summary of Coverages is the most we will pay in connection with any one defect or deficiency.

(a) All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one "occurrence".

(b) Any amount reimbursed for "product recall expenses" in connection with any one "occurrence" will reduce the amount of the Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

(c) If the Aggregate Limit has been reduced by

reimbursement of "product recall expenses" to an amount that is less than the Occurrence Limit, the remaining Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

6. A deductible of \$500 applies per each "Occurrence".

**9. Unintentional Failure to Disclose Hazards**

Under SECTION II – LIABILITY, E. Liability and Medical Expenses General Conditions, paragraph 6. is added as follows:

**6. Representations**

We will not disclaim coverage under this Coverage Form if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

**10. Unintentional Failure to Notify**

Under SECTION II – LIABILITY, E. Liability and Medical Expenses General Conditions, 2. Duties in the Event of Occurrence, Offense, Claim or Suit, paragraph f. is added as follows:

- f. Your rights afforded under this Coverage Form shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this Policy.

POLICY #OH3 A431963

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### SCHEDULE

| Name Of Additional Insured Person(s)<br>Or Organization(s)   | Location And Description Of Completed Operations |
|--|--|
| ANY PERSON OR ORGANIZATION WHEN REQUIRED BY A WRITTEN CONTRACT,<br>WRITTEN AGREEMENT OR PERMIT.        |  |
|  |  |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |  |

The following is added to Paragraph C. Who Is An Insured in Section II – Liability:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

## OTHER INSURANCE – PRIMARY AND NON-CONTRIBUTORY (ADDITIONAL INSURED) ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to **SECTION III – COMMON POLICY CONDITIONS:**

**M. Other Insurance**

**1. Additional Insureds**

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II - LIABILITY, Part C – Who is An Insured**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss we cover under **SECTION II – LIABILITY, Part A. Coverages, Paragraph 1., Business Liability** our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary to other insurance that is available to the Additional Insured which covers the Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) When b.(2) below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b.(3) below.

**b. Excess Insurance**

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;

(c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION II – LIABILITY, Part A. Coverages, 1. Business Liability**.

When this insurance is excess, we will have no duty under **SECTION II – LIABILITY, Part A. Coverages, 1. Business Liability** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (2) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (3) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of

Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### SCHEDULE\*

Name Of Person Or Organization:

ANY PERSON OR ORGANIZATION WHEN REQUIRED BY A WRITTEN CONTRACT,  
WRITTEN AGREEMENT OR PERMIT.

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

Paragraph K, Transfer Of Rights Of Recovery Against Others To Us in Section III - Common Policy Conditions is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BLANKET ADDITIONAL INSURED – PRIMARY AND NON-CONTRIBUTORY**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE PART**

A. The following is added to **SECTION II – LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured:**

**Additional Insured if Required by Contract**

If you agree in a written contract, written agreement or written permit that a person or organization be added as an additional "insured" under this Coverage Part, such person or organization is an "insured"; but only to the extent that such person or organization qualifies as an "insured" under paragraph A.1.c. of this Section.

If you agree in a written contract, written agreement or written permit that a person or organization be added as an additional "insured" under this Coverage Part, the most we will pay on behalf of such additional "insured" is the lesser of:

- (1) The Limits of Insurance for liability coverage specified in the written contract, written agreement or written permit; or
- (2) The Limits of Insurance for Liability Coverage shown in the Declarations applicable to this Coverage Part.

Such amount shall be part of and not in addition to the Limits of Insurance shown in the Declarations applicable to this Coverage Part. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

B. The following is added to **SECTION IV – BUSINESS AUTO CONDITIONS, Paragraph B. General Conditions, subparagraph 5. Other Insurance:**

**Primary and Non-Contributory**

If you agree in a written contract, written agreement or written permit that the insurance provided to a person or organization who qualifies as an additional "insured" under **SECTION II – LIABILITY COVERAGE, Paragraph A.1: Who Is An Insured**, subparagraph **Additional Insured if Required by Contract** is primary and non-contributory, the following applies:

The liability coverage provided by this Coverage Part is primary to any other insurance available to the additional "insured" as a Named Insured. We will not seek contribution from any other insurance available to the additional "insured" except:

- (1) For the sole negligence of the additional "insured"; or
- (2) For negligence arising out of the ownership, maintenance or use of any "auto" not owned by the additional "insured" or by you, unless that "auto" is a "trailer" connected to an "auto" owned by the additional "insured" or by you; or
- (3) When the additional "insured" is also an additional "insured" under another liability policy.

C. This endorsement will apply only if the "accident" occurs:

- 1. During the policy period;
- 2. Subsequent to the execution of the written contract or written agreement or the issuance of the written permit; and
- 3. Prior to the expiration of the period of time that the written contract, written agreement or written permit requires such insurance to be provided to the additional "insured".

D. Coverage provided to an additional "insured" will not be broader than coverage provided to any other "insured" under this Coverage Part.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

|  |
|--|
| <b>Named Insured:</b> NBS GOVERNMENT FINANCE GROUP<br><b>Endorsement Effective Date:</b> 9/24/2015 |
|--|

**SCHEDULE**

|   |
|---|
| <b>Name(s) Of Person(s) Or Organization(s):</b><br>ANY PERSON OR ORGANIZATION WHEN REQUIRED BY A WRIT |
|---|

Information required to complete this Schedule, if not shown above, will be shown in the Declarations

The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

| Person or Organization<br>ONLY WHERE REQUIRED BY | Job Description<br>CONTRACT |
|--|-----------------------------|
|--|-----------------------------|

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 9/24/2015 Policy No. WH3 - A427457 - 01 Endorsement No.  
Insured NBS GOVERNMENT FINANCE GROUP Premium \$  
Insurance Company THE HANOVER INSURANCE COMPANY

Countersigned By Janet Darby

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## STAFF REPORT

DATE: APRIL 5, 2016  
 TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
 FROM: BILL SMITH, CITY MANAGER *BS*  
 PREPARED BY: DAVID X. KOLK, Ph.D., UTILITY DIRECTOR *DK*  
 SUBJECT: ELECTRIC SCADA SYTEM UPGRADE

### RECOMMENDED ACTION

It is recommended that the Colton City Council, waive the formal bidding process and award the contract for the Supervisory Controls and Data Acquisition (SCADA) System Upgrade Project to Schweitzer Engineering Laboratories, Inc. (SEL) in the total amount of \$131,000, in accordance with Colton Municipal Code 3.08.140(b), and authorize the City Manager to execute the Professional Services Agreement with SEL.

### BACKGROUND

The Colton Electric Department (CED) utilizes SCADA to provide real-time control and data acquisition for the electric system. These systems are located in each electric substation and supply valuable load data and historical trending for use by the CED's engineering and operational personnel. SCADA Systems are a critical component for safe and reliable delivery of electricity. These systems have event reporting capability that can reduce outage time, and identify potential future problems so that they can be addressed before an actual outage occurs. The existing SCADA systems are outdated and upgrades are necessary to ensure efficient, reliable and safe system operations.

### ISSUES/ANALYSIS

The SCADA system integrates the various equipment and technologies in the electric substations to ensure reliable power deliveries. Much of the critical equipment that is integrated into the SCADA system is manufactured by SEL. In addition to providing equipment, SEL has also provided services related to the relay settings and for the existing SCADA systems. SEL has proven to be reliable and is an industry leader in these areas.

Because of the past history and excellent history with SEL, the City standardized to SEL systems at the Hub, Century, Drews, and North Substation SCADA projects. The SCADA system recently specified and installed for the Agua Mansa Switchyard and West Substation project are from SEL.

Since the CED has standardized to the SEL SCADA systems, and since SEL has the necessary tools and qualified personnel to support the proposed activities in most efficient, cost effective, and timely manner, staff requested a written proposal from SEL to upgrade the existing SCADA Systems. SEL submitted a proposal to provide the necessary equipment, software licenses, and services to upgrade the systems at the Hub, Century, Drews and North substation for an amount not-to-exceed \$131,000.

SEL did request changes to some of the City's standard terms. CED staff referred the requested changes to the City Attorney. The City Attorney negotiated with SEL on the proposed changes and was able to come to terms on language that was acceptable to both parties. The proposed Professional Services Agreement showing the complete Scope of Work is attached.

Colton Municipal Code 3.08 requires that professional services agreements over \$25,000 be approved by the City Council. Colton Municipal Code 3.08.140 (b) allow the City Council to waive the formal bidding requirement for non-public projects when no competitive market exists. Municipal Code 3.08.140 (e) further allows the competitive bidding process to be waived when the purpose of bidding has otherwise been accomplished and the City Manager determines it is in the best interest of the City and its operations.

Because SEL is the developer of the existing SCADA systems, and the manufacturer of the critical components of the substation equipment integrated into the system, a competitive market does not exist. Additionally, SEL is familiar with the CED operations and equipment, and it has been determined it is in the best interest of the City to enter into the proposed professional services agreement for the upgrades. Utilizing SEL will allow the systems to be upgraded in a timely and cost efficient manner.

## **FISCAL IMPACT**

Funds for the SCADA Systems Upgrade were approved in the Fiscal Year 15/16 mid-year budget request and are available in Electric Department, Substation Capital Improvement Account Number 520-8000-8003-3890-0107-000.

## **ALTERNATIVES**

1. Provide alternative direction to staff.

## **ATTACHMENTS**

1. Professional Services Agreement with SEL for the SCADA Systems Upgrade

ATTACHMENT 1

PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
CITY OF COLTON  
AND  
SCHWEITZER ENGINEERING LABORATORIES, INC.  
FOR THE  
ELECTRIC SCADA SYSTEM UPGRADE PROJECT

**CITY OF COLTON  
PROFESSIONAL SERVICES AGREEMENT**

**1. PARTIES AND DATE.**

This Agreement is made and entered into this 5th day of April, 2016 by and between the **City of Colton**, a municipal organization organized under the laws of the State of California with its principal place of business at 650 North La Cadena Drive, Colton, California 92324 (“City”) and Schweitzer Engineering Laboratories, Inc., a corporation, with its principal place of business at 2350 NE Hopkins Court, Pullman, WA 99163 (“Consultant”). City and Consultant are sometimes individually referred to herein as “Party” and collectively as “Parties.”

**2. RECITALS.**

**2.1 Consultant.**

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing Supervisory Controls and Data Acquisition (SCADA) system services to public clients, is licensed in the State of California, and is familiar with the plans of City.

**2.2 Project.**

City desires to engage Consultant to render such services for the Electric Department SCADA System Upgrade project (“Project”) as set forth in this Agreement.

**3. TERMS.**

**3.1 Scope of Services and Term.**

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional SCADA system services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules, and regulations.

3.1.2 Term. The term of this Agreement shall be from April 6, 2016 to November 30, 2016, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

(BB&K: 1-14)

### **3.2 Responsibilities of Consultant.**

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: Sergio M. Taboada.

3.2.5 City's Representative. The City hereby designates the Utilities Director, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Sergio M. Taboada, or his or her designee, to act as its technical representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The

Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees and Warranty of Consultant Products.

3.2.8.1 Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, (or, at Consultant's option, pay a third party to reperform) upon receipt of notice detailing the defect(s) within one (1) year of performance of the original services, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its subconsultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8.2 Consultant warrants to City that Consultant products are free from defects in material and workmanship for ten (10) years after shipment for all Consultant products, including Consultant-manufactured control enclosure structures and panels. This warranty is conditioned upon proper storage and shall be void in its entirety if City modifies Consultant products without prior written consent to and subsequent approval of any such modifications by Consultant or uses Consultant products for any applications that require product listing or qualification not specifically included in the Consultant written quotation or proposal. If any Consultant product fails to conform to this warranty, City properly notifies Consultant of such failure and City returns the Consultant product to Consultant factory for diagnosis (and pays all expenses for such return), Consultant shall correct any such failure by, at its sole discretion, either repairing any defective or damaged Consultant product part(s) or making available any necessary replacement part(s) or Consultant product(s); freight will be prepaid by Consultant (Carriage Paid to (CPT) customer's place of business). If Consultant is unable or unwilling to repair or replace, Consultant and City shall negotiate an equitable resolution such as a prorated refund or credit to the City's account. Any Consultant product repair or upgrade shall be covered by this warranty for the longer of one (1) year from date of repair or the remainder of the original warranty period.

Consultant shall, whenever possible, pass the original manufacturer warranty to City for non-Consultant products. Consultant does not warrant non-Consultant products, including non-Consultant control enclosure structures, and non-Consultant products within Consultant panels, control enclosure structures and systems, and products or prototypes provided by Consultant for testing, marketing, or loan purposes. Any software (including firmware) included with Consultant products is owned by Consultant (or its licensors) and is licensed, not sold, to City. City may use such software only with Consultant products and only as intended by Consultant. All software shall be provided subject to the then-current SEL Software License Agreement.

3.2.8.3 TO THE MAXIMUM EXTENT PERMITTED BY LAW, THIS WARRANTY SHALL BE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS, VERBAL OR IMPLIED (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE), provided that nothing in this Section 3.2.8 shall be deemed to limit the City's rights under other sections of this Agreement.

3.2.9 Period of Performance. Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Consultant shall also perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" or "B" attached hereto, or which may be revised and separately agreed upon in writing by the City and Consultant ("Performance Milestones"). Consultant agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such Project Milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the City may suffer damage. Should the City suffer damage due to Consultant's delay, Consultant shall be charged, not as a penalty, but as Liquidated Damages for City's sole remedy for delay, no more than one percent (1%) of this Agreement Compensation Amount for each and every week or a pro-rated part of the weekly amount thereof for each day of delay from the Final Performance Milestone Due date provided in this Agreement and the total Liquidated Damages charged will not exceed five percent (5%) of the Compensation Amount.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Consultant. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such

requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Consultant shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection at any time during normal business hours for those Consultant employees working on this Project. The City shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Consultants, Sub-subcontractors and Subconsultants. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, consultants, sub-subcontractors and subconsultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Consultant verifies that they are a duly authorized officer of Consultant, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Consultant or its subcontractors, consultants, sub-subcontractors or subconsultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.6 Air Quality. To the extent applicable, Consultant must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Although the SCAQMD and CARB limits and requirements are more broad, Consultant shall specifically be aware of their application to "portable equipment", which definition is considered by SCAQMD and CARB to include any item of equipment with a fuel-powered engine. Consultant shall indemnify City against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Consultant, its subconsultants, or others for whom Consultant is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Consultant's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency, the State Water Resources Control Board and the Santa Ana Regional Water Quality Control Board; the City's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

(B) Liability for Non-compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Consultant or City to penalties, fines, or additional regulatory requirements. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Consultant's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the City, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Consultant further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, City will provide Consultant with a list of training programs that meet the requirements of this paragraph.

### 3.2.11 Insurance.

3.2.11.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this Section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this Section.

3.2.11.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage; (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability or (2) cross liability for claims or suits by one insured against another.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability* \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

(C) Notices; Cancellation or Reduction of Coverage. At least thirty (30) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or materially reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Consultant or the City may withhold amounts sufficient to pay premium from Consultant payments. In the alternative, the City may suspend or terminate this Agreement.

3.2.11.3 Section Not Used.

3.2.11.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) certificates or endorsements providing the exact same coverage, the City of Colton, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Services or ongoing operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) certificates or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City, before the City's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.4(A).

(B) Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.4(B).

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days (10 days for nonpayment of premium) prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply

with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officials, officers, employees, agents and volunteers, or any other additional insureds.

3.2.11.5 Separation of Insureds; No Special Limitations; Waiver of Subrogation. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers. All policies shall waive any right of subrogation of the insurer against the City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

3.2.11.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions are the responsibility of the Consultant.

3.2.11.7 Subconsultant Insurance Requirements. Consultant shall not allow any subconsultants to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the City that they have secured all insurance required under this Section. If requested by Consultant, the City may approve different scopes or minimum limits of insurance for particular subconsultants. The Consultant and the City shall be named as additional insureds on all subconsultants' policies of Commercial General Liability using ISO form 20 38, or coverage at least as broad.

3.2.11.8 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A: VIII, licensed to do business in California, and satisfactory to the City.

3.2.11.9 Verification of Coverage. Consultant shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. In case of a claim, the City reserves the right to require complete, certified copies of all required insurance policies applicable to the claim. .

3.2.11.10 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.12 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times

be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.13 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement. It is understood that Consultant will hold the make-up of its labor rates, overhead, mark-up, and the processes associated to their calculations as proprietary and will not disclose such information in an audit conducted by the City.

### **3.3 Fees and Payments.**

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed one hundred thirty-one thousand dollars and no cents (\$131,000) without written approval of City's City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 30 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects. If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and If the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant’s principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

### **3.4 Termination of Agreement.**

3.4.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services and associated expenses for which Consultant is entitled to bill City under this Agreement, which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such Documents and Data within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

### **3.5 Ownership of Materials and Confidentiality.**

3.5.1 Documents & Data; Licensing of Intellectual Property. Consultant retains all its intellectual property rights. To the extent that any such Documents or Data prepared by Consultant while performing the Project is integrated into the Project, Consultant hereby grants a world-wide, non-exclusive, non-transferable, personal, revocable, limited license to City to copy, use, and modify, the designs, plans, specifications, studies, drawings, estimates, and other documents or work prepared by Consultant under this Agreement (“Documents & Data”). Documents & Data shall not be deemed “works made for hire” for City.

3.5.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that City is granted an equivalent license as Consultant has granted to the City for any

Documents & Data the subconsultant prepares under this Agreement. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the City.

3.5.3 Right to Use. Documents and Data and/or designs for other projects shall not be used for any purpose except the applicable Project without first obtaining Consultant's written consent. City agrees to indemnify, defend and hold harmless Consultant and all related parties from and against any unauthorized use or reuse of Documents and Data furnished by Consultant, and any changes made by the City or others relating to design documents produced by Consultant. Consultant shall not be responsible or liable for any misuse or revisions to the Documents & Data made by the City or any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved in writing by the Consultant.

3.5.4 Indemnification. Consultant shall defend any action brought against City based on a claim that any Consultant product as provided by Consultant infringes any United States patent, and Consultant shall pay any award or settlement recovered against City in any such action and shall reimburse City for reasonable costs incurred by City in the defense of any such action, provided that City gives Consultant prompt notice of such action, reasonable assistance in the defense thereof and full opportunity to control all aspects thereof, including settlement, and does not take any position adverse to Consultant in connection with such action. In the event such Consultant product is held to constitute infringement and use of the Consultant product is enjoined (or Consultant foresees a substantial risk of such event), Consultant shall, at its sole discretion, exchange the Consultant product with a non-infringing Consultant product acquire the right for City to continue using it, modify it so that it becomes non-infringing or repurchase it from City for a fair portion of the original price. Consultant shall not be liable for damages that arise after Consultant offers one of the foregoing remedies in good faith. Consultant shall not be liable for any patent infringement claim arising from any custom Consultant product, modification of any Consultant product, integration of any Consultant product not as intended by Consultant, or integration of any Consultant product with any non-Consultant product, and City shall fully indemnify, defend and hold harmless Consultant and all related parties from and against any such patent infringement claim.

3.5.5 Confidentiality. To the extent allowed in the applicable state public records disclosure laws, all ideas, concepts, know how, and trade secrets whether or not patentable or copyrightable, any information that is related to a party or its business operations, financials, performance results, product planning, marketing strategies, pricing, customers, prospects, suppliers, products, computers, software and any related information and any information that ought in good faith to be treated as confidential or proprietary, whether or not marked and, if verbal or visual, whether or not reduced to writing and marked, hereinafter referred to as "Confidential Information". Provided to one Party ("Receiving Party") by the other ("Disclosing Party"), in connection with the performance of this Agreement, shall be held confidential by the Receiving Party. All Confidential Information of the Disclosing Party shall not, without the prior written consent of the Disclosing Party, be disclosed, used or reproduced by Receiving Party for any purposes other than the performance of the Services. Receiving Party shall not disclose, cause or facilitate the disclosure of the Disclosing Party's Confidential Information to any person or entity not connected with the performance of the Services or the Project and not having a need to know.

Nothing furnished to the Receiving Party that is otherwise known to the Receiving Party or is generally known, or has become known, to the related industry or the public shall be deemed confidential. Neither Party shall use the other Party's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the other Party.

### **3.6 General Provisions.**

3.6.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

#### **Consultant:**

For Technical Matters:  
Schweitzer Engineering Laboratories, Inc.  
420 Exchange, Suite 100  
Irvine, CA 92602.  
Attn: Sergio M. Taboada

For Contractual Matters:  
Schweitzer Engineering Laboratories, Inc.  
2350 NE Hopkins Court  
Pullman, WA 99163  
Attn: Susan Anderson, Contracts and Risk Manager  
Phone: 208-332-1890  
FAX: 509-332-7790  
Email: selcontracts@selinc.com

#### **City:**

City of Colton  
650 North La Cadena Drive  
Colton, California 92324  
Attn: David Kolk, Utilities Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

### **3.6.2 Indemnification.**

3.6.2.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged

negligent or willful acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of reasonable attorneys' fees and costs of litigation . Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.6.2.2 Additional Indemnity Obligations. Consultant shall defend, with Counsel of City's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.6.2.1 that may be brought or instituted against City or its directors, officials, officers, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding to the extent due to Consultant's negligence. Consultant shall also reimburse City for the cost of any settlement paid by City or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's reasonable attorney's fees and costs of litigation. Consultant shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials, officers, employees, agents, or volunteers. In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall Consultant's liability to City or its insurers for any loss or damage directly related to Consultant's performance under this Agreement exceed the limits as follows: i) for those claims covered by Consultant's insurance under the applicable insurance policy or policies as required to be maintained under this Agreement herein, Consultant's liability shall be limited to the amount of the applicable insurance policy or policies; ii) for all other claims except those arising as a result of Consultant's violation of applicable law or patent infringement, Consultant's liability shall in no event exceed the price of the service or product that gave rise to the claim, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, and any liability shall terminate at a reasonable time, not to exceed two (2) years, after provision of Services. Claims against Consultant are hereby agreed to have accrued not later than the completion of the Services, notwithstanding any laws to the contrary. In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall Consultant be liable for any special, incidental, consequential or punitive damages, including without limitation any loss of profit or revenues, loss of use of associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, downtime costs or claims of City's customers for such damages.

3.6.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et

seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

3.6.4 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.6.5 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.6.6 Assignment or Transfer. Consultant shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City, except to Consultant's subsidiaries. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.6.7 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement. All references to subconsultants, subcontractors, sub-subconsultants, and sub-subcontractors in this Agreement include only those agencies or individuals specifically subcontracted to provide services, consultation, or supplies for specific work on this Project.

3.6.8 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.6.9 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.6.10 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.6.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

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

3.6.12 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.6.13 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.6.14 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.6.15 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.16 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6.17 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

**[SIGNATURES ON NEXT PAGE]**

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF COLTON  
AND SCHWEITZER ENGINEERING LABORATORIES, INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the 5th day of April, 2016.

**CITY OF COLTON**

By: \_\_\_\_\_  
William R Smith  
City Manager

*Attest:* \_\_\_\_\_  
City Clerk

**SCHWEITZER ENGINEERING LABORATORIES  
a Corporation**

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Title (Print)

## EXHIBIT "A"

### SCOPE OF SERVICES

Upgrade existing City of Colton Electric Department SCADA system per network diagram provided herein and attached as Attachment A. Services shall include engineering services, equipment, and software for automatic event collection, centralized user server, engineering access, and automatic password management of Schweitzer Engineering Laboratories (SEL) relays.

#### Service Description:

SEL will provide the following engineering services:

1. Program SEL-3530 Real-Time Automation Controller (RTAC) and SEL-3622 Security Gateway for password management for all SEL relays in each substation (see Attachment A)
2. Configure SEL-3355 computer in control room to provide SCADA HMI access, Lightweight Directory Access Protocol (LDAP) server, engineering access to SEL relays, and relay event collection via TEAM software.
3. Update Drews substation HMI screens to show new SEL-351 Protection System relays
4. Configure one RTAC to retrieve energy metering values from three SEL-735 (SCE Meters) and display via RTAC web interface.
5. Updating existing RTAC HMI interfaces for North, Century, and Hub substations to Version 3.0.1.186 (HTML5).
6. Configure one RTAC to interface with three SEL relays at Ecology Substation.
7. Configure one RTAC and RTAC HMI to interface with three SEL relays at Agua Mansa Switchyard station.
8. Configure one SEL RTAC and RTAC HMI to interface with three SEL relays at West Substation.
9. Two scheduled trips for one SEL engineer to provide onsite support for commissioning. Nine days total for site support. One day will be used to provide hands-on training for TEAM software event analysis and engineering access to SEL relays.

#### SEL Provided Products:

1. One SEL-5045 TEAM Events license.
2. One SEL-3355 Computer.
3. Two SEL-2725 Unmanaged Switch.
4. One SEL-3505 Automation Controller.
5. Seven SEL-3622 Security Gateway.
6. Eight SEL-9322 15 Vdc Power Supply (for SEL-3505 & SEL-3622).

Deliverables to City:

EQUIPMENT

SEL will provide the following equipment to the City:

| PART     | MOT                      | KEY CODE | QUANTITY |
|----------|--------------------------|----------|----------|
| SEL-5045 | 5045Q0100Q0000Q0000Q0000 | 6094     | 1        |
| SEL-3355 | 3355=4DFJ                |          | 1        |
| SEL-2725 | 2725D23X0                | 2655     | 2        |
| SEL-3505 | 3505DEX3XAXX21X0XXXXXX   | 2733     | 1        |
| SEL-3622 | 3622XDE0XXX0             | 5440     | 7        |
| SEL-9322 | 93226XX                  | 1923     | 8        |

DOCUMENTATION

SEL will provide the following documentation to the customer:

1. An initial set of drawings for the customer to review, comment, and approve consisting of the following:
  - a. Drawing index or drawing transmittal sheet that includes drawing number, revision number, and description.
  - b. Updated SCADA Network Diagram,
  - c. RTAC Communication Wiring diagram drawings.
  - d. Bill of material (BOM), including revised part numbers and quantities.
2. A final set of the above drawings that have been approved by City.
3. A protection and/or automation factory acceptance test (FAT) report.
4. An electronic copy of all drawings and BOMs furnished by SEL.
5. Screen shots of initial HMI design for customer approval.
6. Final RTAC and RTAC HMI project files.
7. Updated Functional Design Specification (from existing SCADA).

Note: All drawings will be provided in AutoCAD format (.dwg) Version 2014 unless otherwise noted.

Deliverables from City to SEL:

City will provide the following items to SEL:

1. An approved one-line drawing of each substation shown in Attachment A.
2. Drawing templates, standards, and numbers. If not supplied, then the project will use SEL drawing templates, standards, and numbers.

3. A review and approval of the initial drawing package.
4. Settings files for all SEL IED's that are part of the system proposed.
5. RTAC and RTAC HMI project files North, Hub, Century and Drews Substations.
6. Approval of HMI Screenshot Designs.
7. Approval of IED Data Maps.

Any potential changes in the above Scope of Work will be requested by the Party identifying the need for the potential change and agreed to both Parties in writing.

All network connections hardware (such as fiber optic patch cords, cables, etc.) shall be provided by the City. Consultant shall supervise and assist City in the configuration of the network.

It is understood that the SCADA network is isolated and will not connect to any other network. The City shall be responsible for supplying a list of users, their access restrictions, and then maintaining the policies and procedures for password management.

#### On-Site Commissioning Support:

On-site commissioning support shall be provided as part of the Project. For this support, the Consultant's engineer will work under the direction of the City's engineer in charge and will assist with technical issues that arise during commissioning regarding the SEL devices. The engineer in charge will be responsible for providing and operating required test equipment. The SEL engineer will follow operational and safety procedures governing the work site but will not be responsible for enforcing operations and safety procedures, for the direct supervision of personnel, or for taking or releasing system clearances.

Delays in project completion, or non-completion, of the on-site commissioning support, due to troubleshooting, finding and correcting problems created by the City's installation shall not be the responsibility of Consultant.

Consultant's engineer shall bring hard hat, safety-toe protective footwear, safety glasses, ear plugs, and cotton or fire-rated shirt. City shall provide any other special any other special clothing or equipment required to enter site. City shall provide any special training to enter site and such time will be applied to on-site support time.

#### Factory Acceptance Testing:

Consultant personnel shall thoroughly test each panel and adapt testing procedures to meet special City requirements.

Consultant shall perform complete factory assembly and testing of integrated systems, contributing to easier, faster and error-free commissioning.

The check-out procedures, specifically for relays and automation FAT activities, typically will include the following activities:

1. Pre-functional test checkout (general workmanship, wire continuity, isolation, etc.).
2. Settings loaded into the relays and communications processors.
3. Data cable connection checkout.
4. Communications status checkout.
5. DC control circuit functional tests (battery bank and charger).
6. AC sensing circuit functional tests.

City may have a representative present during the factory acceptance testing and will be given two weeks prior notification for the FAT.

On-Site Training:

On-site training is provided as part of the Project. Training will consist of an informal, job-site instruction for a small group of engineers and technicians, or a combination of both. The scope and format of the training will be created with input from the City's representative.

Training charges include the instructor's preparation time, delivery time, and expenses for one instructor, on-site, a course syllabus, and training materials for a set number of students. Consultant shall be given four weeks notification for training to allow for adequate preparation time. The City shall provide the training facility, PC projector, overhead projector, whiteboard with markers, relay test set (optional) and break and lunch services.

Cybersecurity – Project Passwords:

To maintain security during the process of engineering, fabrication, factory testing, shipment, delivery, on-site testing, and commissioning, the electronic devices in the system will be assigned project passwords. These passwords shall be specific to the Project and shall be controlled by Consultant on a strict need-to-know basis.

As part of the final deliverables, City will receive documentation identifying the project passwords in each of the delivered products. City shall change the project passwords to customer defined passwords upon receipt of the products.

**EXHIBIT “B”**  
**SCHEDULE OF SERVICES**

Consultant shall schedule a “kick-off” meeting within one week of receiving the Purchase Order and executed Agreement from City. Drawings will be transmitted electronically by email to expedite approval turnaround time.

One week after “kick-off” meeting, Consultant shall furnish a project schedule to City for approval.

Work for the Project shall be completed no later than September 30, 2016.

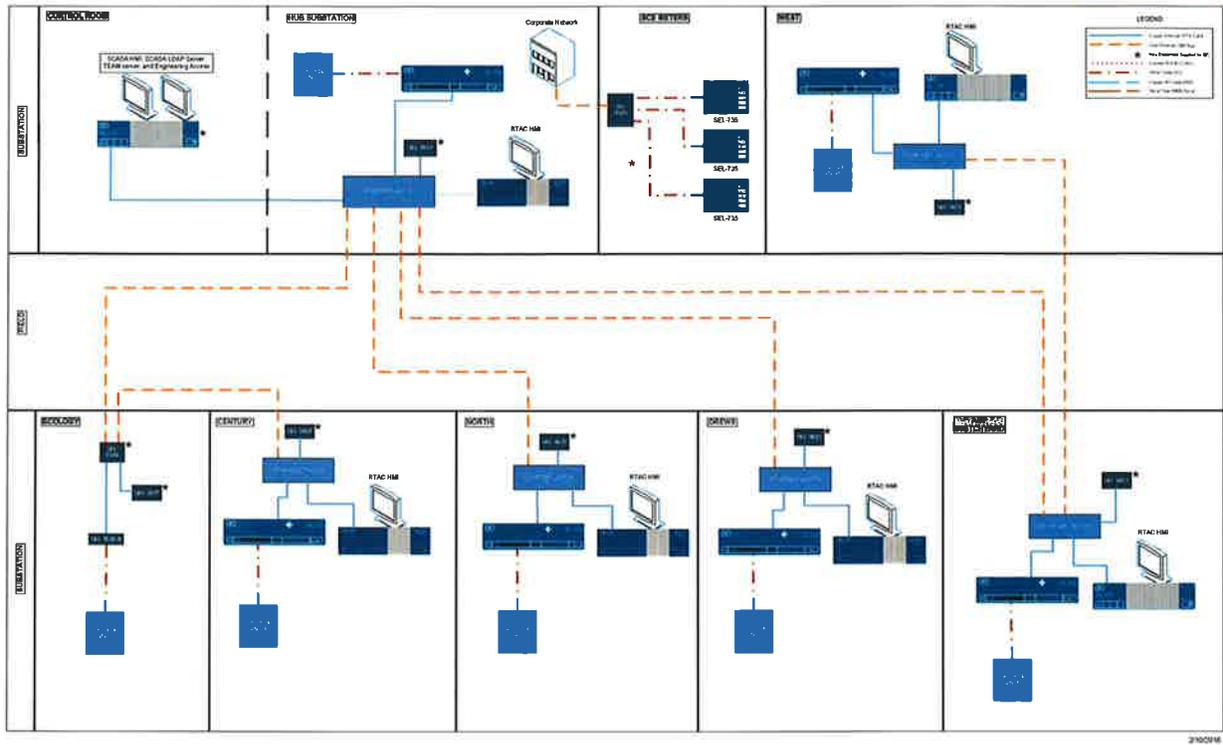
**EXHIBIT “C”**  
**COMPENSATION**

**Total compensation shall not exceed one hundred thirty-one thousand dollars and no cents (\$131,000.00)** without prior written approval from the City’s City Manager. Work completed shall be billed based on the following schedule:

- 1. Issue for review – RTAC and HMI settings.....\$ 41,157.00
- 2. Customer approval for RTAC and HMI settings.....\$ 41,156.00
- 3. Equipment Delivery (excluding Sales Tax).....\$ 27,948.00
- 4. Estimated Sales Tax (8%).....\$ 2,236.00
- 5. Completion of first commissioning trip .....\$ 10,000.00
- 6. Completion of second commissioning trip .....\$ 8,300.00



Attachment 1 Proposed SCADA Network Diagram



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## STAFF REPORT

DATE: APRIL 5, 2016  
 TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
 FROM: BILL SMITH, CITY MANAGER *BS*  
 PREPARED BY: DAVID X. KOLK, Ph.D., UTILITY DIRECTOR *DK*  
 SUBJECT: COOPERATIVE AGREEMENT BETWEEN COLTON AND CITY OF SAN BERNARDINO FOR THE FY 15-16 ASPHALT PAVING PROJECT

### RECOMMENDED ACTION

It is recommended that the City Council:

1. Approve Cooperative Agreement between the City of Colton and City of San Bernardino for Asphalt Paving of Hunts Lane and Johnston Street.
2. Approve an increase to the City Manager's authorization for change orders to the Hardy and Harper, Inc. construction contract for the FY 15-16 Asphalt Paving Project from 10% to up to 20%.
3. Approve Resolution No. R-25-16 to amend the Fiscal Year 2015-2016 Capital Improvement Budget to increase both revenues and expenditures by \$131,982.71.

### BACKGROUND

City Council previously approved the award of the construction contracts to DM Contracting, Inc., and to Hardy and Harper, Inc. for various street improvements projects as part of the FY 15-16 CDBG and Asphalt Paving capital improvement projects in the City of Colton. City Council also authorized the City Manager to approve change orders up to 10% of the contract amounts for each of these contracts. The contract with DM Contracting, Inc. included improvement on Johnston Street and the contract with Hardy and Harper, Inc. included improvements to Hunts Lane.

These projects focus on improving the city's failing arterial roads. The scope of work includes grinding and rubberized asphalt overlay of existing pavement, striping and replacement of traffic signal loops.

### ISSUES/ANALYSIS

Portions of Hunts Lane south of Interstate 10, and Johnston Street west of Mt. Vernon Avenue are jointly owned by the Cities of San Bernardino and Colton. The construction contracts previously

awarded included work on the Colton owned portions of the roads only. In October 2015, staff from the City of San Bernardino approached Colton staff to explore the possibility of a cooperative agreement to pave the two aforementioned streets, to which both cities share an ownership interest. The coordination of maintenance and repair activities that allow for similar maintenance efforts for aesthetic purposes, economies of scale and for public good benefit both Cities. The scope of work includes grinding and rubberized asphalt overlay of existing pavement, striping and replacement of traffic signal loops for the portion of the work located in the City of San Bernardino.

Hardy and Harper, Inc. provided a proposal to complete the additional work on Hunts Lane for a cost of \$83,982.71. DM Contracting provided a proposal to complete the additional work on Johnston Street for a cost of \$48,000. The total cost for both projects is \$131,982.71. The City of San Bernardino will reimburse these costs to the City of Colton after completion of the project.

The existing contract with DM Contracting can be amended to include the additional work on Johnston Street within the 10% contingency already authorized by City Council. The 10% contingency on the Hardy and Harper contract has already been authorized for additional improvements on Washington Street. Since the 10% contingency has already been used, staff is requesting the City Council increase the contingency amount for this construction contract up to 20% to cover the costs for the Hunts Lane improvements.

The proposed Cooperative Agreement (Agreement) between the Cities of Colton and San Bernardino will allow Colton to contract for the additional work to pave the jointly owned portions and to be reimbursed by the City of San Bernardino its share of the Cost

Resolution R-25-16, attached approves the Agreement between the Cities of Colton and San Bernardino and amends the Fiscal Year 2015-16 budget to include the additional capital improvement expense and the reimbursement from the City of San Bernardino.

## **FISCAL IMPACTS**

The Fiscal Year 2015-16 budget will be amended to increase Revenue Account Number 225-5886-000 by \$131,982.71, to reflect the reimbursement from the City of San Bernardino, and to increase Expense Account Number 225-1609-6150-3890 by \$131,982.71.

## **ALTERNATIVES**

1. Provide alternative direction to staff.

## **ATTACHMENTS**

1. Cooperative Agreement between the Cities of Colton and San Bernardino
2. Resolution R-25-16

## **ATTACHMENT NO. 1**

# **COOPERATIVE AGREEMENT BETWEEN THE CITIES OF COLTON AND SAN BERNARDINO**

**COOPERATIVE AGREEMENT  
BETWEEN  
CITY OF COLTON AND CITY OF SAN BERNARDINO  
FOR STREET PAVING PROJECT**

**1. PARTIES AND DATE.**

This Cooperative and Maintenance Agreement ("Agreement") is made and entered into this 7th day of March, 2016, by and between the City of Colton, a municipal corporation organized under the laws of the State of California, with its principal address located at 650 North La Cadena Drive, Colton, California 92324 ("COLTON") and the City of San Bernardino, a municipal corporation organized under the laws of the State of California, with its principal address located at 300 North "D" Street, San Bernardino, California. 92418 ("San Bernardino"). COLTON and SAN BERNARDINO are sometimes referred to individually as "party" and collectively as "parties" herein.

**2. RECITALS.**

2.1 Hunts Lane from Washington Avenue north to the Union Pacific Railroad overpass and Johnston Street from Mt. Vernon Avenue west to Bordwell Street are currently shared equally by COLTON and SAN BERNARDINO.

2.2 COLTON and SAN BERNARDINO have jointly determined that street improvements are desired for the two aforementioned street segments.

2.3 COLTON and SAN BERNARDINO recognize the benefits to the public to improve traffic safety on these streets.

2.4 The improvements to the street segments (see Exhibit A.1 – Project Location) shall consist of grinding existing asphalt as needed, installation of asphalt concrete overlay and other necessary improvements (the "Project").

**NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**3. TERMS.**

**3.1 CITY OF COLTON AGREES:**

3.1.1. To be the lead agency for environmental, design/engineering and construction of the Project.

3.1.2. To prepare and obtain environmental clearance for the Project.

3.1.3. To obtain or cause to obtain any right of way or easements required for the Project.

3.1.4. To provide or cause to provide environmental, design/engineering, construction and construction engineering services to construct the Project.

3.1.5. To review, comment on, and reasonably approve the design plans, specifications and estimates prior to advertising for bids for the construction of the Project.

3.1.6. In determining project costs, to keep accurate records and accounts relating to the Project regarding contract costs, hours worked, equipment and supplies used, mileage and similar matters, which records shall be open for review by SAN BERNARDINO during regular business hours, and retained for audit for a period of three (3) years from the date of final payment.

3.1.7. To obtain or cause to be obtained any and all necessary permits for the Project and ensure that any and all utility facilities and appurtenances or structures that are necessary for the construction of the Project are properly removed or relocated, as necessary.

3.1.8. To coordinate the Project implementation with all affected parties.

3.1.9. To pay the total construction cost of the Project in accordance with the Project cost breakdown contained in Exhibit B, attached hereto and incorporated herein by reference. The cost of the Project shall include any extra work that may be necessary to complete the Project.

### **3.2 CITY OF SAN BERNARDINO AGREES:**

3.2.1. By execution of this Agreement, to grant COLTON and its contractors the right to construct the Project within SAN BERNARDINO rights-of-way. SAN BERNARDINO shall issue an encroachment permit free of charge to the contractor to whom COLTON awards the Project through competitive bid.

3.2.2. The estimated share of SAN BERNARDINO for the Project (design and construction) is \$131,982.71. SAN BERNARDINO shall reimburse COLTON for its actual share of the Project once the Project is completed and accepted by SAN BERNARDINO staff.

### **3.3 IT IS MUTUALLY AGREED AS FOLLOWS:**

3.3.1. COLTON shall coordinate with SAN BERNARDINO to ensure adequate traffic control during the construction of the Project.

3.3.2. Prior to the commencement of construction of the Project, COLTON shall ensure that SAN BERNARDINO officers and employees are named as additional insured persons for the liability insurance coverage for the Project.

3.3.3. Ownership and title to all materials, equipment, and appurtenances installed as part of this agreement will automatically be vested with the jurisdiction for which the improvements reside and no further agreement will be necessary to transfer ownership.

3.3.4. COLTON and SAN BERNARDINO shall each defend, indemnify and hold the other party and its officials, officers, employees, consultants, subcontractors, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, to the extent arising out of or incident to any negligent acts, omissions or willful misconduct of the indemnifying party or its officials, officers, employees, consultants, subcontractors, volunteers and agents arising out of or in connection with the performance of this agreement, including without limitation, the payment of all consequential damages and attorney's fees and other related costs and expenses.

3.3.5. This Agreement may be executed in one or more counterparts. When a counterpart shall have been signed by each party hereto, each shall be deemed an original, but all of which constitute one and the same instrument.

3.3.6. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.3.7. The parties declare that each party has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective party.

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

**3.4 NOTICES:** All notices required shall be sent by regular mail, postage prepaid and addressed as follows:

**CITY OF COLTON**  
Public Works Department  
160 South 10<sup>th</sup> Street  
Colton, CA 92324  
Attention: Public Works Director

**CITY OF SAN BERNARDINO**  
Public Works Department  
300 N "D" Street  
San Bernardino, CA 92418  
Attention: Public Works Director

**COOPERATIVE AGREEMENT  
BETWEEN  
CITY OF COLTON AND CITY OF SAN BERNARDINO  
FOR STREET PAVING PROJECT**

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their authorized representatives on the date first written above.

**CITY OF COLTON:**

**CITY OF SAN BERNARDINO:**

By: \_\_\_\_\_  
Richard DeLaRosa, Mayor  
City of Colton

By: Mark Scott  
Mark Scott, City Manager  
City of San Bernardino

Attest:

Attest:

By: \_\_\_\_\_  
City Clerk

By: Gertrude Hanna  
City Clerk

Approved as to Form:

Approved as to Form:  
Gary D. Saenz, City Attorney

By: \_\_\_\_\_  
City Attorney

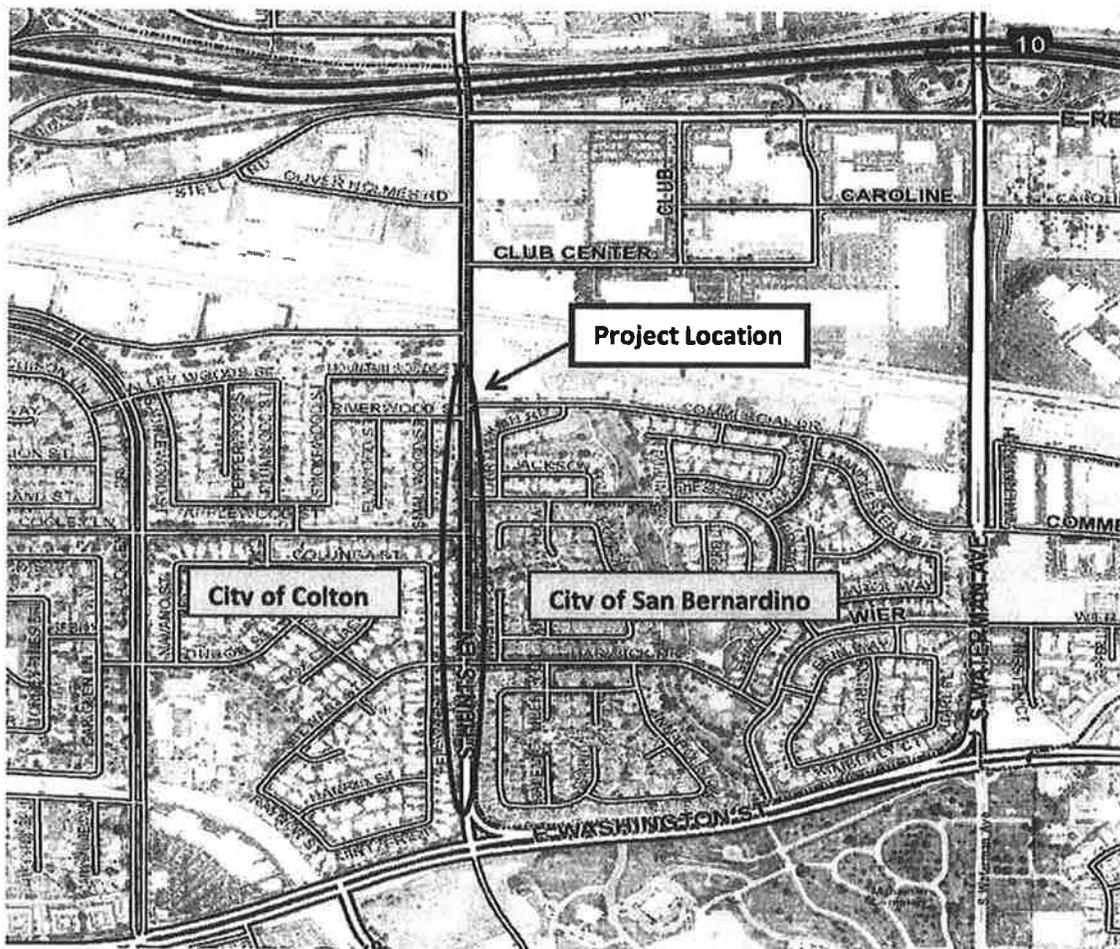
By: Glenn Crider

**EXHIBIT A**

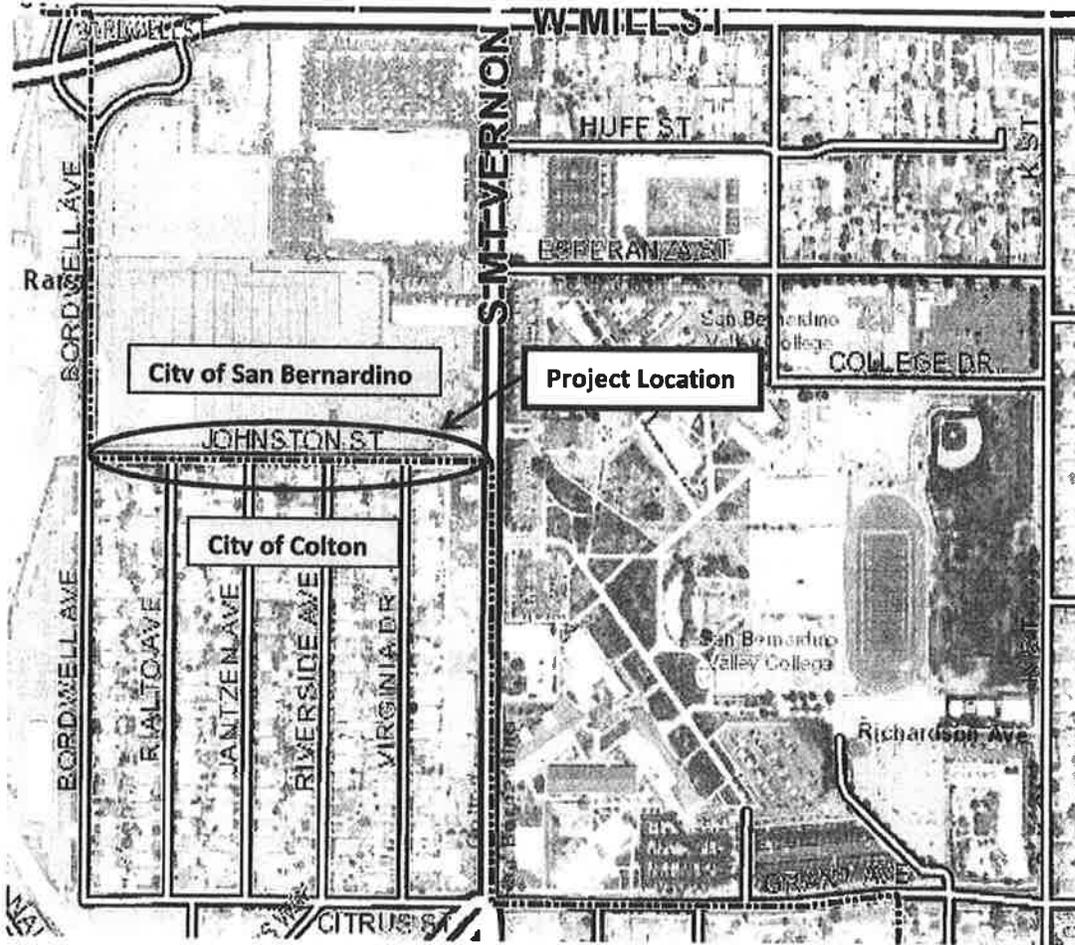
**A.1 Project Location**

**Exhibit A**

**Hunts Lane Project Location**



### Johnston Street Project Location



#### A.2 Cost Breakdown

| Item Description  | Total               |
|---|---------------------|
| Hunts Lane from Washington Avenue north to the UP Railroad overpass | \$83,982.71         |
| Johnston Street from Mt. Vernon Avenue west to Bordwell Street      | \$48,000            |
| <b>Total Cost</b>   | <b>\$131,982.71</b> |

## **ATTACHMENT NO. 2**

### **Resolution R-25-16**

**RESOLUTION NO. R-25-16**

**RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COLTON TO APPROVE A COOPERATIVE AGREEMENT WITH THE CITY OF SAN BERNARDINO FOR THE IMPROVEMENTS TO HUNTS LANE FROM WASHINGTON AVENUE NORTH UP TO THE UNION PACIFIC RAILROAD OVERPASS AND JOHNSTON STREET FROM MOUNT VERNON AVENUE WEST TO BORDWELL STREET, AND TO AMEND THE FISCAL YEAR 2015-2016 CAPITAL IMPROVEMENT BUDGET TO APPROPRIATE \$131,982.71 INTO A NEW ACCOUNT.**

**WHEREAS**, the City Manager is hereby authorized and directed to execute, on behalf of the City, the Cooperative Agreement with the City of San Bernardino for grinding existing asphalt as needed, installation of asphalt concrete overlay and other necessary improvements, attached hereto as Exhibit "A" and incorporated herein; and

**WHEREAS**, the authorization to execute the above referenced Agreement is rescinded if it is not executed within ninety (90) days of the passage of this resolution; and

**WHEREAS**, the estimated share of the City of San Bernardino for the Project (design and construction) is \$131,982.71. The City of San Bernardino shall reimburse the City of Colton for its actual share of the Project once the Project is completed and accepted by San Bernardino staff.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The City Council hereby amends the Fiscal Year 2015-16 budget appropriation for the FY 15-16 Asphalt Paving Program as follows:

- a. Create a new expenditure account number 225-1609-6150-3890 and to appropriate \$131,982.71 for additional expenses in the FY-15/16 Asphalt Paving Project.
- b. Increase revenue account 225-5886-000 by \$131,982.71 to include the reimbursement from the City of San Bernardino.

**PASSED, APPROVED AND ADOPTED** this 5<sup>th</sup> day of April, 2016.

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ATTEST:

Richard A. DeLaRosa, Mayor

Carolina R. Padilla, City Clerk



## STAFF REPORT

DATE: APRIL 5, 2016  
 TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
 FROM: BILL SMITH, CITY MANAGER  
 PREPARED BY: MARK TOMICH, DEVELOPMENT SERVICES DIRECTOR  
 SUBJECT: RESERVATION OF WEST VALLEY HABITAT CONSERVATION CREDITS FOR THE CAL-MED SURGERY CENTER (APN No. 162-28-167)

### RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. R-24-16 to expand the number of parcels benefitting from the reservation of 11.69 acres of habitat conservation credits toward satisfaction of the West Valley Habitat Conservation Plan (WVHCP) habitat conservation requirements.

### BACKGROUND

On August 4, 2015, the City Council approved Resolution No. R-91-15 to reserve 11.69 acres of habitat conservation credits for use by the California University of Science and Medicine (CUSM) and a surgery center proposed by the CalMed Surgery Group (the net result of credits accumulated from the donation of 20 acres of habitat conservation land by Carl Ross, and 7-acres of City-owned habitat within the Hermosa Gardens Cemetery). The City Council Resolution reserving habitat conservation credits identified specific parcels that could benefit from the reservation. Since that time, the footprint of the proposed surgery center has expanded from 1.66 acres to 2.38 acres through the purchase of an adjacent .72-acre parcel (APN No. 0162-28-167).

Due to the expanded surgery center footprint, the applicant has requested that the parcels benefiting from the reservation of habitat conservation credits be expanded to include APN No. 0162-28-167.

### ISSUES/ANALYSIS

Although the City has acquired approximately 30 acres of conservation credit, 18.3 acres has been allocated to Mr. Ross to allow development of his remaining land within the WVHCP (see Habitat Conservation Credits/Debits table, Attachment 1). If the City had not reserved habitat conservation credit for the exclusive use by CUSM and the surgery center, the remaining conservation credit would have been available for use by any development within the WVHCP.

Ultimately, 50.3 acres of conservation habitat must be acquired by the City and placed under a conservation easement, after which no tracking of habitat “credits and debits” will be necessary.

The CalMed project and the surgery center are active entitlement applications that will serve as a catalyst to the Hub City Centre Specific Plan. By including the additional surgery center parcel in the reservation of 11.69 acres of habitat conservation credit, the City will be furthering its economic development objectives to increase employment opportunities and property tax revenues in the West Valley/Hub City Centre area.

### **FISCAL IMPACTS**

The surgery center will be required to pay Habitat Mitigation Fees in the amount of \$98,672 for the development of Phase 1 (2.38 acres x \$41,459/acre = \$98,672). Reservation of 11.69 acres of conservation credit for the additional parcel will not result in undue benefit to any applicant, landowner or developer, but will ensure the promotion of economic development objectives for this area.

No direct or indirect fiscal impacts to the City will result from this action.

### **ALTERNATIVES**

1. Provide alternative direction to staff.

### **ATTACHMENTS**

1. Habitat Conservation Credits/Debits
2. Resolution No. R-24-16

## ATTACHMENT 1

## West Valley Habitat Conservation Plan

### Habitat Conservation Credits/Debits

#### Conservation Credits

| Assessor Parcel No.            | HCP Parcel No. | Acres        | Conservation Credit |
|--------------------------------|----------------|--------------|---------------------|
| 254-061-38 (Ross)              | 24             | 2.31         | 2.65                |
| 254-061-37 (Ross)              | 36             | 2.01         | 2.30                |
| 254-061-36 (Ross)              | 37             | 6.02         | 6.90                |
| 254-051-48 (Ross)              | 3              | 1.30         | 1.50                |
| 254-051-49 (Ross)              | 4              | 1.30         | 1.50                |
| 254-051-66 (Ross)              | 11             | 1.57         | 1.84                |
| 254-051-65 (Ross)              | 12             | 1.58         | 1.84                |
| 254-051-64 (Ross)              | 13             | 1.58         | 1.84                |
| 254-051-63 (Ross)              | 14             | 1.57         | 1.84                |
| 016-030-203<br>(City cemetery) | 97             | 7.00         | 7.78                |
| <b>TOTAL</b>                   |                | <b>26.24</b> | <b>29.99</b>        |

#### Conservation Debits

| Assessor Parcel No. | HCP Parcel No. | Acres       | Conservation Debit |
|---------------------|----------------|-------------|--------------------|
| 254-051-46 (Ross)   | 1              | 1.3         | 1.5                |
| 254-051-47 (Ross)   | 2              | 1.3         | 1.5                |
| 254-051-56 (Ross)   | 21             | 1.1         | 1.1                |
| 254-051-57 (Ross)   | 20             | 1.3         | 1.3                |
| 254-051-58 (Ross)   | 15             | 1.1         | 1.1                |
| 254-051-59 (Ross)   | 16             | 1.0         | 1.1                |
| 254-051-62 (Ross)   | 19             | 1.3         | 1.5                |
| 254-051-67 (Ross)   | 9              | 4.0         | 4.6                |
| 254-051-68 (Ross)   | 10             | 4.0         | 4.6                |
| <b>TOTAL</b>        |                | <b>16.4</b> | <b>18.3</b>        |

29.99 – 18.3 = **11.69** “surplus” conservation credits reserved for exclusive use by the California University of Science & Medicine and Cal-Med Doctors Group surgery center.

## ATTACHMENT 2





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CAROLINA R. PADILLA  
City Clerk



## STAFF REPORT

DATE: APRIL 5, 2016  
 TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
 FROM: BILL SMITH, CITY MANAGER  
 PREPARED BY: TED COOPER, HUMAN RESOURCES MANAGER  
 SUBJECT: COLTON FIREFIGHTERS ASSOCIATION NEGOTIATIONS

### RECOMMENDED ACTION

It is recommended that the City Council approve a Side Letter Agreement to the expired contract with the Colton Firefighters Association (CFA).

### BACKGROUND

The City and the CFA have been in continuous negotiations since the current Memorandum of Understanding (MOU) expired December 31, 2014. A previous Side Letter was approved by Council in August, 2015 which extended the MOU to December, 2015.

### ANALYSIS

The request before you tonight extends the expired MOU through December, 2016. Approval of this Side Letter will allow staff to focus on negotiating a comprehensive, long term successor agreement with the CFA. The applicable terms and conditions agreed upon in this and the previous Side Letter will be incorporated into the successor agreement.

### FISCAL IMPACTS

The fiscal impact associated with the Council's approval of this Agreement were anticipated and budgeted for the remainder of the current fiscal year.

### ALTERNATIVES

1. Provide alternative direction to staff.

### ATTACHMENT

CFA Side Letter Agreement

SIDE LETTER BETWEEN THE CITY OF COLTON AND  
THE COLTON FIREFIGHTERS ASSOCOATION

The City of Colton (City) and the Colton Firefighters Association (CFA) having engaged in the meet and confer process do mutually agree to the following:

- An extension to the current CFA contract and accompanying Side Letter (08/11/15) to December 31, 2016.
- A salary increase of 1.7% to be applied effective January 1, 2016. \*\*
- Promotional Step Placement. Employees will be placed at “D” step during the probationary year. Upon successful completion of the probationary year, the employee will move to “E” step. New hires would continue through the normal A-E step merit process.
- Fire unit participation in a 401a program: The City shall allow the Fire unit to participate in a 401a program implemented by ICMA-RC. This requires no financial obligation by the City. This plan is totally funded by Fire unit members. The only obligation by the City is to submit funds to the plan that the Fire unit members have designated through payroll deduction.
- The CFA will work jointly with the City to identify \$1.1 million in department savings, effective July 1, 2016, if the City is unable to identify adequate revenues to retain City services at current or greater levels.

\*\* Amounts due from January 1, 2016 to April 9, 2016 will be paid as a lump sum without adjusting the individual pay periods.

\_\_\_\_\_  
William R. Smith, City Manager  
City of Colton

\_\_\_\_\_  
Tom DeBellis, President  
Colton Firefighters Association

\_\_\_\_\_  
Date

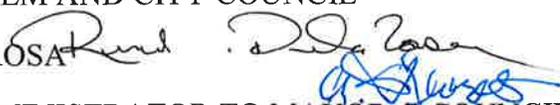
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## STAFF REPORT

DATE: APRIL 5, 2016

TO: HONORABLE MAYOR PRO TEM AND CITY COUNCIL

FROM: MAYOR RICHARD A. DELAROSA 

PREPARED BY: ADELFA FLORES, EXEC. ADMINISTRATOR TO MAYOR & COUNCIL 

SUBJECT: AUTHORIZE APPOINTMENT OF AN ADMINISTRATIVE ASSISTANT AND OFFICE SPECIALIST II IN THE CITY COUNCIL OFFICE

### RECOMMENDED ACTION

That the City Council authorize the appointment of an Administrative Assistant and Office Specialist II.

### BACKGROUND

On June 16, 2015, the City Council adopted the Fiscal Year 2015-16 Budget (Resolution No. R-75-15), authorizing funding for both, the Administrative Assistant and the Office Specialist II positions. A temporary hiring freeze was implemented by the City Council on January 19, 2016, affecting all positions that were vacant at the time or that would become vacant subsequently.

The Administrative Assistant position has been vacant since March 25, 2016, due to an employee resignation. The Office Specialist II employee is temporarily under-filling as the Administrative Assistant. Staff recommends that the employee currently under-filling this position be appointed as the City Council Administrative Assistant. The employee has gone through the recruitment process; is on the eligibility list for Administrative Assistant; has been working in the City Council Office since September 2015; and has proven abilities justifying she is well-qualified for this position. The above action would create an immediate vacancy for the Office Specialist II position. Therefore, this action would require Council approval to appoint the Office Specialist II.

### ISSUES/ANALYSIS

The City Council Office actively supports the City's goal to provide efficient and effective department operations, quality customer service, and invest in the organization's succession plan by attracting and retaining high caliber personnel.

The Administrative Assistant is a necessary position in the City Council Office. The position holds an integral role in the office and serves as the primary support for the Executive Administrator in all office operations. This position is largely responsible for City Council front office services, telephone calls and complex scheduling for seven elected officials. Working in the Council Office, the Administrative Assistant is also responsible for processing sensitive and confidential information for executive level staff.

The Office Specialist II position is necessary to the City Council Office daily operations. This position is primarily responsible for direct customer contact, processing incoming customer complaints, generating reports for the Council, working with city staff to follow-up on Council service requests, overseeing office supplies and equipment needs, and assists the Executive Administrator and Council with other non-routine tasks.

### **FISCAL IMPACTS**

Both positions are funded in the FY 2015-16 City Council budget account number 100-6000-6000. The salary range for the Administrative Assistant position is \$3475 to \$4224 per month. The salary range for the Office Specialist II position is \$2860 to \$ 3476 per month. Until both positions are filled, anticipated cost savings to the General Fund would be \$5,592 for FY 2015-16.

### **ALTERNATIVES**

1. Approve recommendation.
2. Alternative direction.



# STAFF REPORT

DATE: APRIL 5, 2016

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: BILL SMITH, CITY MANAGER *[Signature]*

PREPARED BY: DEB FARRAR, COMMUNITY SERVICES DIRECTOR (ACTING) *[Signature]*

SUBJECT: PROFESSIONAL SERVICES CONTRACT WITH INTEGRATED CONSULTING GROUP FOR FEASIBILITY STUDY FOR COLTON SPORTS COMPLEX

## RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to execute the Professional Services Agreement with Integrated Consulting Group (ICG), in the amount not-to-exceed \$96,000 to provide environmental studies for the next phase of the feasibility study for the Colton Sports Complex Project, as per the terms of the PSA, including exhibits attached thereto.

## BACKGROUND

City Council, the Recreation & Parks Commission, and City Staff have identified the need for a regional soccer complex and community park within Colton to meet the growing needs of the community. Currently, the City of Colton does not own a single soccer or football field to serve its community of over 53,000 residents. The current youth soccer and football clientele, which numbers well over 1,000 participants, utilizes school district fields, which are few in number, and difficult to maintain due to the demand for use, as the result of a lack of alternatives. The Colton Sports Complex will provide a primary location to facilitate usage by all of these participants, and ease the overuse of school district facilities, allowing better playing conditions for school sports.

The proposed Colton Sports Complex will provide a safe, well-maintained park, containing sports facilities geared toward soccer and football experiences for Colton family members of all ages. The proposed park site is located within the City of Colton accessible via Congress Street, and close to Veterans Park and adjacent to the Santa Ana River and the proposed Santa Ana River Trail. The proposed site encompasses several parcels of land, which are currently controlled by the City, with the last piece of property acquired in late 2015. In order to make decisions on potential development options, funding options, and allocation of City resources for the project, in 2014 the City retained Integrated Consulting Group (ICG) to prepare a conceptual design of the proposed site and prepare a development strategy report. The next phase of the project is to determine the California Environmental Quality Act (CEQA) requirements and how they might influence the conceptual design.

## **ISSUES/ANALYSIS**

It is recommended that ICG handle this phase of the feasibility study based on their familiarity of the proposed site in their work on the conceptual design and the limited timeframe remaining to use the grant funding, which expires June 30, 2016. The scope of work will include preparing to meet with the Army Corps of Engineers, State, County and other regulatory agencies to determine what environmental issues and possible impacts need mitigating in order to proceed with the funding and development of the proposed budget. ICG will also work with sub-consultants to address the CEQA categories of hydrology, geology and hazardous materials, air quality/greenhouse gas, biological resources, cultural resources, traffic and circulation and noise.

Two areas of significant concern are the location of the site in relation to the 100 Year Flood Plain of the Army Corps of Engineers and the former landfill site (Guyaux). Both concerns have the potential to change the design, in regard to necessary mitigation factors which must be resolved before a final site plan can be developed and the remaining studies performed in order to move to the next phase. Additionally, a Mitigated Negative Declaration is necessary in order to apply for grants and other funding sources

This PSA will allow for the preparation of the preliminary environmental studies and engineering pursuant to the development of a Mitigated Negative Declaration, which will save funding and time in the overall development of the project. All studies will be prepared directly by the consultant or by the sub-consultants listed on the proposal. ICG will provide direct coordination and oversee all communication between the sub-consultants and City Staff. The consultant's services will be overseen directly by city staff to ensure that content, quality, and timeframe commitments are met.

## **FISCAL IMPACTS**

There is no general fund impact as a result of this action. On February 3, 2013, the City Council adopted Resolution R-11-15 authorizing the execution of a State of California Standard Agreement for grant funding through the State of California, Department of Housing and Community Development, Housing Related parks (HRP) Grant Program and amended the budget to account for the \$214,050 grant allocation. The current funding remaining is \$96,708 and must be expended by June 30, 2016 or it will be returned to the State.

Expenditure account - 225-6200-1304-3890

## **ALTERNATIVES**

1. Provide alternative direction to staff.

## **ATTACHMENTS**

1. Professional Services Agreement with Integrated Consulting Group

**CITY OF COLTON  
PROFESSIONAL SERVICES AGREEMENT**

**1. PARTIES AND DATE.**

This Agreement is made and entered into this 6<sup>th</sup> day of **April, 2016** by and between the City of Colton, a municipal corporation organized under the laws of the State of California with its principal place of business at 650 North La Cadena Drive, Colton, California 92324 (“City”) and **ICG Integrated Consulting Group**, a corporation with its principal place of business at **4195 Chino Hills Parkway, #222, Chino Hills, California, 91709** (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**2. RECITALS.**

**2.1 Consultant.**

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing **Consulting** services to public clients, is licensed in the State of California, and is familiar with the plans of City.

**2.2 Project**

City desires to engage Consultant to render such services for the **Colton Sports Complex Feasibility Study** project (“Project”) as set forth in this Agreement.

**3. TERMS.**

**3.1 Scope of Services and Term.**

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional **Feasibility Study** consulting services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules, and regulations.

3.1.2 Term. The term of this Agreement shall be from **April 6, 2016** to **June 30, 2016**, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

### 3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: **Jeff Scott and Ron Hagan.**

3.2.5 City's Representative. The City hereby designates **Bill Smith, City Manager**, or his designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates **Jeff Scott**, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Period of Performance. Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Consultant shall also perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" or "B" attached hereto, or which may be separately agreed upon in writing by the City and Consultant ("Performance Milestones"). Consultant agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such Project Milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the City will suffer damage.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising

therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Consultant. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Consultant shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Consultants, Sub-subcontractors and Subconsultants. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, consultants, sub-subcontractors and subconsultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Consultant verifies that they are a duly authorized officer of Consultant, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Consultant or its subcontractors, consultants, sub-subcontractors or subconsultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.6 Air Quality. To the extent applicable, Consultant must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Although the SCAQMD and CARB limits and requirements are more broad, Consultant shall specifically be aware of their application to "portable equipment", which definition is considered by SCAQMD and CARB to include any item of equipment with a fuel-powered engine. Consultant shall indemnify City against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Consultant, its subconsultants, or others for whom Consultant is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Consultant's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency, the State Water Resources Control Board and the Santa Ana Regional Water Quality Control Board; the City's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

(B) Liability for Non-compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Consultant or City to penalties, fines, or additional regulatory requirements. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Consultant's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the City, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Consultant warrants that all employees and

subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Consultant further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, City will provide Consultant with a list of training programs that meet the requirements of this paragraph.

### 3.2.11 Insurance.

3.2.11.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this Section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this Section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement for cause.

3.2.11.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: **\$1,000,000** per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of **\$1,000,000** per accident for bodily injury or disease.

3.2.11.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Work or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.11.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers.

3.2.11.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Consultant shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.2.11.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

3.2.11.8 Verification of Coverage. Consultant shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11.9 Reporting of Claims. Consultant shall report to the City, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.12 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.13 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

### **3.3 Fees and Payments.**

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed **Ninety Six Thousand Dollars (\$96,000)** without written approval of City's **City Manager**. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, “Extra Work” means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City’s Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects. If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant’s principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

### **3.4 Termination of Agreement.**

3.4.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

### **3.5 Ownership of Materials and Confidentiality.**

3.5.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). All Documents & Data shall be and remain the property of City, and shall not be used in whole or in substantial part by Consultant on other projects without the City's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to City reproducible copies of all Documents & Data, in a form and amount required by City. City reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by City at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to City upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to City any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to City upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify City and provide City with the opportunity to obtain the documents.

3.5.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the City.

3.5.3 Right to Use. City shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at City's sole risk. If City uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only

with respect to the condition of the Documents & Data at the time they are provided to the City upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.5.4 Indemnification. Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by City of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.5 Confidentiality. All Documents & Data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. All Documents & Data shall not, without the prior written consent of City, be used or reproduced by Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the Documents & Data to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

### **3.6 General Provisions.**

3.6.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**Consultant:**

**ICG Integrated Consulting Group, Incorporated  
4195 Chino Hills Parkway, #222  
Chino Hills, California 91709  
Attn: Ron Hagen**

**City:**

City of Colton  
650 North La Cadena Drive  
Colton, California 92324  
Attn: **Deb Farrar, Director of Community Services (Acting)**

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

### 3.6.2 Indemnification.

3.6.2.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.6.2.2 Additional Indemnity Obligations. Consultant shall defend, with Counsel of City's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.6.1 that may be brought or instituted against City or its directors, officials, officers, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse City for the cost of any settlement paid by City or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Consultant shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

3.6.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

3.6.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6.5 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.6.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.6.7 Assignment or Transfer. Consultant shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.6.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.6.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.6.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.6.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.6.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

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

3.6.13 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this

Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.6.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.6.15 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.6.16 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

**[SIGNATURES ON NEXT PAGE]**

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF COLTON  
AND ICG INTEGRATED CONSULTING GROUP, INCORPORATED**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the **6th** day of **April, 2014**.

**CITY OF COLTON**

By: \_\_\_\_\_  
**William R. Smith**  
City Manager

Attest: \_\_\_\_\_  
**Carolina R. Padilla**  
City Clerk

**ICG INTEGRATED CONSULTING GROUP, INCORPORATED**  
a Corporation

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Title (Print)

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Title (Print)

**EXHIBIT "A"**  
**SCOPE OF SERVICES**

**Scope of Services as Specified in Proposal Dated March 23, 2016 and  
Attached as Exhibit A.**

**EXHIBIT "B"**  
**SCHEDULE OF SERVICES**

**All work to commence not earlier than April 6, 2016, and all work shall be completed by June 30, 2016.**

**EXHIBIT "C"**  
**COMPENSATION**

**Compensation shall not exceed Ninety Seven Thousand Dollars (\$96,000)**

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March 23, 2016

Mr. Bill Smith, City Manager  
Ms. Deb Farrar, Acting Director Community Services  
City of Colton  
640 N. La Cadena Drive  
Colton, Ca 92324

**SUBJECT: Proposal for Additional Consulting Services for the next phase of the feasibility study for the proposed Colton Regional Soccer Complex and Community Park**

Dear Mr. Smith and Ms. Farrar,

ICG and our team are pleased to present the following proposal for additional consulting services as the next step in the feasibility study of the Colton Regional Soccer Complex and Community Park to determine what CEQA requirements there will be and how they may influence the conceptual design.

This scope of work will prepare ICG and the City to meet with the Army Corps of Engineers, State, County and other regulatory agencies to determine what environmental issues and possible impacts need mitigating in order to proceed with the funding and development of the proposed project.

ICG has reviewed the concept plan with its environmental sub-consultants and has determined what CEQA (California Environmental Quality Act) issues will need to be addressed in preparing a future Mitigated Negative Declaration in order to gain approval to develop the proposed site for the intended uses.

ICG has determined that the CEQA categories that need addressing include the following:

- **Hydrology (Involving the Army Corps of Engineers)**
- **Geology and Hazardous Materials (Former Guyaux Landfill)**
- **Air Quality/Greenhouse Gas**
- **Biological Resources**
- **Cultural Resources**
- **Traffic and Circulation**
- **Noise**

The ICG Sub-Consultants that will work on these issues are:

- **Phil Martin & Associates**
- **Ninyo & Moore**
- **PBLA**
- **Stantec**
- **Giroux & Associates**

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- **Califauna**
- **Archaeological Associates**

ICG will provide coordination and oversee communication between the Sub-Consultants and the City.

Before the City can proceed with a final site plan and the above listed studies necessary to secure a Mitigated Negative Declaration it will need to address the site being in the 100 Year Flood Plain of the Army Corps of Engineers. Prior to meeting with the Army Corps of Engineers, and other oversight agencies, we need to do a biological survey of the site, a preliminary soils and geotechnical study, a background evaluation/work plan, and the preliminary engineering necessary to have the documentation required for the Army Corps of Engineers. We can then meet with the Corps and other regulatory agencies to determine what mitigation, if any, will be necessary to develop the site as planned.

The second issue that needs to be resolved before a final site plan is developed and the remaining CEQA studies can be done is what the State will require to mitigate the presence of lead soils in the former landfill site. Consequently, this next phase will deal with preparing the necessary studies and documentation to meet with the Army Corps of Engineers to resolve the flood plain issue and to meet with the State and County regarding the landfill issues so that in future phases of the study we can prepare the documents to eventually file a Mitigated Negative Declaration.

In order to save the City money and not have to repeat the environmental studies for the final CEQA approval and permitting process, our approach will be to prepare the preliminary environmental studies and engineering pursuant to the development of a Mitigated Negative Declaration for the project. Then, if the City makes any changes in the site plan during the funding, community outreach, and Commissions/Council approval process, we will only have to edit the Mitigated Negative Declaration instead of doing a complete new one.

Pursuant to this approach, we have developed the following scope of services, tasks, and fees.

## **Next Phase – Reports, Evaluation, and Preliminary Engineering**

### **Section I - A: Biological Survey, Soils/Geotechnical Report, Background Evaluation, and Work Plan**

The project is located adjacent to the Santa Ana River and within its 100 Year Flood Plain. PBLA and ICG will need to meet with the Army Corps of Engineers and the County Flood Control District, if necessary, to determine if the site has to be removed from the flood plain 100 year map. Along with the initial Corps meeting, meetings may also be required with the Regional Water Quality Control Board, California Fish and Wildlife and US Fish and Wildlife. At this time, it not known if permits or approvals will be required from any of these resource agencies. Prior to meeting with the Corps and the other possible regulatory agencies we need to prepare a biological survey, do a preliminary soils and geotechnical report, prepare a site background evaluation and work plan, and do preliminary engineering on the site.

The preliminary engineering will consist of records research, utility look up, preparing a boundary survey, conducting an aerial topography, preparing a conceptual grading plan, developing a conceptual utility plan,

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and preparing an on-site hydrology report.

This next phase will give us the documentation necessary to meet with the Corps and other agencies to resolve the flood plain map, lead soil issues, and determine what mitigation studies will be required to prepare an eventual Mitigated Negative Declaration.

ICG and our team can have these studies and reports completed by June 2016 if given the notice to proceed by April 15, 2016.

### **Section 1- B: Meetings**

This next phase of the feasibility study will require three types of meetings including coordination meetings between ICG and its sub-consultants; project team meetings between city staff and ICG and its sub-consultants; and, presentation meetings to commissions and City Council.

#### **Coordination Meetings**

A total of six (6) coordination meetings between ICG and its sub-consultants have been included.

#### **Project Team Meetings with City Staff**

A total of four (4) Project Team meetings with City staff have been included.

#### **Commissions and City Council Presentations**

When the next phase report is completed, we anticipate the Parks & Recreation Commission, Planning Commission, and City Council will review the report prior to ICG meeting with the Army Corps of Engineers and other agencies in the next scope of work for the feasibility study. We have included one meeting for both the Parks & Recreation Commission and Planning Commission to review the report, along with a City Council Study Session for presentation of the report. Consequently, we have included three presentation meetings.

We have not included any meetings with the Army Corps of Engineers, State, County, or other regulatory agencies in this next phase of the study, these meetings will take place in the future phases of the study.

This proposal is based on a reasonable schedule and the scope of work set forth herein. Changes in the schedule or scope of work assumptions may result in costs beyond those currently anticipated. Major changes could include, but not be limited to:

1. Changes in the project by the City, which cause revisions of printed documentation of plans beyond those covered by the scope of work.
2. Changes in the project, accepted by the City, which cause revisions of the printed documentation or plans or additional processing beyond that covered by the scope of work.
3. Changes in the schedule by the City beyond the parameters set forth in this proposal.
4. Expansion of the area of study or regulatory activity by the City.
5. Additional planning entitlements, permits, or recordation of maps.
6. Appeal of project determination (e.g. project approval or denial) by a public agency, other groups, or organizations.

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The following contains the summary of our proposed fees for this next phase.

**Proposed Fees for Next Phase Feasibility Study to Prepare Reports and Documentation in Order to Meet with the Army Corps of Engineers, State, and other Regulatory Agencies.**

| Task  | Fee             |
|---|-----------------|
| Biological Survey                               | \$10,850        |
| Soils Geotechnical Report                       | \$9,800         |
| Background Evaluation and Work Plan Preparation | \$11,976        |
| Engineering Research                            | \$1,500         |
| Boundary Survey                                 | \$4,500         |
| Utility Look UP                                 | \$1,500         |
| Aerial Topography                               | \$7,000         |
| Concept Grading Plan                            | \$8,000         |
| Concept Utility Plan                            | \$2,500         |
| Preliminary Hydrology Report                    | \$6,000         |
| Six Coordination Meetings                       | \$5,400         |
| Four Project Team Meetings with Staff           | \$3,600         |
| Three Presentation Meetings                     | \$2,700         |
| ICG Administration                              | \$10,000        |
| <b>Total Next Phase</b>                         | <b>\$85,326</b> |

This proposal does not include any scope of work that is not specifically identified in the above proposal. In addition, we recommend the City budget a contingency of \$10,000 to cover addressing the various possible unknowns.

We will be happy to meet with staff to discuss the next phase of the feasibility study scope and fees at your convenience. Please let us know if you have any questions.

Sincerely,



Jeff Scott  
Principal, President

Sincerely,

*Ron Hagan*

Ron Hagan  
Senior Associate Consultant, ICG



## STAFF REPORT

DATE: APRIL 5, 2016  
 TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
 FROM: BILL SMITH, CITY MANAGER  
 PREPARED BY: TIM McHARGUE, FIRE CHIEF *by [Signature]*  
 SUBJECT: PUBLIC HEARING TO DISCUSS THE CITY'S ANNUAL WEED ABATEMENT PROGRAM

### RECOMMENDED ACTION

That the City Council:

1. Conduct a Public Hearing for those property owners who wish to protest the abatement of weeds on their property.
2. Close the Public Hearing and direct the Fire Chief or his designee to abate the stated nuisance by having the weeds, rubbish, refuse or dirt removed.

### BACKGROUND

As allowed by the Government Code, each year the City conducts a comprehensive weed abatement program to address the annual growth of weeds and the accumulation of trash and debris on the vacant lots located within the City. By means of the declaration by Resolution of a Public Nuisance, notification by mail and the Public Hearing, the City is authorized to abate the weeds.

Twice a year, in the Spring and again in the Fall, a list and mailing labels of all unimproved parcels within the City is obtained from the County Assessor's Office. Notices conforming to the Government Code are sent to approximately 1,600 parcels identified as unimproved within the City, approximately 400 of which are actual qualified parcels for the Program. Property owners are given a due date to complete the abatement, after which a physical inspection of each parcel is conducted to check for compliance. Those properties not in compliance are then scheduled for abatement by the City's appointed contractor. Owner compliance has increased over the years and last season we received an approximate 80% owner initiated compliance rate.

The properties that require abatement through the City are then invoiced for the cost of the contractor and an administrative charge of \$130. The costs recovered through the direct billing method fluctuate from year to year, with an average collection rate of approximately 30%.

Those invoices which are not paid by the designated deadline are then placed upon the County Tax rolls for collection with the owner's annual tax bill.

### **ISSUES/ANALYSIS**

At the regular City Council Meeting on March 1, 2016, the City Council approved Resolution Number R-19-16 declaring weeds, rubbish and trash a public nuisance and directing the Fire Chief to give notice and provide for the abatement.

At this time, the City is entering into the Spring Program. Notices have been sent to all vacant property owners as identified and reported from the San Bernardino County Tax Assessor. Abatement proceedings are scheduled to begin June 1, 2016.

### **FISCAL IMPACTS**

Total contractor fees for the 2016 Weed Abatement Program are estimated at approximately \$35,000. Additional associated operating costs are estimated at \$2,000 and include items such as mailings and like incidental costs. These "pass-through" costs are recouped through direct billing and the County Tax Rolls. Funds budgeted in 2015-2016 Fiscal Year will cover the initial program costs associated with office supplies. Funds yet to be budgeted for the 2016-2017 Fiscal Year will cover those contractor costs billed beginning on July 1, 2016.

### **ALTERNATIVES**

1. Provide alternative direction to staff.

### **ATTACHMENTS**

None.



## STAFF REPORT

ITEM NO. 16

DATE: APRIL 5, 2016

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
HONORABLE CHAIRPERSON AND UTILITY AUTHORITY  
MEMBERS

FROM: BILL SMITH, CITY MANAGER *AA for BS*

PREPARED BY: DAVID X. KOLK, Ph.D., UTILITIES DIRECTOR *DK*

SUBJECT: WAIVE FULL READING, READ BY TITLE ONLY AND INTRODUCE  
ORDINANCE NO. O-08-16, AN ORDINANCE OF THE CITY  
COUNCIL OF THE CITY OF COLTON ESTABLISHING THE WATER  
RATE INCREASES FOR FY 2016-2017 TO FY 2020/2021

### RECOMMENDED ACTION

It is recommended that the City Council and Colton Utility Authority (CUA) waive full reading, read by title only and introduce Ordinance N0. O-08-16, an Ordinance of the City Council of the City of Colton establishing the water rate increases for FY 2016-2017 to FY 2020/2021.

### BACKGROUND

CUA and City of Colton provide water service to over 52,690 residential, commercial, industrial and municipal accounts and covers approximately 90% of the City of Colton. The water service area includes 14 square miles in the City of Colton and approximately 0.8 square miles of unincorporated area in San Bernardino County. Colton's service area is within the boundaries of the San Bernardino Valley Municipal Water District.

The City and CUA's water rates pay for all operating expenses as well as fund, on a pay-as-you-go basis, capital projects and debt service (annual principal + interest payments on outstanding debt). When the City and CUA issued bonds in the past to fund significant capital projects, the City and CUA guaranteed, and committed in these agreements, to establish and maintain water rates at levels sufficient to "cover" or pay for all debt service payments. The City and CUA are committed to replacing aging water infrastructure and securing an adequate water supply to meet current and future demands. All of the \$11,120,000 of bonds secured in December 1, 1998 has been expended on projects such as the construction of three replacement wells and two new wells, 30,000 feet of pipeline, and the property for groundwater recharge facilities.

On April 1, 2015 Governor Jerry Brown instituted California's first-ever statewide mandatory water reductions, Executive Order B-29-15 mandating several new conservation measures. On November 15, 2015, Governor Brown extended those conservation measures until October 31,

2016. Under drought regulations established pursuant to the Executive Order, the City was ordered to reduce its water consumption by 20%. City water customers have responded to these conservation mandates by reducing their water consumption 25%. The City engaged an independent rate consultant to study the effects of the 25% reduction in water sales, and the development of a new rate structure to provide a more stable source of revenues to fund utility obligations going forward as water sales continue decrease. The study concluded that the revenues from the City's water fees and charges are and will be insufficient to cover: (1) current and projected operations and maintenance costs for the water system, in particular energy, chemical supplies, water treatment costs, and debt service obligations; and (2) the capital infrastructure improvements needed to maintain, repair and update the City's aging water system. Accordingly, the study determined that rate increases are necessary to avoid operational deficits, further depletion of reserves, and an inability to address infrastructure and water quality improvements.

**ISSUES/ANALYSIS**

On October 6, 2015, NBS presented the Water Rate Study/Financial Plan to Colton Utility Authority and City Council. The Colton Utility Authority and Council members requested to have the Water Rate Study brought back to the October 20, 2015 council meeting to review the Capital Improvement Projects (CIP) Plan and to re-review the tiered rate option plan. The revised Water Rate Study was presented to City Council and the Colton Utility Authority at the February 16, 2016 Council Meeting, and a Public Hearing set for the April 5, 2016 Council Meeting.

The City's Water Enterprise is operating in an environment where revenues from rates are outpaced by operating and debt expenditures, caused primarily by significant capital expenditures for necessary upgrades to the water systems.

The Water Rate Study prepared by NBS, Inc. is attached as Exhibit B. The Table below shows the proposed rates for residential, commercial and other customers that are proposed to be adopted pursuant to Ordinance No. O-08-16.

**Commodity Charge (\$/Hundred Cubic Feet) Effective on July 1**

| <b>TIERS</b>                          | <b>Current</b> | <b>July 1 2016</b> | <b>July 1 2017</b> | <b>July 1 2018</b> | <b>July 1 2019</b> | <b>July 1 2020</b> |
|---------------------------------------|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Single Family Residential</b>      |                |                    |                    |                    |                    |                    |
| Current Uniform Volumetric Rate       | \$1.61         |                    |                    |                    |                    |                    |
| Tier 1 – 0-18 hcf                     |                | \$1.47             | \$1.64             | \$1.65             | \$1.67             | \$1.69             |
| Tier 2 – 19+ hcf                      |                | \$2.16             | \$2.39             | \$2.42             | \$2.44             | \$2.47             |
| <b>All Other Customers</b>            |                |                    |                    |                    |                    |                    |
| <b>Rate Per HCF of Water Consumed</b> | \$1.61         | \$1.67             | \$1.86             | \$1.87             | \$1.89             | \$1.91             |

**Monthly Service Charge (\$/Meter Size) Effective on July 1**

| Meter Size | Current    | July 1 2016 | July 1 2017 | July 1 2018 | July 1 2019 | July 1 2020 |
|------------|------------|-------------|-------------|-------------|-------------|-------------|
| 5/8 & 3/4" | \$16.70    | \$22.78     | \$25.29     | \$25.54     | \$25.80     | \$26.06     |
| 1"         | \$26.23    | \$37.00     | \$41.07     | \$41.48     | \$41.90     | \$42.31     |
| 1 1/2"     | \$47.00    | \$72.54     | \$80.52     | \$81.32     | \$82.14     | \$82.96     |
| 2"         | \$71.31    | \$115.19    | \$127.86    | \$129.13    | \$130.43    | \$131.73    |
| 3"         | \$84.86    | \$228.91    | \$254.09    | \$256.63    | \$259.20    | \$261.79    |
| 4"         | \$288.78   | \$356.85    | \$396.10    | \$400.07    | \$404.07    | \$408.11    |
| 6"         | \$489.49   | \$712.24    | \$790.59    | \$798.49    | \$806.48    | \$814.54    |
| 8"         | \$627.22   | \$1,280.86  | \$1,421.76  | \$1,435.98  | \$1,450.34  | \$1,464.84  |
| 10"        | \$896.96   | \$1,707.33  | \$1,895.14  | \$1,914.09  | \$1,933.23  | \$1,952.56  |
| 12"        | \$1,456.16 | \$2,400.34  | \$2,664.38  | \$2,691.02  | \$2,717.93  | \$2,745.11  |

**Monthly Commercial Fire Meter Charge (\$/Meter Size) Effective on July 1**

| Meter Size | Current  | July 1 2016 | July 1 2017 | July 1 2018 | July 1 2019 | July 1 2020 |
|------------|----------|-------------|-------------|-------------|-------------|-------------|
| 4"         | \$62.28  | \$79.30     | \$88.02     | \$88.90     | \$89.79     | \$90.69     |
| 6"         | \$139.73 | \$179.38    | \$199.11    | \$201.10    | \$203.11    | \$205.14    |
| 8"         | \$242.99 | \$312.81    | \$347.22    | \$350.69    | \$354.20    | \$357.74    |
| 10"        | \$380.68 | \$490.73    | \$544.71    | \$550.15    | \$555.66    | \$561.21    |

**FISCAL IMPACTS**

The proposed rate increases will provide the following: 1) replace lost revenues due to water conservation; and 2) provide funding for major Capital Improvement Projects (reservoirs, new wells, transmission lines, and water conservation improvements).

**ENVIRONMENTAL IMPACT**

None

**ALTERNATIVES**

1. Provide alternative direction to staff.

**ATTACHMENTS**

- Exhibit A – Ordinance No. O-08-16
- Exhibit B – Water Rate Study

**Exhibit A**  
**Ordinance No. O-08-16**



1 service charge on certain commercial properties as a condition of extending or initiating water  
2 service by (1) the installation of a private fire suppression system, and (2) upon the request of the  
3 consumer or property owner for the delivery of water to the property for the purpose of fire  
4 service protection. The rates for the monthly commercial fire meter charge are established on the  
5 basis of the size of the meter serving a property and are calculated to recover the costs of  
6 providing water to such properties for private fire service protection. ; and **WHEREAS**, the rates  
7 are calculated to proportionately allocate the costs of providing water service among the customer  
8 classes and to customers within each class on a parcel basis; and

9 **WHEREAS**, in accordance with the provisions of Article XIII D, section 6 of the  
10 California Constitution, the City mailed out notices of the proposed rate increases and such  
11 notices were provided to all record owners of property upon which the proposed water service  
12 charges are proposed for imposition and any tenants who are directly liable for the payment of the  
13 proposed water service charges (i.e., customers of record who are not property owners) within the  
14 City not less than 45 days prior to the public hearing on the proposed establishment of rates and  
15 charges as set forth herein; and

16 **WHEREAS**, the City Council conducted a public hearing on April 5, 2016, to receive  
17 oral and written testimony regarding this Ordinance and the proposed rate increases. Said date  
18 and time were not less than forty-five days after the mailing of the notice; and

19 **WHEREAS**, at the conclusion of the public hearing, written protests against the proposed  
20 rate increases were not presented by a majority of the record owners of parcels upon which the  
21 water service charges are imposed and tenants directly responsible for the payment of water  
22 service charges; and

23 **WHEREAS**, it is deemed to be in the best interests of the City to adopt the rate increases  
24 due to the fiscal impacts referenced above.

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1 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON,**  
 2 **CALIFORNIA DOES ORDAIN AS FOLLOWS:**

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 4 **Section 1.** All of the foregoing Recitals are true and correct and the City Council so  
 5 finds and determines. The Recitals set forth above are incorporated herein, are made findings and  
 6 determinations of the City Council, and are made an operative part of this Ordinance.

7 **Section 2.** The City Council hereby finds and determines that written protests against  
 8 the proposed rate increases were not presented by a majority of the record owners of parcels upon  
 9 which water service charges are imposed or tenants directly responsible for the payment of water  
 10 service charges. The City Council therefore finds and determines that a majority protest does not  
 11 exist and it is authorized to impose the rate increases as set forth herein.

12 **Section 3.** The City hereby adopts the rates for water service charges in the amounts  
 13 and on the effective dates set forth in the tables below.

14 **Commodity Charge (\$/Hundred Cubic Feet) Effective on July 1**

| TIERS                                 | Current | July 1, 2016 | July 1, 2017 | July 1, 2018 | July 1, 2019 | July 1, 2020 |
|---------------------------------------|---------|--------------|--------------|--------------|--------------|--------------|
| <b>Single Family Residential</b>      |         |              |              |              |              |              |
| Current Uniform Volumetric Rate       | \$1.61  |              |              |              |              |              |
| Tier 1: 0-18 hcf                      |         | \$1.47       | \$1.64       | \$1.65       | \$1.67       | \$1.69       |
| Tier 2: 19+ hcf                       |         | \$2.16       | \$2.39       | \$2.42       | \$2.44       | \$2.47       |
| <b>All Other Customers</b>            |         |              |              |              |              |              |
| <b>Rate Per HCF of Water Consumed</b> | \$1.61  | \$1.67       | \$1.86       | \$1.87       | \$1.89       | \$1.91       |

15  
 16 **Monthly Service Charge (\$/Meter Size) Effective on July 1**

| Meter Size | Current    | July 1, 2016 | July 1, 2017 | July 1, 2018 | July 1, 2019 | July 1, 2020 |
|------------|------------|--------------|--------------|--------------|--------------|--------------|
| 5/8 & 3/4" | \$16.70    | \$22.78      | \$25.29      | \$25.54      | \$25.80      | \$26.06      |
| 1"         | \$26.23    | \$37.00      | \$41.07      | \$41.48      | \$41.90      | \$42.31      |
| 1 1/2"     | \$47.00    | \$72.54      | \$80.52      | \$81.32      | \$82.14      | \$82.96      |
| 2"         | \$71.31    | \$115.19     | \$127.86     | \$129.13     | \$130.43     | \$131.73     |
| 3"         | \$84.86    | \$228.91     | \$254.09     | \$256.63     | \$259.20     | \$261.79     |
| 4"         | \$288.78   | \$356.85     | \$396.10     | \$400.07     | \$404.07     | \$408.11     |
| 6"         | \$489.49   | \$712.24     | \$790.59     | \$798.49     | \$806.48     | \$814.54     |
| 8"         | \$627.22   | \$1,280.86   | \$1,421.76   | \$1,435.98   | \$1,450.34   | \$1,464.84   |
| 10"        | \$896.96   | \$1,707.33   | \$1,895.14   | \$1,914.09   | \$1,933.23   | \$1,952.56   |
| 12"        | \$1,456.16 | \$2,400.34   | \$2,664.38   | \$2,691.02   | \$2,717.93   | \$2,745.11   |

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 24 **Monthly Commercial Fire Meter Charge (\$/Meter Size) Effective on July 1**

| Meter Size | Current  | July 1, 2016 | July 1, 2017 | July 1, 2018 | July 1, 2019 | July 1, 2020 |
|------------|----------|--------------|--------------|--------------|--------------|--------------|
| 4"         | \$62.28  | \$79.30      | \$88.02      | \$88.90      | \$89.79      | \$90.69      |
| 6"         | \$139.73 | \$179.38     | \$199.11     | \$201.10     | \$203.11     | \$205.14     |
| 8"         | \$242.99 | \$312.81     | \$347.22     | \$350.69     | \$354.20     | \$357.74     |
| 10"        | \$380.68 | \$490.73     | \$544.71     | \$550.15     | \$555.66     | \$561.21     |

1           **Section 4.**     The City Manager is authorized and directed to take all actions necessary  
2 to implement the authorized rates.

3           **Section 5.**     The City Council finds and determines that the administration, operation,  
4 maintenance and improvements of the City water system, which are to be funded by the increased  
5 water service rates set forth herein, are necessary to maintain service within the City's existing  
6 service area. The City Council further finds that the administration, operation, maintenance and  
7 improvements of the City water system, to be funded by the increased water service rates and  
8 fees, will not expand the City's system. The City further finds that the adoption of the rates and  
9 fees is necessary and reasonable to fund the administration, operation, maintenance and  
10 improvements of the City water system. Based on these findings, the City Council determines  
11 that the adoption of the rates and fees established by this Ordinance are exempt from the  
12 requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the  
13 Public Resources Code and section 15273(a) of the State CEQA Guidelines. The City Clerk is  
14 hereby directed to file a Notice of Exemption with the County Clerk within three days following  
15 the date of this Ordinance.

16           **Section 6.**     All ordinances, resolutions, or administrative actions by the City Council,  
17 or parts thereof, that are inconsistent with any provision of this Ordinance are hereby superseded  
18 only to the extent of such inconsistency.

19           **Section 7.**     Within 15 days after adoption of this Ordinance, a summary of the  
20 Ordinance shall be published with the names of those members of the City Council voting for and  
21 against this Ordinance and a certified copy of the full text of this Ordinance, along with the names  
22 of those City Council members voting for and against this Ordinance, shall be posted in the office  
23 of the City Clerk.

24           **Section 8.**     If any section, subsection, clause or phrase in this Ordinance is for any  
25 reason held invalid, the validity of the remainder of this Ordinance shall not be affected thereby.  
26 The City Council hereby declares that it would have passed this Ordinance and each section,  
27 subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections,  
28 subsections, sentences, clauses or phrases or the application thereof be held invalid.

**Section 9.**     This Ordinance shall take effect thirty (30) days after its final passage.

1 PASSED, APPROVED, AND ADOPTED this \_\_\_ day of \_\_\_\_\_, 2016.

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\_\_\_\_\_  
RICHARD A. DELAROSA, Mayor

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ATTEST:

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CAROLINA R. PADILLA, City Clerk

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APPROVED AS TO FORM:

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BEST BEST & KRIEGER LLP  
CITY ATTORNEY

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**Exhibit B**  
**Water Rate Study**



**City of Colton**  
**Water Rate Study**  
*Final Report*

**March 2016**

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# SECTION 1. PURPOSE AND OVERVIEW OF THE STUDY

## A. PURPOSE

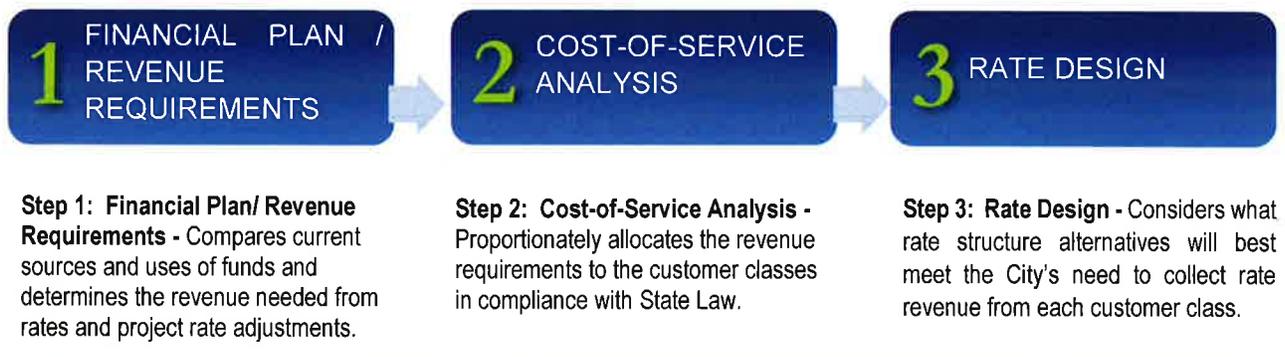
The City of Colton (City) retained NBS to conduct a comprehensive water rate study (Study) for a number of reasons, including meeting long-term revenue requirements, ensuring revenue stability in water rates, providing adequate funding for capital improvements, and ensuring rates comply with applicable laws, including California Constitution article XIII D, section 6, commonly referred to as Proposition 218 (Prop 218). This report is provided with the intent of assisting the City to maintain transparent communications with its residents and businesses.

NBS worked cooperatively with City staff developing rate alternatives and results. The Study results were reviewed in workshops with the Utility Commission and in subsequent meetings with the City Council. The Utility Commission reviewed recommendations and provided NBS and City Staff with direction and feedback. Based on input from the Utility Commission and City Staff, NBS has recommended the water rates proposed in this Study.

## B. OVERVIEW OF THE STUDY

Comprehensive rate studies such as this one typically include three components: (1) preparation of a financial plan which identifies the net revenue requirements for the utility; (2) analysis of the cost to serve each customer class, and; (3) the rate structure design. These steps are shown in **Figure 1** and are intended to follow industry standards and reflect the fundamental principles of cost-of-service rate making embodied in the American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges<sup>1</sup>, also referred to as the Manual M1. They also address requirements under Prop 218 California Constitution article XIII D, section 6 (commonly referred to as Proposition 218) that rates not exceed the cost of providing the service and be proportionate to the cost of service for all customers.

**Figure 1. Primary Components of a Rate Study**



In terms of the chronology of the Study, these three steps represent the order in which they are generally performed.

As a part of this Study, NBS projected revenues and expenditures, developed net revenue requirements, performed cost-of-service rate analyses, and prepared new water rates. Rate increases, or more accurately, increases in the total revenue collected from water rates are recommended for the utility. The following sections in this Study present an overview of the methodologies, assumptions, and data used along with the financial plans and rates developed during this Study; more detailed tables and figures documenting the development of proposed rates are provided in the Technical Appendix.

<sup>1</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, sixth edition, 2012.*

**Rate Design Criteria** – It is important for the water utility to send proper price signals to its customers about the actual cost of their water usage. This objective is typically addressed through both the magnitude of the rates and the rate structure design. In other words, both the amount of revenue collected and the way in which the revenue is collected from customers are important.

Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been documented in a number of rate-setting manuals, such as the AWWA Manual M1. The foundation for evaluating rate structures is generally credited to James C. Bonbright in the *Principles of Public Utility Rates*<sup>2</sup> which outlines pricing policies, theories, and economic concepts along with various rate designs. The following is a simplified list of the attributes of a sound rate structure:

- Rates should be easy to understand from the customer's perspective.
- Rates should be easy to administer from the utility's perspective.
- Rates should promote the efficient allocation of the resource.
- Rates should be equitable and non-discriminating (i.e., cost based).
- There should be continuity in the rate making philosophy over time.
- Addressing other utility policies (e.g., encouraging conservation & economic development).
- Rates should provide month-to-month and year-to-year revenue stability.

The following section covers basic rate design criteria that NBS and City staff considered as a part of their review of the rate structure alternatives.

**Rate Structure Issues** – The starting point in considering rate structures is the relationship between fixed costs and variable costs. Fixed costs typically do not vary with the amount of water consumed. Debt service and City personnel are examples of fixed costs. In contrast, variable costs such as the cost of purchased water, chemicals and electricity tend to change with the quantity of water sold. The vast majority of rate structures contain a fixed or minimum charge in combination with a volumetric charge.

Although other objectives may be considered, it does not alleviate the City from the obligation to meet the requirements of Prop 218. The following discussion provides the broader context for general industry rate-study practices in California, within which the recommended rates were developed.

**Fixed Charges** – Fixed charges can be called base charges, minimum monthly charges, customer charges, fixed meter charges, etc. Fixed charges for water utilities are typically based on meter size. For example, a customer with a 2" meter may have a fixed meter charge that is four to five times greater than a 3/4" meter charge based on the meter's safe operating capacity<sup>3</sup>. Because a large portion of water utilities' costs are typically related to meeting capacity requirements, reflecting individual demands for capacity are an important factor in establishing rates for customers.

**Volumetric (Consumption-Based) Charges** – In contrast, variable costs such as purchased water and the cost of electricity used in pumping water and chemicals for treatment tend to change with the quantity of water produced. For a water utility, variable charges are generally based on metered consumption and charged on a dollar-per-unit cost (e.g., per 100 cubic feet, or hcf).

---

<sup>2</sup> James C. Bonbright; Albert L. Danielsen and David R. Kamerschen, *Principles of Public Utility Rates*, (Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988), p. 383-384.

<sup>3</sup> American Water Works Association, "Principles of Water Rates, Fees and Charges" – M1 Manual, p. 202.

**Uniform (Single-Tier) Water Rates** – There are significant variations in the basic philosophy of variable charge rate structure alternatives. Under a uniform (single tier) rate structure, the cost per unit does not change with consumption, and provides a simple and straightforward approach from the perspective of customer understanding and rate administration/billing.

**Multi-Tiered Water Rates** – In contrast, an inclining block rate structure indirectly sends a price signal to customers that their consumption costs more as more water is consumed, and is generally considered to be a more conservation-oriented rate structure. Tiered water rates are encouraged by state law and regulatory mandates, but are also intended to proportionately allocate the higher costs of serving those customers whose higher water usage places proportionately greater demands and burdens on an agency's water system and water supplies, and therefore generate higher costs to the utility. The types of higher costs reflected, for example in the highest tier rate may include:

- Conservation program costs –programs intended to encourage customers to eliminate inefficient and wasteful water use, and otherwise reduce consumption during peak periods.
- Capital Improvement program costs –infrastructure improvements, such as those related to irrigation and landscaping, that are designed to reduce water consumption on City-owned property.
- Energy costs – during summer months, the City may pay more in electric charges, and have a higher percentage of its energy bill in higher electricity “tiers”.
- Higher maintenance costs – peak periods tend to have higher numbers of service calls and system maintenance issues when the water system is running at peak demand.
- Sources of supply – additional sources of supply may need to be produced or acquired to serve higher demand and certain sources of supply may cost more to purchase, produce, treat, deliver, and/or supply.

In developing the recommended tiered commodity charge for single-family residential customers, NBS evaluated several variations of tiered volumetric rates along with the City's specific costs and sources of water supply. Because of the significant differences in typical water use of commercial customers (e.g., laundromat vs. restaurants vs. office space), a uniform volumetric rate will continue to be applied to their consumption. This is a commonly used approach for these types of customers, and is the primary reason why tiered rates typically aren't used for commercial customers.

**Drought and Water Conservation** – On January 17, 2014, Governor Jerry Brown declared a State of Emergency throughout California due to severe drought conditions. On April 1, 2015 Governor Jerry Brown issued Executive Order B-29-15 mandating statewide water conservation of 25%. The specific conservation mandate for each community in California varies from 4% - 36%. The City of Colton has been mandated to conserve 20%, and the City's water customers are responding accordingly. While the level of water conservation the City is achieving is good from compliance standpoint, it places financial pressure on the utility. The City is projecting a 14% decrease in rate revenue from Fiscal Year 2014/15, due to water conservation.

**Key Financial Assumptions** – The following are the key financial assumptions used in the water rate analyses:

- **Funding of Water Utility Capital Projects** – The City will fund all planned capital costs using rate revenues and new debt issuances. The capital projects listed in the financial plan are from the City's projection of costs through Fiscal Year 2021/22.
- **Reserve Targets** – Reserves for operations and capital needs are set at target levels that are consistent with industry standards for utility fund management. Reserve targets used in the analysis are as follows:
  - ✓ Operating & Maintenance Reserve – 90 days of operating and maintenance expenses.
  - ✓ Capital Rehabilitation and Replacement Reserve – approximately 3% of net assets.
  - ✓ Debt Reserve – equivalent to the maximum annual debt service payment for the outstanding 1998 Water Revenue Bonds, plus the annual debt service payments for the future debt issues.
  - ✓ Connection Fee Reserve – this reserve accumulates unspent connection fee revenue.
- **Water Conservation** – The City is currently meeting the State's 20% conservation requirement, and the assumptions and recommendations contained in this Study are not a short term response to the drought. They assume that water supplies will continue to be limited in the future and that, in the long run, customers will continue to conserve and that consumption will remain at this 20% reduction level, for the five-year period.
- **Inflation and Growth Projections:**
  - ✓ General cost inflation is 3.0% annually.
  - ✓ Labor cost inflation is 2.14% annually, per City projections.
  - ✓ Customer growth is 1.0% annually through 2018, followed by gradual increases each year until it reaches 2.0% by 2022.

## SECTION 2. WATER RATE STUDY

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### A. KEY WATER RATE STUDY ISSUES

The City's water rate analysis was undertaken with a few specific objectives, including:

- Generating additional revenue needed to meet projected funding requirements.
- Improving revenue stability.
- Developing tiered volumetric rates for single family residential customers that proportionately allocate a greater share of the costs of service to those who place greater demands and burdens on the water system and that have the indirect effect of encouraging water conservation, along with a uniform commodity rate structure for all other customers.
- Updated fixed meter charges to reflect AWWA hydraulic capacity factors.

NBS developed various water rate alternatives as requested by City staff over the course of this Study. All rate structure alternatives relied on industry standards, cost-of-service principles, and the requirements of Prop 218. The new rates that will be implemented is ultimately the decision of the City Council. The following are the basic components included in this analysis:

- **Determining Revenue Requirements by Customer Class:** The total revenue that should be collected from each customer class was determined using the unit costs and the total units used within each class. For example:
  - ✓ Customer costs are allocated based on number of meters;
  - ✓ Fixed capacity costs are allocated based on peaking requirements;
  - ✓ Base Commodity-related costs are allocated based on the water consumption for each class; and
  - ✓ Conservation-related costs are allocated based on the water consumption for each class.Once the costs are allocated and the revenue requirement for each customer class is determined, collecting these revenue requirements from each customer class is addressed in the rate design task.
- **Rate Design and Fixed vs. Variable Charges:** The revenue requirements for each customer class are collected from both fixed monthly service charges and variable commodity charges. Based on the results of the cost-of-service analysis, the City decided to move forward with a rate structure that collects 46% of total rate revenue from fixed monthly service charges and 54% of rate revenue will be collected from variable commodity charges <sup>4</sup>.

### B. WATER UTILITY REVENUE REQUIREMENTS

It is important for municipal utilities to maintain reasonable reserves in order to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate increases are governed by the need to meet operating and capital costs, maintain adequate debt coverage, and build reasonable reserve funds. The current state of the City's water utility, with regard to these objectives is as follows:

- **Meeting Net Revenue Requirements<sup>5</sup>:** For FY 2016/17 through FY 2020/21, the projected net revenue requirement (i.e., total annual expenses plus debt service and rate-funded capital costs, less non-rate revenues) ranges from approximately \$10 million to \$12.2 million. If no rate adjustment is implemented, the water utility is projected to run a \$1 million deficit in FY 2016/17. Rate increases of

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<sup>4</sup> The California Urban Water Conservation Council recommends recovering at least 70 percent of rate revenue through volume-based rates. However, water utilities are allowed to develop their own allocations that accurately reflect their actual cost allocations.

<sup>5</sup> A more detailed breakdown of the revenue requirements is provided in Tables 1 and 2 of the Technical Appendix.

15.5% in FY 2016/17 and 11% in FY 2017/18, followed by 1% increases in the next three years will be needed in order to fully fund all operating expenses, planned capital projects and debt service obligations. These rate increases ensure that the water utility will also meet the minimum debt coverage target of 1.25, as required for the 1998 Water Revenue Bonds.

- **Building and Maintaining Reserve Funds:** The City should maintain sufficient reserves for the Water Utility. NBS recommends that the City adopt and maintain the following target reserve fund balances:
  - ✓ **Operating Reserve** should normally be 90 days of the Utility's budgeted annual operating expenses, which is equal to a three-month (or 25%) cash reserve for normal operations. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (e.g., volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.
  - ✓ **Capital System Replacement Reserve** should typically equal at least 3% of net depreciable capital assets, which equates to a 33-year replacement cycle for capital assets. This target serves as a starting point for addressing long-term capital system replacement needs.
  - ✓ **Debt Reserve** should be the maximum annual debt service payment for the outstanding 1998 Water Revenue Bonds, plus the annual debt service payments for any future debt issues, at the time of issuance.
- **Funding Capital Improvement Projects:** The City must also be able to fund necessary capital improvements for the Utility in order to maintain current service levels. City staff has identified roughly \$33.4 million (current year value) in capital improvements for the City's water system for the next ten years, which are planned to be funded with a combination of rate revenue and new revenue bonds. Without the rate increases recommended in this study, the City will not be able to sufficiently fund the planned capital improvements.
- **Maintaining Adequate Bond Coverage:** The City is required by its bond covenant to maintain a debt service coverage ratio of at least 1.25 for the outstanding 1998 Water Revenue Bonds. The analysis assumes that the same will be required for the new Revenue Bonds planned to be issued during Fiscal Year 2016/17. The benefit of maintaining at least the minimum coverage ratio is that it strengthens the City's credit rating, which can help lower the interest rates for debt-funded capital projects, and in turn reduces annual debt service payments. It is projected that, with the proposed rate increases, the City's revenues will be sufficient to meet the 1.25 debt coverage ratio for existing and planned new debt.

**Figure 2** summarizes the sources and uses of funds, net revenue requirements, and the recommended annual percentage increases in total rate revenue recommended for the next five years. As this figure shows, if the City implements the recommended increases, the projected deficits for the next five years will be eliminated.<sup>6</sup>

<sup>6</sup> With the exception of a small annual deficit in FY 2019/20, which is not material to the five-year financial plan.

**Figure 2. Summary of Water Revenue Requirements**

| Summary of Sources and Uses of Funds and Net Revenue Requirements | Budget                |                      | Projected             |                       |                       |                       |
|---|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | FY 2015/16            | FY 2016/17           | FY 2017/18            | FY 2018/19            | FY 2019/20            | FY 2020/21            |
| <b>Sources of Water Funds</b>                                     |                       |                      |                       |                       |                       |                       |
| Rate Revenue Under Prevailing Rates                               | \$ 8,893,070          | \$ 8,978,774         | \$ 9,065,334          | \$ 9,152,761          | \$ 9,263,136          | \$ 9,397,243          |
| Non-Rate Revenues   | 2,312,655             | 239,834              | 240,015               | 240,197               | 240,428               | 240,708               |
| Interest Earnings   | 41,661                | 6,855                | 15,692                | 19,060                | 33,768                | 33,088                |
| <b>Total Sources of Funds</b>                                     | <b>\$ 11,247,386</b>  | <b>\$ 9,225,463</b>  | <b>\$ 9,321,041</b>   | <b>\$ 9,412,017</b>   | <b>\$ 9,537,332</b>   | <b>\$ 9,671,038</b>   |
| <b>Uses of Water Funds</b>  |                       |                      |                       |                       |                       |                       |
| Operating Expenses  | \$ 8,994,117          | \$ 8,807,742         | \$ 9,000,715          | \$ 8,999,191          | \$ 9,203,132          | \$ 9,412,693          |
| Debt Service  | 1,410,924             | 1,414,774            | 2,207,829             | 2,205,017             | 2,206,492             | 2,207,017             |
| Rate-Funded Capital Expenses                                      | 3,445,000             | -                    | -                     | -                     | 1,078,981             | -                     |
| <b>Total Use of Funds</b>   | <b>\$ 13,850,040</b>  | <b>\$ 10,222,515</b> | <b>\$ 11,208,544</b>  | <b>\$ 11,204,207</b>  | <b>\$ 12,488,605</b>  | <b>\$ 11,619,710</b>  |
| <b>Surplus (Deficiency) before Rate Increase</b>                  | <b>\$ (2,602,655)</b> | <b>\$ (997,053)</b>  | <b>\$ (1,887,502)</b> | <b>\$ (1,792,190)</b> | <b>\$ (2,951,273)</b> | <b>\$ (1,948,671)</b> |
| Additional Revenue from Rate Increases                            | -                     | 1,391,710            | 2,557,433             | 2,700,365             | 2,854,092             | 3,019,845             |
| <b>Surplus (Deficiency) after Rate Increase</b>                   | <b>\$ (2,602,655)</b> | <b>\$ 394,657</b>    | <b>\$ 669,930</b>     | <b>\$ 908,175</b>     | <b>\$ (97,181)</b>    | <b>\$ 1,071,173</b>   |
| <b>Projected Annual Rate Increase</b>                             | <b>0.00%</b>          | <b>15.50%</b>        | <b>11.00%</b>         | <b>1.00%</b>          | <b>1.00%</b>          | <b>1.00%</b>          |
| Cumulative Rate Increases   | 0.00%                 | 15.50%               | 28.21%                | 29.49%                | 30.78%                | 32.09%                |
| <b>Net Revenue Requirement<sup>1</sup></b>                        | <b>\$ 11,495,724</b>  | <b>\$ 9,975,826</b>  | <b>\$ 10,952,837</b>  | <b>\$ 10,944,951</b>  | <b>\$ 12,214,410</b>  | <b>\$ 11,345,914</b>  |
| <b>Debt Coverage Ratio (After Rate Increase)</b>                  | <b>1.60</b>           | <b>1.28</b>          | <b>1.30</b>           | <b>1.41</b>           | <b>1.44</b>           | <b>1.49</b>           |

1. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

**Figure 3** summarizes the projected reserve fund balances and reserve targets.<sup>7</sup> A summary of the utility's proposed 10-year financial plan is included in Table 1 of the Technical Appendix. The Appendix tables include revenue requirements, reserve funds, revenue sources, proposed rate increases, operating revenue and expenses, the City's capital improvement program, and debt obligations.

**Figure 3. Summary of Water Reserve Funds**

| Beginning Reserve Fund Balances and Recommended Reserve Targets | Budget              |                     | Projected           |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | FY 2015/16          | FY 2016/17          | FY 2017/18          | FY 2018/19          | FY 2019/20          | FY 2020/21          |
| <b>Operating Reserve</b>  |                     |                     |                     |                     |                     |                     |
| Ending Balance  | \$ 2,249,000        | \$ 2,202,000        | \$ 2,250,000        | \$ 2,250,000        | \$ 2,166,582        | \$ 2,353,000        |
| <i>Recommended Minimum Target</i>                               | <i>2,249,000</i>    | <i>2,202,000</i>    | <i>2,250,000</i>    | <i>2,250,000</i>    | <i>2,301,000</i>    | <i>2,353,000</i>    |
| <b>Capital Rehabilitation &amp; Replacement Reserve</b>         |                     |                     |                     |                     |                     |                     |
| Ending Balance  | \$ 493,068          | \$ 936,482          | \$ 1,561,925        | \$ 2,252,334        | \$ 1,142,200        | \$ 2,045,307        |
| <i>Recommended Minimum Target</i>                               | <i>747,500</i>      | <i>853,800</i>      | <i>1,022,800</i>    | <i>1,111,900</i>    | <i>1,142,200</i>    | <i>1,222,000</i>    |
| <b>Debt Reserve</b>   |                     |                     |                     |                     |                     |                     |
| Ending Balance  | \$ 702,500          | \$ 702,500          | \$ 1,835,168        | \$ 1,835,168        | \$ 1,835,168        | \$ 1,835,168        |
| <i>Recommended Minimum Target</i>                               | <i>702,500</i>      | <i>702,500</i>      | <i>1,835,168</i>    | <i>1,835,168</i>    | <i>1,835,168</i>    | <i>1,835,168</i>    |
| <b>Total Ending Balance</b>                                     | <b>\$ 3,444,568</b> | <b>\$ 3,840,982</b> | <b>\$ 5,647,092</b> | <b>\$ 6,337,501</b> | <b>\$ 5,143,950</b> | <b>\$ 6,233,475</b> |
| <b>Total Recommended Minimum Target</b>                         | <b>\$ 3,699,000</b> | <b>\$ 3,758,300</b> | <b>\$ 5,107,968</b> | <b>\$ 5,197,068</b> | <b>\$ 5,278,368</b> | <b>\$ 5,410,168</b> |

### C. CAPITAL IMPROVEMENT PROGRAM AND FINANCING

The City has a Capital Improvement Program with approximately \$33.4 million (current value) in planned capital projects for the City's water system for Fiscal Years 2015/16 – 2024/25. **Figure 4** shows the list of capital projects that were factored into the financial plan and the cost of each project. Project costs are listed in current and future values; future values reflect the estimated cost of each project in the year the project is planned, including estimated cost inflation of 3% per year, per the Engineering News Record Construction Cost Inflation Index<sup>8</sup>.

<sup>7</sup> A more detailed breakdown of the reserve funds is provided in Table 2 of the Technical Appendix.

<sup>8</sup> See Table 11 in the Technical Appendix for the detailed capital projects costs which include projected cost inflation and Table 12 for the cost inflation factors applied to the project costs.

**Figure 4. Capital Improvement Program, FY 2015/16 – 2024/25**

| Project Description                                  | Year Scheduled for Completion | Current Values       | Future Values <sup>1</sup> |
|--|-------------------------------|----------------------|----------------------------|
| <b>Well Sites (\$3,430,000)</b>                      |                               |                      |                            |
| Well 22 (500 gpm)                                    | 2016                          | \$ 300,000           | \$ 300,000                 |
| Well 24 (1800 gpm)                                   | 2016                          | \$ 200,000           | \$ 200,000                 |
| Well 23 (1200 gpm)                                   | 2017                          | \$ 100,000           | \$ 103,000                 |
| Well 17 (1100 gpm)                                   | 2017                          | \$ 200,000           | \$ 206,000                 |
| Well 21 (1300 gpm)                                   | 2018                          | \$ 100,000           | \$ 106,090                 |
| Well 19 (800 gpm)                                    | 2018                          | \$ 60,000            | \$ 63,654                  |
| Well 16 (500 gpm)                                    | 2018                          | \$ 50,000            | \$ 53,045                  |
| Well 13 (800 gpm)                                    | 2019                          | \$ 30,000            | \$ 32,782                  |
| Well 26 (800 gpm)                                    | 2019                          | \$ 140,000           | \$ 152,982                 |
| Well 27 (1200 gpm)                                   | 2020                          | \$ 50,000            | \$ 56,275                  |
| Well 28 (800 gpm)                                    | 2021                          | \$ 50,000            | \$ 57,964                  |
| Well 30 (2800 gpm)                                   | 2021                          | \$ 50,000            | \$ 57,964                  |
| New Well   | 2022                          | \$ 2,100,000         | \$ 2,490,121               |
| <b>Booster Station (\$2,250,000)</b>                 |                               |                      |                            |
| New Booster Station                                  | 2021                          | \$ 1,800,000         | \$ 2,076,564               |
| Reche Canyon Booster Station                         | 2016                          | \$ 250,000           | \$ 250,000                 |
| Prado Booster Station                                | 2017                          | \$ 200,000           | \$ 206,000                 |
| <b>Transmission &amp; Distribution (\$8,100,000)</b> |                               |                      |                            |
| La Cadena Drive                                      | 2017                          | \$ 2,000,000         | \$ 2,051,000               |
| 9th Street   | 2016                          | \$ 1,800,000         | \$ 1,800,000               |
| Bordwell - MT Vernon                                 | 2018                          | \$ 2,000,000         | \$ 2,090,900               |
| Rialto Distribution                                  | 2018                          | \$ 1,000,000         | \$ 1,060,900               |
| Randall Line   | 2021                          | \$ 300,000           | \$ 347,782                 |
| Center Street  | 2022                          | \$ 1,000,000         | \$ 1,183,619               |
| <b>Reservoir (\$10,750,000)</b>                      |                               |                      |                            |
| Rialto 2 Rehabilitation (3MG)                        | 2017                          | \$ 500,000           | \$ 515,000                 |
| Rialto 1 Reservoir Replacement (4MG)                 | 2020                          | \$ 5,000,000         | \$ 5,416,372               |
| La Loma Reservoir (4MG)                              | 2025                          | \$ 5,000,000         | \$ 6,298,061               |
| La Loma (3MG)  | 2022                          | \$ 50,000            | \$ 59,703                  |
| Montecito (3MG)                                      | 2022                          | \$ 50,000            | \$ 59,703                  |
| Wild Canyon (2MG)                                    | 2022                          | \$ 50,000            | \$ 59,703                  |
| Domecq (3MG)   | 2022                          | \$ 50,000            | \$ 59,703                  |
| Domecq Above (0.3MG)                                 | 2022                          | \$ 50,000            | \$ 59,703                  |
| <b>Water Conservation</b>                            | 2020                          | \$ 2,000,000         | \$ 2,123,654               |
| <b>Projected Future Capital Improvements</b>         | Annual                        | \$ 5,000,000         | \$ 5,777,840               |
| <b>Capital Outlay:</b>                               |                               |                      |                            |
| Automobile (Water Operations, 4910)                  | Annual                        | \$ 1,050,000         | \$ 1,149,369               |
| Miscellaneous Equipment                              | Annual                        | \$ 210,000           | \$ 229,874                 |
| Water Meters   | 2016                          | \$ 500,000           | \$ 500,000                 |
| Operations Equipment                                 | Annual <sup>2</sup>           | \$ 75,000            | \$ 79,637                  |
| <b>Total: Capital Improvement Program Costs</b>      |                               | <b>\$ 33,365,000</b> | <b>\$ 37,334,961</b>       |

1. Project costs are inflated by 3% per year, Engineering News Record estimates of construction cost inflation.

2. Operations equipment purchases are scheduled annually in FY 2015/16 - 2019/20.

The City is planning to issue revenue bonds to fund approximately 70% of the planned capital improvement program costs for the ten-year period. There are two debt issues planned: a \$15 million issue in FY 2016/17 and an \$11 million issue in FY 2020/21. This analysis assumes a conservative debt financing approach that uses an interest rate of 5.5%, issuance costs of 2% of the net proceeds, a debt service reserve equal to one year's principal and interest payment, and a debt coverage requirement equal to the annual debt-service payment plus a 25% cushion (i.e., a "1.25 coverage ratio"), which is consistent with the outstanding water revenue bonds.

## D. CHARACTERISTICS OF WATER CUSTOMERS BY CLASS

Both consumption and the number of meters by customer class are used in allocating costs as a part of the cost-of-service analysis. The City's most recent consumption data is summarized in **Figure 5**, peaking factors by customer class are summarized in **Figure 6**<sup>9</sup>, and **Figure 7** compares the total number of meters by customer class.

**Figure 5. Water Consumption by Customer Class**<sup>10</sup>

| Development of the COMMODITY Allocation Factor |   |                         |  |  |                                   |
|--|---|-------------------------|--|--|-----------------------------------|
| Customer Class                                 | April '14 - March '15 Volume (hcf) <sup>1</sup> | Percent of Total Volume | % Adjustment for Conservation <sup>2</sup> | Estimated Volume Adjusted for Conservation | Estimated Percent of Total Volume |
| Single-Family Residential                      | 2,244,826                                       | 56.2%                   | 16%  | 1,894,028                                  | 56.2%                             |
| Multi-Family Residential                       | 146,327   | 3.7%                    | 16%  | 123,461                                    | 3.7%                              |
| Commercial & Industrial                        | 1,429,355                                       | 35.8%                   | 16%  | 1,205,990                                  | 35.8%                             |
| Municipal                                      | 152,818   | 3.8%                    | 16%  | 128,937                                    | 3.8%                              |
| Subtotal                                       | 3,973,326                                       | 99.5%                   | 16%  | 3,352,416                                  | 99.5%                             |
| Commercial Fire                                | 18,283  | 0.5%                    | 16%  | 15,426                                     | 0.5%                              |
| <b>Total</b>                                   | <b>3,991,609</b>                                | <b>100%</b>             | <b>16%</b>                                 | <b>3,367,842</b>                           | <b>100%</b>                       |

1. Consumption data source: City of Colton utility billing system data for April 2014 - March 2015

(file: WaterRateStudy-Mthly Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx).

2. Assumed conservation is 16% from April 2014 - May 2015 consumption levels, to comply with the State's 20% conservation mandate (2014-15 consumption is down 4% from 2013 levels).

**Figure 6. Peaking Factors by Customer Class**

| Development of the CAPACITY (MAX MONTH) Allocation Factors |                           |                          |                   |                           |
|--|---------------------------|--------------------------|-------------------|---------------------------|
| Customer Class   | Average Monthly Use (hcf) | Peak Month Use (hcf) (1) | Peak Month Factor | Max Month Capacity Factor |
| Single-Family Residential                                  | 187,069                   | 259,338                  | 1.39              | 58.6%                     |
| Multi-Family Residential                                   | 12,194                    | 14,899                   | 1.22              | 3.4%                      |
| Commercial & Industrial                                    | 119,113                   | 145,915                  | 1.23              | 33.0%                     |
| Municipal  | 12,735                    | 20,090                   | 1.58              | 4.5%                      |
| Commercial Fire  | 1,524                     | 2,095                    | 1.38              | 0.5%                      |
| <b>Total</b>   | <b>332,634</b>            | <b>442,337</b>           | <b>1.33</b>       | <b>100%</b>               |

1. Based on peak monthly data (peak day data not available).

<sup>9</sup> System capacity is the system's ability to supply water to all delivery points at the time when demanded. Capacity is the combination of plant and service related activities required to provide the amount of service requested/demanded by customers. Use of system capacity is typically defined as the maximum demand for the specific period of time (e.g., maximum day or maximum month demand). The relationship of a customer class's average use to its peak use is expressed as a "peaking factor." Both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events are generally allocated to each customer class based on the class's contribution to peak capacity event.

<sup>10</sup> Due to drought conditions, it is assumed in the analysis that water consumption will remain at the 20% reduction level, as required by the State's mandate and that this is essentially the "new normal" for water consumption levels in the City of Colton.

**Figure 7. Number of Meters by Customer Class**

| Development of the Customer Allocation Factor |                        |                  |
|---|------------------------|------------------|
| Customer Class                                | Number of Meters (1,2) | Percent of Total |
| Single-Family Residential                     | 8,807                  | 86.9%            |
| Multi-Family Residential                      | 48                     | 0.5%             |
| Commercial & Industrial                       | 950                    | 9.4%             |
| Municipal                                     | 156                    | 1.5%             |
| Commercial Fire                               | 171                    | 1.7%             |
| <b>Total</b>                                  | <b>10,132</b>          | <b>100.0%</b>    |

1. Number of meters is per the City of Colton's utility billing data as of February 2015 for standard meters and as of April 2015 for commercial fire meters.

2. Construction hydrants are excluded.

## E. COST OF SERVICE ANALYSIS

Once the revenue requirements are determined as described in Section 2-B of this Study, the cost of service analysis distributes those revenue requirements to each of the customer classes. The cost of service analysis consists of two major components: (1) the functionalization and classification of expenses, and (2) the allocation of costs to customer classes. This process is described as follows:

### Functionalization, Classification and Allocations

Most costs are not typically allocated 100% to fixed or variable categories and, therefore, are allocated to multiple functions of water service. The classification (i.e., functionalization) of costs provides the basis for allocating the classified costs to the following cost causation components:

- **Base Commodity** related costs are those costs associated with the total consumption of water over a specified period of time (e.g., annual).
- **Conservation** related costs are those costs associated with the City's water conservation program.
- **Capacity** related costs are those costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.
- **Customer** related costs are costs associated with having a customer on the water system, such as meter reading, postage and billing.
- **Fire Protection** costs are those costs associated with providing sufficient capacity in the system for fire meters and other operations and maintenance costs of providing water to properties for private fire service protection.

Once costs have been organized in the City's budget categories, they are allocated to these cost causation components that are used as the basis for establishing new water rates and translate to fixed and variable charges. Tables 17-20 in the Technical Appendix, show how the City's expenses were classified and allocated to these cost causation components.

**Fixed costs** generally consist of costs that a utility incurs to serve customers irrespective of the amount of water they use<sup>11</sup>. These include (1) the infrastructure (capacity-related facilities) required to provide service to customers, (2) costs associated with the peaking requirements, or maximum demand which affects the

<sup>11</sup> American Water Works Association, "Principles of Water Rates, Fees and Charges" – M1 Manual, p. 137-139.

maximum size and operations and maintenance costs of water supply, treatment and delivery system, and (3) administrative and billing costs associated with meter reading, postage and billing.

**Variable costs** are those that change as the volume of water produced and delivered changes. These commonly include the costs of chemicals used in the treatment process, energy related to pumping for transmission and distribution, and source of supply.

Ideally, utilities should recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges; when this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses. Because of this, this rate design provides greater revenue stability. However, other factors are often considered when designing water rates such as community values, water conservation goals, ease of understanding, and ease of administration.<sup>12</sup>

NBS evaluated the functionalization of costs into categories that can be more generally grouped into the fixed and variable costs discussed above. This analysis resulted in a cost distribution that is 46% fixed and 54% variable (volumetric)<sup>13</sup>. The proposed new rates were, therefore, based on these allocations.

**Figure 8** summarizes how costs are allocated to each classification component and used to establish new water rates. The revenue that will be collected from commodity charges is categorized into base commodity expenses which represent 48% of total costs and conservation related expenses which represent 6% of total costs. Commodity-related costs are allocated to customer classes based on the percentage of total water use each class is responsible for and is explained in more detail in the following section. The remaining 46% of rate revenue will be collected from fixed monthly service charges and is categorized into capacity-related costs that represent 40% of total costs, customer-related costs that represent 2% of total costs and fire protection-related costs that represent 4% of total costs.

**Figure 8. Allocated Net Revenue Requirements**

| Classification Components         | Total Rate Revenue Requirements FY 2016/17 |             |
|-----------------------------------|--|-------------|
| Commodity-Related Costs           |  |             |
| Base Commodity Costs              | \$ 4,965,283                               | 48%         |
| Conservation Costs                | \$ 664,789                                 | 6%          |
| Subtotal: Commodity-Related Costs | \$ 5,630,072                               | 54%         |
| Capacity-Related Costs            | \$ 4,110,141                               | 40%         |
| Customer-Related Costs            | \$ 177,639                                 | 2%          |
| Fire Protection-Related Costs     | \$ 452,631                                 | 4%          |
| <b>Net Revenue Requirement</b>    | <b>\$10,370,483</b>                        | <b>100%</b> |

### Costs Allocated to Customer Classes

**Customer classes** are typically determined by grouping customers with similar demand characteristics into categories that reflect the cost differentials to serve each type of customer. While customer classes are most often identified as single-family, multi-family, commercial, etc., the City currently does not distinguish rates by customer class but instead applies the same fixed charges to all customers, although these fixed charges vary by meter size. The only exception is that fire protection meters are subject to a different fixed charge by meter size that is less than the standard water meter charge.

**Figure 9** shows how costs are distributed to each customer class. Commodity related costs, both the standard and conservation expenses, are distributed to each customer class based on the percentage of

<sup>12</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, American Water Works Association, Sixth Edition, see pp. 5 and 96.*

<sup>13</sup> *This analysis is presented in Tables 17-20 of the Technical Appendix.*

water consumed (previously shown in Figure 5). Capacity related costs are distributed to each customer class based on the peaking factors (previously shown in Figure 6). Customer related costs are distributed to each customer class based on the number of customers in each customer class (previously shown in Figure 7). A direct allocation is made in the functionalization and classification process to commercial fire which reflects their share of system-wide costs. Table 25 in the Technical Appendix shows a more detailed breakdown of the allocation factors used in this process, with the allocated costs for each customer class.

Since all customer classes are subject to the same fixed meter service charges, the capacity and customer-related costs for single-family, multi-family, commercial/industrial and municipal customers are grouped together and only commercial fire meters have separate charges calculated. Commodity-related costs are allocated to single-family customers and all other customer classes are grouped together.

**Figure 9. Distribution of Costs to Each Customer Class**

| Customer Class            | Cost Classification Components |                    |                        |                        |                               | Cost of Service Net Revenue Reqts | % of COS Net Revenue Reqts |
|---------------------------|--------------------------------|--------------------|------------------------|------------------------|-------------------------------|-----------------------------------|----------------------------|
|                           | Commodity Related Costs        |                    | Capacity Related Costs | Customer Related Costs | Fire Protection Related Costs |                                   |                            |
|                           | Base Commodity Costs           | Conservation Costs |                        |                        |                               |                                   |                            |
| Single-Family Residential | \$ 2,792,407                   | \$ 373,868         | \$ 2,409,737           | \$ 154,409             | \$ -                          | \$ 5,730,420                      | 55%                        |
| Multi-Family              | \$ 182,021                     | \$ 24,370          | \$ 138,440             | \$ 842                 | \$ -                          | \$ 345,672                        | 3%                         |
| Commercial & Industrial   | \$ 1,778,018                   | \$ 238,054         | \$ 1,355,824           | \$ 16,656              | \$ -                          | \$ 3,388,552                      | 33%                        |
| Municipal                 | \$ 190,095                     | \$ 25,451          | \$ 186,674             | \$ 2,735               | \$ -                          | \$ 404,955                        | 4%                         |
| Commercial Fire           | \$ 22,743                      | \$ 3,045           | \$ 19,466              | \$ 2,998               | \$ 452,631                    | \$ 500,884                        | 5%                         |
| <b>Total</b>              | <b>\$ 4,965,283</b>            | <b>\$ 664,789</b>  | <b>\$ 4,110,141</b>    | <b>\$ 177,639</b>      | <b>\$ 452,631</b>             | <b>\$ 10,370,483</b>              | <b>100.0%</b>              |

## F. CURRENT VS. PROPOSED WATER RATE STRUCTURES

The process of evaluating the water rate structure provides the opportunity to incorporate a number of rate-design objectives and policies, including revenue stability, equity among customer classes, and water conservation. One of the City's main objectives in this Study was to develop a more conservation oriented rate structure, hence the decision to use a two-tiered volumetric rate structure for single-family residential customers. Currently, all customers are subject to a uniform volumetric rate and a fixed meter charge that varies by meter size, rates are not differentiated by customer class<sup>14</sup>.

NBS discussed several water rate alternatives and methodologies with City Staff over the course of this Study, such as the percentage of revenue collected from fixed vs. variable charges, differentiating rates by customer class and implementing tiered rates by meter size and/or customer class. Staff ultimately chose a rate alternative that consists of a fixed charge based on meter size, and a two-tiered commodity charge for single-family residential customers. The two-tiered commodity charge is intended to proportionally allocate a greater share of the costs to those customers whose higher water usage place greater demands and burdens on the City's water system and water supplies and incidentally encourage greater water conservation.

Due to the significant differences in typical water use for multi-family and non-residential customers (e.g., laundromat vs. restaurants vs. office space vs. apartment building), uniform commodity charges will continue to be applied to non-single family water consumption. This is a commonly used approach for non-residential customers, and is the primary reason why tiered rates aren't typically used for these types of customers. The following sections describe how the proposed water rates were developed.

<sup>14</sup> While this alternative was evaluated, the City elected to retain fixed charges by meter size instead of by customer class; this is why many of the previous tables are presented by customer class (e.g., single-family, multi-family, etc.).

## Fixed Monthly Service Charges

Meter sizes have different fixed charges based on the capacity requirements of each size meter connected to the system. This is because larger meters have the potential to use more of the system's capacity, or said differently, they have higher peaking factors compared to smaller meters. The potential capacity demanded (peaking) is proportional to the maximum hydraulic flow through each meter size as established by the AWWA hydraulic capacity ratios<sup>15</sup>. As an example, a 2-inch meter has a greater capacity, or potential peak demand than a 3/4-inch meter; therefore the fixed charge for a 2-inch meter is larger than a 3/4-inch meter based on their proportionate capacity requirements<sup>16</sup>. A "hydraulic capacity factor" is calculated by dividing the maximum capacity or flow of large meters by the capacity of the base meter size, which is typically the most common residential meter size (in this case a 3/4-inch meter).

The actual number of meters by size is multiplied by the corresponding capacity ratios to calculate equivalent meters. The number of equivalent meters is used as a proxy for the potential demand that each customer can place on the water system. A significant portion of a water system's peak capacity, and in turn, the utility's fixed operating and capital costs, are related to meeting system capacity requirements.

The City's existing rates have different fixed charges for commercial fire meters than for standard water service customers, and the new rates will maintain this same structure. Fire service customers differ from other water service customers because their service is more of a standby nature, where a readiness-to-serve charge is appropriate. Except in the event of a fire, these users are not intended to use water on a regular basis. However, the City still needs to provide sufficient capacity for fire meters and recover other operations and maintenance costs of providing water to such properties for private fire service protection. Based on the cost of service analysis and the standby nature of fire meters, the overall cost to serve these users is less than that of a standard service; therefore, the fixed charges are less.

**Figure 10** shows how fixed monthly service charges were calculated for standard water meters and

**Figure 11** shows the same for private fires meters. The customer component of the rate is \$1.46 per meter, and does not vary by meter size because it represents costs to the utility for having connections to the water system. Capacity costs vary by meter size and are based on their hydraulic capacity. The total estimated revenue from fixed charges, as shown in Figure 10, is the sum of all capacity and customer related costs for single-family, multi-family, commercial & industrial, and municipal water customers from Figure 9. In Figure 11, the total estimated rate revenue from fixed charges is the sum of all customer related costs and direct fire-protection related costs shown in Figure 9.

<sup>15</sup> See: American Water Works Association, *Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1*, 326, (6th ed. 2012) and American Water Works Association, *Water Meters – Selection, Installation, Testing and Maintenance M6*, 65 (5th ed. 2012).

<sup>16</sup> This is reflected in the fixed charge calculations by using the AWWA hydraulic capacity factors to represent the maximum volume each meter size is capable of delivering.

**Figure 10. Calculation of FY 2016/17 Standard Fixed Meter Charges**

| Meter Size   | Hydraulic Capacity Factor | Number of Meters | Total Equivalent Meters | Fixed Meter Charge |                    | Total Monthly Fixed Meter Charge | Estimated Revenue from Fixed Charges |
|--------------|---------------------------|------------------|-------------------------|--------------------|--------------------|----------------------------------|--------------------------------------|
|              |                           |                  |                         | Customer Component | Capacity Component |                                  |                                      |
| 3/4 inch     | 1.00                      | 5,095            | 5,095                   | \$1.46             | \$21.32            | \$22.78                          | \$ 1,393,039                         |
| 1 inch       | 1.67                      | 4,137            | 6,895                   | \$1.46             | \$35.54            | \$37.00                          | \$ 1,836,827                         |
| 1.5 inch     | 3.33                      | 306              | 1,020                   | \$1.46             | \$71.08            | \$72.54                          | \$ 266,363                           |
| 2 inch       | 5.33                      | 385              | 2,053                   | \$1.46             | \$113.72           | \$115.19                         | \$ 532,158                           |
| 3 inch       | 10.67                     | 0                | 0                       | \$1.46             | \$227.45           | \$228.91                         | \$ -                                 |
| 4 inch       | 16.67                     | 27               | 450                     | \$1.46             | \$355.39           | \$356.85                         | \$ 115,620                           |
| 6 inch       | 33.33                     | 7                | 233                     | \$1.46             | \$710.78           | \$712.24                         | \$ 59,828                            |
| 8 inch       | 60.00                     | 4                | 240                     | \$1.46             | \$1,279.40         | \$1,280.86                       | \$ 61,481                            |
| 10 inch      | 80.00                     | 0                | 0                       | \$1.46             | \$1,705.87         | \$1,707.33                       | \$ -                                 |
| 12 inch      | 112.50                    | 0                | 0                       | \$1.46             | \$2,398.88         | \$2,400.34                       | \$ -                                 |
| <b>Total</b> |                           | <b>9,961</b>     | <b>15,987</b>           |                    |                    |                                  | <b>\$ 4,265,316</b>                  |

**Figure 11. Calculation of FY 2016/17 Private Fire Protection Meter Fixed Charges<sup>17</sup>**

| Meter Size   | Hydraulic Capacity Factor | Number of Meters | Total Equivalent Meter | Fixed Meter Charge |                          | Total Monthly Fixed Meter Charge | Estimated Revenue from Fixed Charges |
|--------------|---------------------------|------------------|------------------------|--------------------|--------------------------|----------------------------------|--------------------------------------|
|              |                           |                  |                        | Customer Component | Fire Protected Component |                                  |                                      |
| 4 inch       | 23.33                     | 42               | 980                    | \$1.46             | \$77.84                  | \$79.30                          | \$ 39,967                            |
| 6 inch       | 53.33                     | 48               | 2,560                  | \$1.46             | \$177.92                 | \$179.38                         | \$ 103,321                           |
| 8 inch       | 93.33                     | 68               | 6,347                  | \$1.46             | \$311.35                 | \$312.81                         | \$ 255,255                           |
| 10 inch      | 146.67                    | 13               | 1,907                  | \$1.46             | \$489.27                 | \$490.73                         | \$ 76,554                            |
| <b>Total</b> |                           | <b>171</b>       | <b>11,793</b>          |                    |                          |                                  | <b>\$ 475,096</b>                    |

**Volumetric Rates**

Currently, the City charges all customers the same uniform volumetric rate. In the proposed rates, single-family residential customers will be subject to a two-tiered volumetric rate, while all other customers will continue to be charged a uniform volumetric rate. The uniform volumetric rate for multi-family and non-residential customers was developed by taking the proportionate share of commodity related costs (both standard and conservation-related costs) for these customer classes as shown previously in Figure 9 and dividing by estimated water consumption. **Figure 12** shows how the uniform volumetric rate was developed.

**Figure 12. FY 2016/17 Uniform Volumetric Rates for Non-Single Family Residential Customers**

| Customer Classes        | Commodity Related Costs <sup>1</sup> |                    |                               | Estimated Water Consumption (hcf/yr) <sup>2</sup> | Uniform Commodity Rates (\$/hcf) |
|-------------------------|--------------------------------------|--------------------|-------------------------------|---|----------------------------------|
|                         | Base Commodity Costts                | Conservation Costs | Total Commodity Related Costs |   |                                  |
| Multi-Family            | \$ 182,021                           | \$ 24,370          | \$ 206,391                    | 123,461   | \$1.67                           |
| Commercial & Industrial | \$ 1,778,018                         | \$ 238,054         | \$ 2,016,072                  | 1,205,990   | \$1.67                           |
| Municipal               | \$ 190,095                           | \$ 25,451          | \$ 215,546                    | 128,937   | \$1.67                           |
| Commercial Fire         | \$ 22,743                            | \$ 3,045           | \$ 25,788                     | 15,426  | \$1.67                           |
| <b>Total</b>            | <b>\$ 4,965,283</b>                  | <b>\$ 664,789</b>  | <b>\$ 5,630,072</b>           | <b>3,367,842</b>                                  |                                  |

1. Refer to report Figure 9 for determination of costs by customer class.

2. Water consumption is adjusted to account for conservation.

<sup>17</sup> No capacity factors are shown for 5/8 through 3 inch meters because the City does not have meters these sizes.

**Figure 13** shows how the two-tiered commodity charges for single-family residential customers were calculated. In order to develop unit costs of water in each tier, the proportionate share of commodity related costs (both standard and conservation-related costs for the single-family residential class, as shown in Figure 9) was divided by estimated water consumption in each tier. The resulting rates are cumulative; the incremental cost of Tier 2 water is added to the base unit cost of water in Tier 1. Tier 1 is intended to recover the City's base commodity-related costs and Tier 2 is intended to recover base commodity costs plus the proportionate share of water conservation program costs for the single-family residential customer class. Conservation costs were allocated to Tier 2 water use because the costs of the conservation program would not be incurred but for the higher use. For example, if every single-family residential customer stayed within Tier 1, the costs of the water conservation program would be significantly smaller.

The breakpoint between the two tiers is set at 18 hundred cubic feet (hcf) per month, which is the average annual consumption amount for single-family residential customers that would allow the City to meet its conservation mandate for this customer class. Meaning, if customers consume 18 hcf of water per month, or less, the City will meet its water conservation target of 20%, per the State's conservation mandate for single-family residential customers.

**Figure 13. FY 2016/17 Two-Tiered Volumetric Rate Calculation for Single-Family Residential Customers**

| Customer Class            | Tier   | Upper Tier Breakpoint | Estimated Water Consumption | Costs to Recover <sup>1</sup> | Cost/hcf | Cumulative Rate (\$/hcf) |
|---------------------------|--------|-----------------------|-----------------------------|-------------------------------|----------|--------------------------|
| Single Family Residential | Tier 1 | 18 hcf                | 1,894,028                   | \$ 2,792,407                  | \$1.47   | \$1.47                   |
|                           | Tier 2 | --                    | 548,099                     | \$ 373,868                    | \$0.68   | \$2.16                   |
| <b>Total</b>              |        |                       |                             | <b>\$ 4,096,098</b>           |          |                          |

<sup>1</sup>. The costs recovered in each tier can be referenced in Figure 9 of this report.

### Current and Proposed Water Rates

**Figure 14** provides a comparison of the current and proposed rate structure for FY 2016/17 through 2020/21. Projected rates for FY 2016/17<sup>18</sup> reflect adjustments based on the cost-of-service analysis; rates after FY 2016/17 assume an across-the-board rate increase to these rates based on the recommended percent increases in rate revenue each year, as shown previously in Figure 2. Increasing rates by the percentage change in rate revenue as described in Section 2-B of this Study will allow the Utility to continue meeting its annual revenue requirements and fund the planned capital improvements over the next five years. More detailed tables on the development of the proposed water rates are documented in Technical Appendix.

<sup>18</sup> Rate adjustments are scheduled to be effective July 1<sup>st</sup> of each fiscal year.

**Figure 14. Current and Proposed Water Rates**

| Water Rate Schedule   | Current Rates | Proposed Water Rates |            |            |            |            |
|---|---------------|----------------------|------------|------------|------------|------------|
|   |               | FY 2016/17           | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 |
| <i>Projected Increase in Rate Revenue per Financial Plan:</i> |               | 15.50%               | 11.00%     | 1.00%      | 1.00%      | 1.00%      |
| <b>Fixed Service Charge</b>                                   |               |                      |            |            |            |            |
| 5/8-inch meter  | \$16.70       | \$22.78              | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 3/4-inch meter  | \$16.70       | \$22.78              | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 1-inch meter  | \$26.23       | \$37.00              | \$41.07    | \$41.48    | \$41.90    | \$42.31    |
| 1.5-inch meter  | \$47.00       | \$72.54              | \$80.52    | \$81.32    | \$82.14    | \$82.96    |
| 2-inch meter  | \$71.31       | \$115.19             | \$127.86   | \$129.13   | \$130.43   | \$131.73   |
| 3-inch meter  | \$84.86       | \$228.91             | \$254.09   | \$256.63   | \$259.20   | \$261.79   |
| 4-inch meter  | \$288.78      | \$356.85             | \$396.10   | \$400.07   | \$404.07   | \$408.11   |
| 6-inch meter  | \$489.49      | \$712.24             | \$790.59   | \$798.49   | \$806.48   | \$814.54   |
| 8-inch meter  | \$627.22      | \$1,280.86           | \$1,421.76 | \$1,435.98 | \$1,450.34 | \$1,464.84 |
| 10-inch meter   | \$896.96      | \$1,707.33           | \$1,895.14 | \$1,914.09 | \$1,933.23 | \$1,952.56 |
| 12-inch meter   | \$1,456.16    | \$2,400.34           | \$2,664.38 | \$2,691.02 | \$2,717.93 | \$2,745.11 |
| <b>Commercial Fire Meters - Fixed Service Charge</b>          |               |                      |            |            |            |            |
| 4-inch meter  | \$62.28       | \$79.30              | \$88.02    | \$88.90    | \$89.79    | \$90.69    |
| 6-inch meter  | \$139.73      | \$179.38             | \$199.11   | \$201.10   | \$203.11   | \$205.14   |
| 8-inch meter  | \$242.99      | \$312.81             | \$347.22   | \$350.69   | \$354.20   | \$357.74   |
| 10-inch meter   | \$380.68      | \$490.73             | \$544.71   | \$550.15   | \$555.66   | \$561.21   |
| <b>Commodity Charges for All Water Consumed</b>               |               |                      |            |            |            |            |
| <b>Single Family Residential Volumetric Rates:</b>            |               |                      |            |            |            |            |
| <i>Current, Uniform Volumetric Rate</i>                       | \$1.61        | -                    | --         | --         | --         | --         |
| <i>New, Tiered Rates:</i>                                     |               |                      |            |            |            |            |
| Tier 1: 0 - 18 hcf  | -             | \$1.47               | \$1.64     | \$1.65     | \$1.67     | \$1.69     |
| Tier 2: 19+ hcf   | -             | \$2.16               | \$2.39     | \$2.42     | \$2.44     | \$2.47     |
| <b>All Other Customers</b>                                    |               |                      |            |            |            |            |
| Rate Per HCF of Water Consumed                                | \$1.61        | \$1.67               | \$1.86     | \$1.87     | \$1.89     | \$1.91     |

The percentage increases in rate revenue shown above in Figure 14, will be accomplished by implementing the proposed water rates. The hydraulic capacity factors that are used to calculate the fixed monthly service charges were updated to be consistent with industry standards as described in Section 2-F of this report, and shown previously in Figures 10 and 11. **Figure 15** shows projected rate revenue from existing and proposed water rates for FY 2016/17, to show how much revenue the City will collect from proposed rates in the first year new rates are effective.

**Figure 15. Projected FY 2016/17 Revenue from Existing and Proposed Rates**

| Estimated Rate Revenue from Fixed Charges      | Number of Meters                  | Revenue From Existing Rates | Revenue from Proposed Rates |
|--|-----------------------------------|-----------------------------|-----------------------------|
| <b>Standard Water Meters:</b>                  |                                   |                             |                             |
| 5/8 and 3/4-inch                               | 5,095                             | \$ 1,021,038                | \$ 1,393,039                |
| 1-inch   | 4,137                             | \$ 1,302,162                | \$ 1,836,827                |
| 1.5-inch                                       | 306                               | \$ 172,584                  | \$ 266,363                  |
| 2-inch   | 385                               | \$ 329,452                  | \$ 532,158                  |
| 3-inch   | -                                 | \$ -                        | \$ -                        |
| 4-inch   | 27                                | \$ 93,565                   | \$ 115,620                  |
| 6-inch   | 7                                 | \$ 41,117                   | \$ 59,828                   |
| 8-inch   | 4                                 | \$ 30,107                   | \$ 61,481                   |
| 10-inch  | -                                 | \$ -                        | \$ -                        |
| 12-inch  | -                                 | \$ -                        | \$ -                        |
| <b>Subtotal</b>                                | <b>9,961</b>                      | <b>\$ 2,990,025</b>         | <b>\$ 4,265,316</b>         |
| <b>Fire Meters:</b>                            |                                   |                             |                             |
| 4-inch   | 42                                | \$ 31,387                   | \$ 39,967                   |
| 6-inch   | 48                                | \$ 80,482                   | \$ 103,321                  |
| 8-inch   | 68                                | \$ 198,281                  | \$ 255,255                  |
| 10-inch  | 13                                | \$ 59,386                   | \$ 76,554                   |
| <b>Subtotal</b>                                | <b>171</b>                        | <b>\$ 369,536</b>           | <b>\$ 475,096</b>           |
| <b>Total: Revenue from Fixed Charges</b>       | <b>10,132</b>                     | <b>\$ 3,359,561</b>         | <b>\$ 4,740,412</b>         |
| Estimated Rate Revenue from Volumetric Charges | Estimated Water Consumption (hcf) | Revenue From Existing Rates | Revenue from Proposed Rates |
| Residential, Tier 1                            | 1,345,929                         | \$ 2,166,946                | \$ 1,984,333                |
| Residential, Tier 2                            | 548,099                           | \$ 882,439                  | \$ 1,181,942                |
| Multi-Family                                   | 123,461                           | \$ 198,771                  | \$ 206,391                  |
| Commercial & Industrial                        | 1,205,990                         | \$ 1,941,644                | \$ 2,016,072                |
| Municipal                                      | 128,937                           | \$ 207,589                  | \$ 215,546                  |
| Commercial Fire                                | 15,426                            | \$ 24,836                   | \$ 25,788                   |
| <b>Total: Revenue from Volumetric Charges</b>  | <b>3,367,842</b>                  | <b>\$ 5,422,225</b>         | <b>\$ 5,630,072</b>         |
| <b>Grand Total: Rate Revenue</b>               | <b>--</b>                         | <b>\$ 8,781,786</b>         | <b>\$ 10,370,483</b>        |

## G. COMPARISON OF CURRENT AND PROPOSED WATER BILLS

Figure 16 and Figure 17 compare the monthly water bills for the current and proposed water rates as a result of the first year rate adjustment for single-family residential (SFR) and commercial customers. These monthly bills are based on typical meter sizes. The average consumption levels for each customer class are highlighted.

Figure 16. Monthly Water Bill Comparison for Single-Family Customers

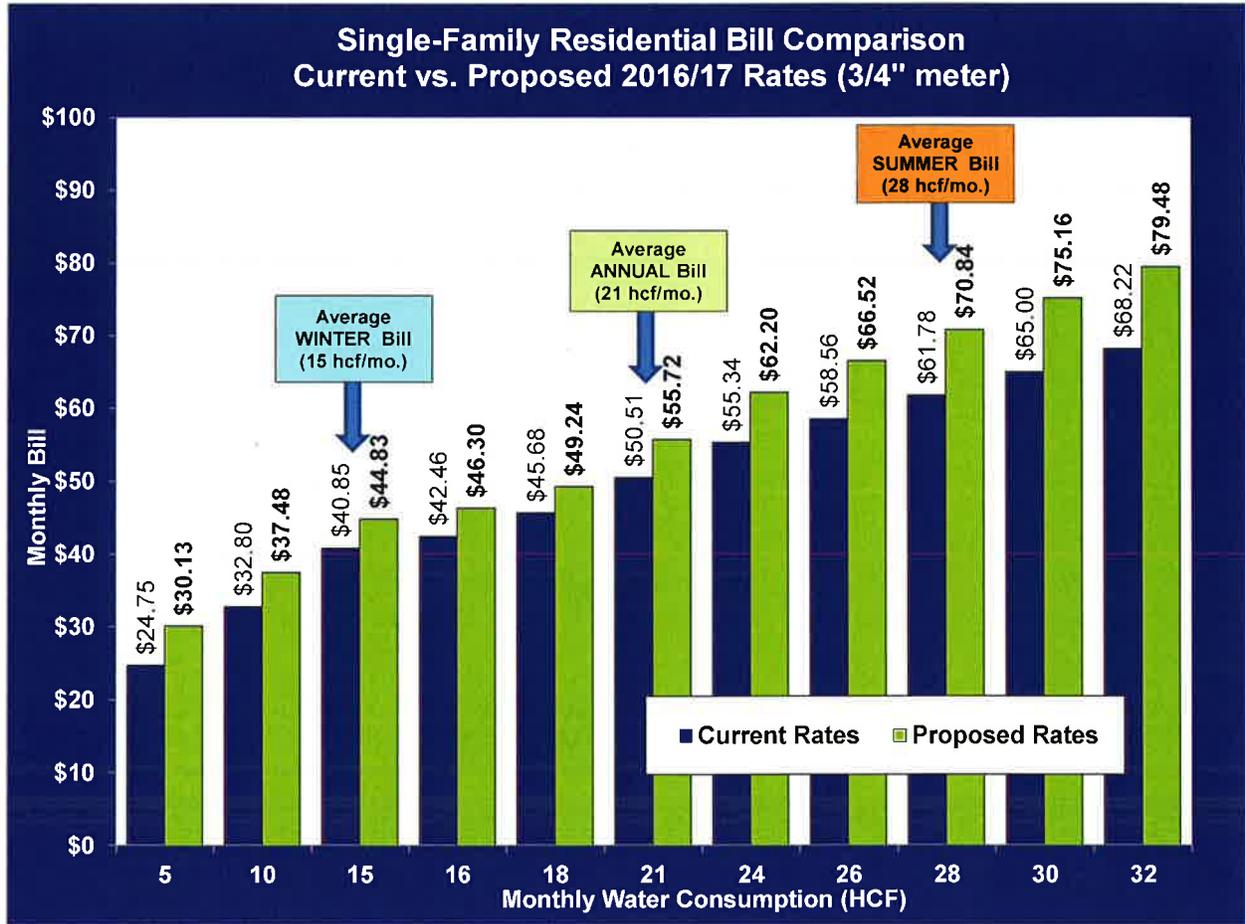
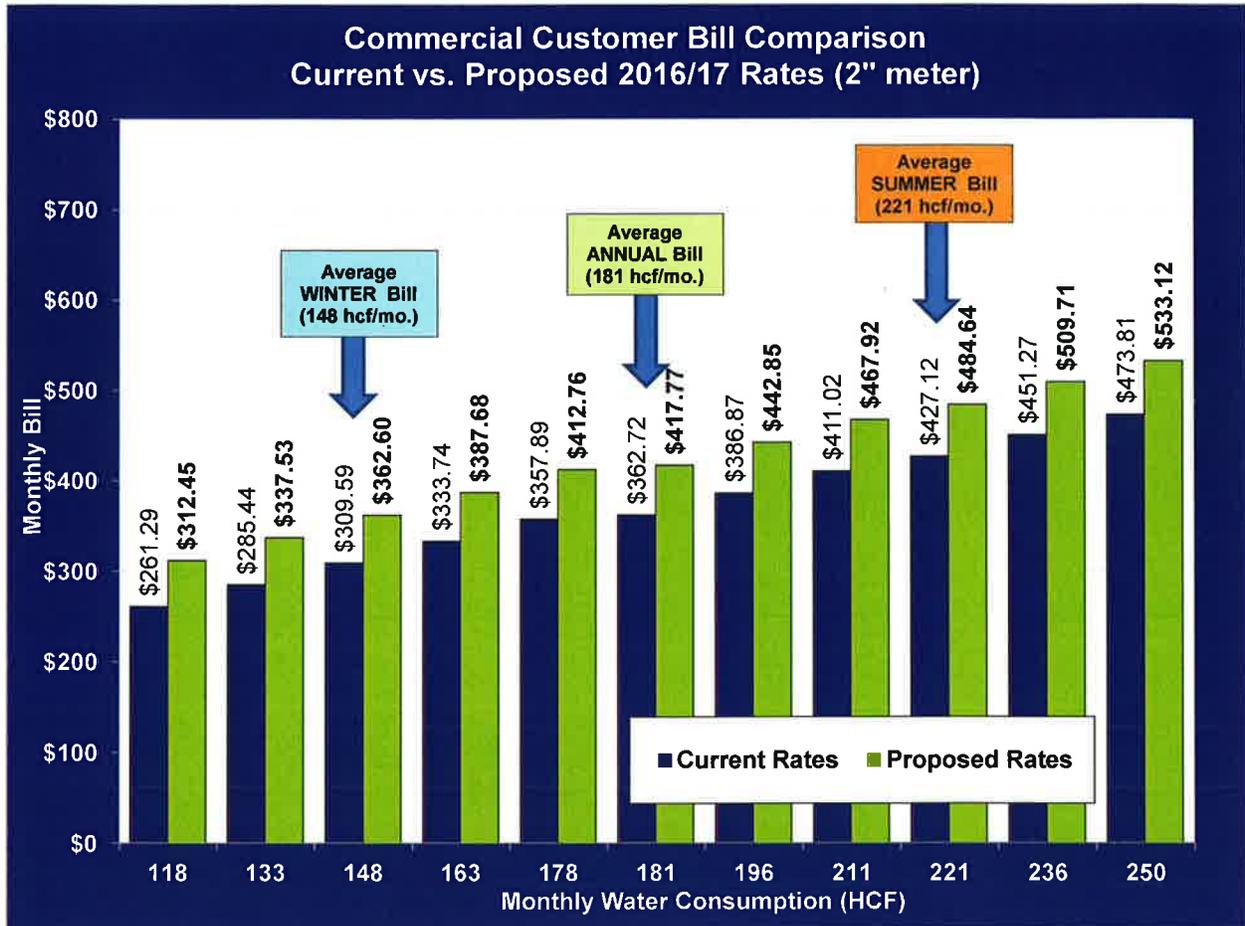


Figure 17. Monthly Water Bill Comparison for Commercial Customers



## SECTION 3. RECOMMENDATIONS AND NEXT STEPS

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### A. CONSULTANT RECOMMENDATIONS

NBS recommends the City take the following actions:

- **Approve and Accept This Study:** NBS recommends the City Council formally approve and adopt this Study and its recommendations, and then proceed with the next steps outlined below to implement the recommended rate structure. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.
- **Implement Recommended Levels of Rate Increases and Proposed Rates:** Based on successfully meeting the Proposition 218 procedural requirements, the City Council should proceed with implementing the five-years of recommended rates and rate increases<sup>19</sup> previously shown in Figure 14. This will help ensure the continued financial health of the City's water utility.
- **Adopt Reserve Fund Targets:** NBS recommends the City Council adopt the consultant proposed reserve fund targets described in this Study for the water utility. The City should periodically evaluate reserve fund levels and attempt to maintain the recommended levels for the Operating, Capital Rehabilitation and Replacement, and Debt Reserves.

### B. NEXT STEPS

- **Annually Review Rates and Revenue** – Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements, particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

*Note: The attached Technical Appendix provides more detailed information on the analysis of the water revenue requirements, cost-of-service analysis and cost allocations, and the rate design analyses that have been summarized in this Study.*

### C. NBS' PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this Study and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions and events that may occur in the future. This information and assumptions, including the City's budgets, capital improvement costs, and information from City staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this Study and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

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<sup>19</sup> A full rate schedule for Prop 218 purposes shown in Exhibit A at the end of this Study

# TECHNICAL APPENDIX

## Proposition 218 Rate Table

| Water Rate Schedule   | Current Rates | Proposed Water Rates<br>46% Fixed / 54% Variable |            |            |            |            |
|---|---------------|--|------------|------------|------------|------------|
|   |               | FY 2016/17                                       | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 |
| <i>Projected Increase in Rate Revenue per Financial Plan:</i> |               | 15.50%   | 11.00%     | 1.00%      | 1.00%      | 1.00%      |
| <b>Fixed Service Charge</b>                                   |               |  |            |            |            |            |
| 5/8-inch meter  | \$16.70       | \$22.78  | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 3/4-inch meter  | \$16.70       | \$22.78  | \$25.29    | \$25.54    | \$25.80    | \$26.06    |
| 1-inch meter  | \$26.23       | \$37.00  | \$41.07    | \$41.48    | \$41.90    | \$42.31    |
| 1.5-inch meter  | \$47.00       | \$72.54  | \$80.52    | \$81.32    | \$82.14    | \$82.96    |
| 2-inch meter  | \$71.31       | \$115.19   | \$127.86   | \$129.13   | \$130.43   | \$131.73   |
| 3-inch meter  | \$84.86       | \$228.91   | \$254.09   | \$256.63   | \$259.20   | \$261.79   |
| 4-inch meter  | \$288.78      | \$356.85   | \$396.10   | \$400.07   | \$404.07   | \$408.11   |
| 6-inch meter  | \$489.49      | \$712.24   | \$790.59   | \$798.49   | \$806.48   | \$814.54   |
| 8-inch meter  | \$627.22      | \$1,280.86                                       | \$1,421.76 | \$1,435.98 | \$1,450.34 | \$1,464.84 |
| 10-inch meter   | \$896.96      | \$1,707.33                                       | \$1,895.14 | \$1,914.09 | \$1,933.23 | \$1,952.56 |
| 12-inch meter   | \$1,456.16    | \$2,400.34                                       | \$2,664.38 | \$2,691.02 | \$2,717.93 | \$2,745.11 |
| <b>Commercial Fire Meters - Fixed Service Charge</b>          |               |  |            |            |            |            |
| 4-inch meter  | \$62.28       | \$79.30  | \$88.02    | \$88.90    | \$89.79    | \$90.69    |
| 6-inch meter  | \$139.73      | \$179.38   | \$199.11   | \$201.10   | \$203.11   | \$205.14   |
| 8-inch meter  | \$242.99      | \$312.81   | \$347.22   | \$350.69   | \$354.20   | \$357.74   |
| 10-inch meter   | \$380.68      | \$490.73   | \$544.71   | \$550.15   | \$555.66   | \$561.21   |
| <b>Commodity Charges for All Water Consumed</b>               |               |  |            |            |            |            |
| <b>Single Family Residential Volumetric Rates:</b>            |               |  |            |            |            |            |
| Current, Uniform Volumetric Rate                              | \$1.61        | --   | --         | --         | --         | --         |
| <b>New, Tiered Rates</b>                                      |               |  |            |            |            |            |
| Tier 1: 0 - 18 hcf  | --            | \$1.47   | \$1.64     | \$1.65     | \$1.67     | \$1.69     |
| Tier 2: 19+ hcf   | --            | \$2.16   | \$2.39     | \$2.42     | \$2.44     | \$2.47     |
| <b>All Other Customers</b>                                    |               |  |            |            |            |            |
| Rate Per HCF of Water Consumed                                | \$1.61        | \$1.67   | \$1.86     | \$1.87     | \$1.89     | \$1.91     |

## Detailed Water Rate Study Tables & Figures

TABLE 1  
FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS

|   | Budget               |                      | Projected            |                      |                      |                      |                      |                      |                      |                      |  |  |  |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|--|--|
|   | FY 2015/16           | FY 2016/17           | FY 2017/18           | FY 2018/19           | FY 2019/20           | FY 2020/21           | FY 2021/22           | FY 2022/23           | FY 2023/24           | FY 2024/25           |  |  |  |
| <b>Sources of Water Funds</b>                                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |  |  |  |
| Rate Revenue Under Prevailing Rates (1,2)                       | \$ 8,893,070         | \$ 8,978,774         | \$ 9,065,334         | \$ 9,152,761         | \$ 9,283,136         | \$ 9,397,243         | \$ 9,556,047         | \$ 9,740,714         | \$ 9,929,074         | \$ 10,121,202        |  |  |  |
| Non-Rate Revenues   | 2,312,655            | 239,834              | 240,015              | 240,197              | 240,428              | 240,708              | 241,039              | 241,425              | 241,818              | 242,219              |  |  |  |
| Interest Earnings (in Operating & Capital Reserves) (3)         | 41,661               | 6,855                | 15,692               | 19,060               | 33,768               | 33,088               | 54,979               | 80,745               | 131,447              | 99,442               |  |  |  |
| <b>Total Sources of Funds</b>                                   | <b>\$ 11,247,386</b> | <b>\$ 9,225,463</b>  | <b>\$ 9,321,041</b>  | <b>\$ 9,412,017</b>  | <b>\$ 9,537,332</b>  | <b>\$ 9,671,038</b>  | <b>\$ 9,852,065</b>  | <b>\$ 10,062,884</b> | <b>\$ 10,302,339</b> | <b>\$ 10,462,864</b> |  |  |  |
| <b>Uses of Water Funds</b>                                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |  |  |  |
| <b>Operating Expenses (4):</b>                                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |  |  |  |
| Water Operations  | \$ 1,707,292         | \$ 1,743,828         | \$ 1,781,167         | \$ 1,819,326         | \$ 1,858,324         | \$ 1,898,181         | \$ 1,938,915         | \$ 1,980,548         | \$ 2,023,098         | \$ 2,066,588         |  |  |  |
| Salaries and Benefits   | 4,791,594            | 4,903,049            | 5,017,847            | 4,936,283            | 5,058,271            | 5,183,919            | 5,313,337            | 5,446,637            | 5,583,936            | 5,725,354            |  |  |  |
| Maintenance and Operations                                      | 314,184              | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |  |  |  |
| Maint. & Operations - Perchlorate Resin                         | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |  |  |  |
| Increase to Lease Payment                                       | 6,000                | 6,180                | 6,365                | 6,556                | 6,753                | 6,956                | 7,164                | 7,379                | 7,601                | 7,829                |  |  |  |
| Other Expenses  | 905,859              | 932,410              | 959,745              | 987,888              | 1,016,862            | 1,046,692            | 1,077,403            | 1,109,021            | 1,141,575            | 1,175,090            |  |  |  |
| Cost Allocations  | 907,170              | 926,583              | 946,423              | 966,699              | 987,421              | 1,008,599            | 1,030,243            | 1,052,364            | 1,074,974            | 1,098,082            |  |  |  |
| Water/Wastewater Admin/Tech                                     | 75,739               | 78,011               | 80,352               | 82,762               | 85,245               | 87,802               | 90,436               | 93,149               | 95,944               | 98,822               |  |  |  |
| Salaries and Benefits   | (341,571)            | (352,197)            | (363,149)            | (374,437)            | (386,072)            | (398,064)            | (410,424)            | (423,163)            | (436,293)            | (449,825)            |  |  |  |
| Maintenance and Operations                                      | 627,850              | 569,877              | 571,964              | 574,114              | 576,329              | 578,609              | 580,889              | 583,169              | 585,449              | 587,729              |  |  |  |
| Cost Allocations  | \$ 8,994,117         | \$ 8,807,742         | \$ 9,000,715         | \$ 8,999,191         | \$ 9,203,132         | \$ 9,412,693         | \$ 9,647,074         | \$ 9,265,936         | \$ 9,490,834         | \$ 9,721,940         |  |  |  |
| Water Conservation Program                                      | \$ 1,410,924         | \$ 1,414,774         | \$ 1,075,161         | \$ 1,072,349         | \$ 1,073,824         | \$ 1,074,349         | \$ 1,078,924         | \$ 1,077,311         | \$ 1,079,749         | \$ 697,500           |  |  |  |
| Subtotal: Operating Expenses                                    | 3,445,000            | -                    | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            | 1,132,668            |  |  |  |
| Existing Debt Service   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |  |  |  |
| New Debt Service  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |  |  |  |
| Rate-Funded Capital Expenses                                    | \$ 4,855,924         | \$ 1,414,774         | \$ 2,207,829         | \$ 2,205,017         | \$ 3,285,473         | \$ 2,207,017         | \$ 3,042,215         | \$ 3,040,602         | \$ 3,203,254         | \$ 3,433,628         |  |  |  |
| Subtotal: Other Expenditures                                    | \$ 13,850,040        | \$ 10,222,515        | \$ 11,208,544        | \$ 11,204,207        | \$ 12,488,605        | \$ 11,619,710        | \$ 12,089,289        | \$ 12,306,538        | \$ 12,694,088        | \$ 13,155,568        |  |  |  |
| Total Uses of Water Funds                                       | -                    | 1,391,710            | 2,557,433            | 2,700,365            | 2,854,092            | 3,019,845            | 3,198,979            | 3,392,996            | 3,594,755            | 3,804,529            |  |  |  |
| plus: Revenue from Rate Increases (5)                           | \$ (2,602,655)       | \$ 394,857           | \$ 669,930           | \$ 908,175           | \$ (97,181)          | \$ 1,071,173         | \$ 961,756           | \$ 1,149,342         | \$ 1,203,007         | \$ 1,111,824         |  |  |  |
| <b>Annual Surplus/(Deficit) - Including Add'l. Rate Revenue</b> | <b>\$ 11,495,724</b> | <b>\$ 9,975,826</b>  | <b>\$ 10,952,837</b> | <b>\$ 10,944,951</b> | <b>\$ 12,214,410</b> | <b>\$ 11,345,914</b> | <b>\$ 11,793,271</b> | <b>\$ 11,984,368</b> | <b>\$ 12,320,823</b> | <b>\$ 12,813,906</b> |  |  |  |
| <b>Net Revenue Req't. (Total Uses less Non-Rate Revenue)</b>    | <b>\$ 8,993,070</b>  | <b>\$ 10,370,483</b> | <b>\$ 11,622,767</b> | <b>\$ 11,853,125</b> | <b>\$ 12,117,228</b> | <b>\$ 12,417,088</b> | <b>\$ 12,755,027</b> | <b>\$ 13,133,710</b> | <b>\$ 13,523,829</b> | <b>\$ 13,925,730</b> |  |  |  |
| <b>Total Rate Revenue After Rate Increases</b>                  | <b>\$ 0.00%</b>      | <b>15.50%</b>        | <b>11.00%</b>        | <b>1.00%</b>         |  |  |  |
| <b>Projected Annual Rate Revenue Increase</b>                   | 0.00%                | 15.50%               | 11.00%               | 1.00%                | 1.00%                | 1.00%                | 1.00%                | 1.00%                | 1.00%                | 1.00%                |  |  |  |
| Cumulative Increase from Annual Revenue Increases               | 1.60                 | 1.28                 | 1.30                 | 1.41                 | 1.44                 | 1.49                 | 1.32                 | 1.38                 | 1.45                 | 1.71                 |  |  |  |
| Debt Coverage After Rate Increase (6)                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |  |  |  |

(1) Revenues for FY 2014/15 were provided by City Staff on 6/17/2015. FY 2015/16 were provided by City Staff on 6/16/15 (file: Water Revenue FY 14-15 and FY 15-16.xlsx).  
 Future rate revenue reduced to account for a 20% reduction in consumption, per the State mandate.  
 (2) Per City Staff, customer growth is estimated to be approximately 1% through 2015/16 and phased-in to 2% annually in 2019/20, to be conservative.  
 (3) Interest earnings for 2015/16 are per City budget estimates. For all years beyond 2015/16, it is calculated here based on historical LAIF returns and projected cash balances.  
 (4) The FY 2014/15 operating expenses are from the City's Suggested Budget. Inflationary factors are applied to these expenses to project costs in 2016/17 and beyond.  
 (5) Revenue from rate increases assumes an implementation date of July 1, 2016 for new rates. For each year thereafter, the assumption is that new rates will be implemented on July 1st of each year.  
 (6) Per the Installment Purchase Agreement for the 1998 Water Revenue Bonds, the Utility is required to collect net revenues (revenue less maintenance & operations expenses) equal to 125% of the installment payment and debt service on any parity obligations.

CITY OF COLTON  
WATER RATE STUDY  
Financial Plan and Reserve Projections

TABLE 2  
RESERVE FUND SUMMARY

| SUMMARY OF CASH ACTIVITY  | Projected    |               |               |              |              |              |              |              |              |              |
|---|--------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | Budget       | FY 2016/17    | FY 2017/18    | FY 2018/19   | FY 2019/20   | FY 2020/21   | FY 2021/22   | FY 2022/23   | FY 2023/24   | FY 2024/25   |
| <b>Total Beginning Cash (7)</b>   | \$ 6,545,363 |               |               |              |              |              |              |              |              |              |
| <b>Operating Reserve</b>  |              |               |               |              |              |              |              |              |              |              |
| Beginning Reserve Balance (2)   | \$ 5,301,411 | \$ 2,249,000  | \$ 2,202,000  | \$ 2,250,000 | \$ 2,250,000 | \$ 2,166,582 | \$ 2,353,000 | \$ 2,262,000 | \$ 2,316,000 | \$ 2,373,000 |
| Plus: Net Cash Flow (After Rate Increases)                              | (2,602,655)  | 394,657       | 669,930       | 908,175      | (97,181)     | 1,071,173    | 961,756      | 1,149,342    | 1,203,007    | 1,111,824    |
| Plus: Transfer of Debt Reserve Surplus                                  | 43,312       | 1,756         | 3,513         | 9,176        | 13,764       | 18,352       | 22,940       | 39,987       | 53,316       | 54,316       |
| Less: Transfer Out to Capital Replacement Reserve                       | (493,068)    | (443,414)     | (625,443)     | (917,351)    | -            | (903,107)    | (1,075,695)  | (1,135,329)  | (1,199,322)  | (1,109,140)  |
| <b>Ending Operating Reserve Balance</b>                                 | \$ 2,249,000 | \$ 2,202,000  | \$ 2,250,000  | \$ 2,250,000 | \$ 2,166,582 | \$ 2,353,000 | \$ 2,262,000 | \$ 2,316,000 | \$ 2,373,000 | \$ 2,430,000 |
| <b>Target Ending Balance (90-days of O&amp;M)</b>                       | \$ 2,249,000 | \$ 2,202,000  | \$ 2,250,000  | \$ 2,250,000 | \$ 2,301,000 | \$ 2,353,000 | \$ 2,262,000 | \$ 2,316,000 | \$ 2,373,000 | \$ 2,430,000 |
| <b>Capital Rehabilitation &amp; Replacement Reserve</b>                 |              |               |               |              |              |              |              |              |              |              |
| Beginning Reserve Balance   | \$ -         | \$ 493,068    | \$ 936,482    | \$ 1,561,925 | \$ 2,252,334 | \$ 1,142,200 | \$ 2,045,307 | \$ 3,121,003 | \$ 4,256,331 | \$ 2,599,122 |
| Plus: Grant Proceeds  | -            | -             | -             | -            | -            | -            | -            | -            | -            | -            |
| Plus: Transfer of Operating Reserve Surplus                             | 493,068      | 443,414       | 625,443       | 917,351      | (1,110,134)  | 903,107      | 1,075,695    | 1,135,329    | 1,199,322    | 1,109,140    |
| Less: Use of Reserves for Capital Projects                              | -            | -             | -             | (226,942)    | -            | -            | -            | -            | (2,856,531)  | (1,184,322)  |
| <b>Ending Capital Improvement &amp; Depreciation Reserve Balance</b>    | \$ 493,068   | \$ 936,482    | \$ 1,561,925  | \$ 2,252,334 | \$ 1,142,200 | \$ 2,045,307 | \$ 3,121,003 | \$ 4,256,331 | \$ 2,599,122 | \$ 2,523,940 |
| Target Ending Balance (3% of Assets) (3)                                | \$ 747,500   | \$ 853,800    | \$ 1,022,800  | \$ 1,111,900 | \$ 1,142,200 | \$ 1,222,000 | \$ 1,297,500 | \$ 1,348,100 | \$ 1,399,800 | \$ 1,414,800 |
| <b>Ending Balance - Excludes Debt Reserve &amp; Bond Fund</b>           | \$ 2,742,068 | \$ 3,138,482  | \$ 3,811,925  | \$ 4,502,334 | \$ 3,308,782 | \$ 4,398,307 | \$ 5,383,003 | \$ 6,572,331 | \$ 4,972,122 | \$ 4,953,940 |
| <b>Minimum Target Ending Balance - Excl. Debt Resv. &amp; Bond Fund</b> | \$ 2,996,500 | \$ 3,055,800  | \$ 3,272,800  | \$ 3,361,900 | \$ 3,443,200 | \$ 3,575,000 | \$ 3,559,500 | \$ 3,664,100 | \$ 3,772,800 | \$ 3,844,800 |
| Ending Surplus/(Deficit) Compared to Reserve Targets                    | \$ (254,432) | \$ 82,682     | \$ 539,125    | \$ 1,140,434 | \$ (134,418) | \$ 823,307   | \$ 1,823,503 | \$ 2,908,231 | \$ 1,199,322 | \$ 1,109,140 |
| <b>No. Days Cash On Hand</b>  | 96           | 112           | 138           | 163          | 118          | 153          | 194          | 232          | 172          | 174          |
| <b>Restricted Reserves:</b>   |              |               |               |              |              |              |              |              |              |              |
| <b>Bond Project Fund</b>  |              |               |               |              |              |              |              |              |              |              |
| Beginning Reserve Balance (4)   | \$ 500,000   | \$ -          | \$ 10,576,150 | \$ 3,887,176 | \$ -         | \$ -         | \$ 7,081,654 | \$ 3,224,865 | \$ 150,180   | \$ (0)       |
| Plus: Lease-Purchase Financing Proceeds                                 | -            | -             | -             | -            | -            | -            | -            | -            | -            | -            |
| Plus: Revenue Bond Proceeds   | (500,000)    | 15,000,000    | (6,688,975)   | (3,887,176)  | -            | 11,000,000   | (3,856,789)  | (3,074,685)  | (150,180)    | -            |
| Less: Use of Bond & Loan Funds for Capital Projects                     | -            | (4,423,850)   | -             | -            | -            | (3,918,346)  | -            | -            | -            | -            |
| <b>Ending Bond Project Fund Balance</b>                                 | \$ -         | \$ 10,576,150 | \$ 3,887,176  | \$ -         | \$ -         | \$ 7,081,654 | \$ 3,224,865 | \$ 150,180   | \$ (0)       | \$ (0)       |
| <b>Target Ending Balance</b>  | \$ -         | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Debt Reserve</b>   |              |               |               |              |              |              |              |              |              |              |
| Beginning Reserve Balance (4)   | \$ 743,952   | \$ 702,500    | \$ 702,500    | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 |
| Plus: Reserve Funding from New Debt Obligations                         | -            | -             | 1,132,668     | -            | -            | -            | 830,623      | -            | -            | -            |
| Plus: Interest Earnings   | 1,860        | 1,756         | 3,513         | 9,176        | 13,764       | 18,352       | 22,940       | 39,987       | 53,316       | 53,316       |
| Less: Transfer of Surplus to Operating Reserve                          | (43,312)     | (1,756)       | (3,513)       | (9,176)      | (13,764)     | (18,352)     | (22,940)     | (39,987)     | (53,316)     | (54,316)     |
| <b>Ending Debt Reserve Balance</b>                                      | \$ 702,500   | \$ 702,500    | \$ 1,835,168  | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,664,791 |
| <b>Target Ending Balance</b>  | \$ 702,500   | \$ 702,500    | \$ 1,835,168  | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,664,791 |
| <b>Connection Fee Reserve</b>   |              |               |               |              |              |              |              |              |              |              |
| Beginning Reserve Balance (5)   | \$ -         | \$ 100,000    | \$ 201,250    | \$ 304,266   | \$ 408,818   | \$ 516,202   | \$ 627,247   | \$ 742,823   | \$ 863,856   | \$ 993,221   |
| Plus: Interest Earnings   | -            | -             | 250           | 1,006        | 1,521        | 3,066        | 5,182        | 7,841        | 11,142       | 19,864       |
| Plus: Capacity Fee Revenue (6)  | 100,000      | 101,000       | 102,010       | 103,030      | 104,318      | 105,893      | 107,736      | 109,890      | 112,088      | 114,330      |
| Less: Use of Reserves for Capital Projects                              | -            | -             | -             | -            | -            | -            | -            | -            | -            | -            |
| <b>Ending Connection Fee Fund Balance</b>                               | \$ 100,000   | \$ 201,250    | \$ 304,266    | \$ 408,818   | \$ 516,202   | \$ 627,247   | \$ 742,823   | \$ 863,856   | \$ 993,221   | \$ 1,127,415 |
| <b>Annual Interest Earnings Rate (7)</b>                                | 0.25%        | 0.25%         | 0.50%         | 0.50%        | 0.75%        | 1.00%        | 1.25%        | 1.50%        | 2.00%        | 2.00%        |

(1) Beginning cash balance is from the Trial Balance Report for July 2015 as of 1/4/2016, and is the sum of: Cash in Banks \$5,301,411, Cash with Fiscal Agent \$743,952 and the actual balance in the Cash with Fiscal Agent-Citizens Trust of \$500,000 (per email from city staff 1/4/2016).

(2) The beginning Operating Reserve balance is equal to the amount in the Cash in Banks account, per the City's Trial Balance report for July 2015 as of January 4, 2016.

(3) The Capital Rehab & Replacement reserve target is set to 3% of net assets.

(4) The total bond fund balance of \$500,000 confirmed by staff via email 1/4/2016.

(5) Per City Staff, the City isn't holding any previously paid capacity fees in reserves.

(6) NBS assumes that capacity fee revenue in future years will be consistent with FY 2013/14 estimates, and the funds will be available to spend on future capital projects.

(7) Historical interest earning rates were referenced on the California Treasurer's Office website for funds invested in LAIF. Future years earnings were conservatively estimated through 2023 and phase into the historical 10 year average interest earnings rate.

CHART 1

## Water Revenue Requirements vs. Revenue Under Existing and Increased Rates

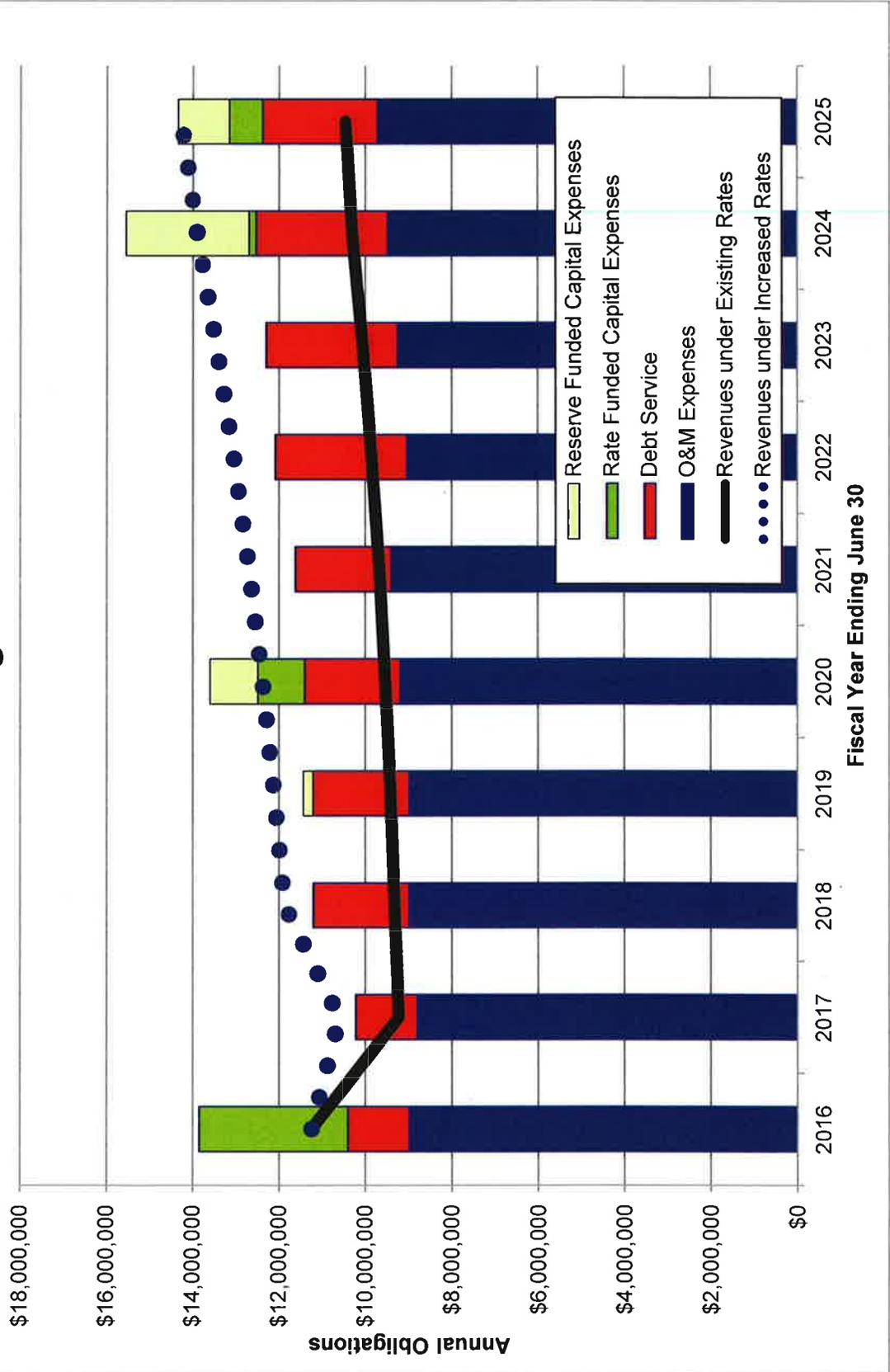


CHART 2

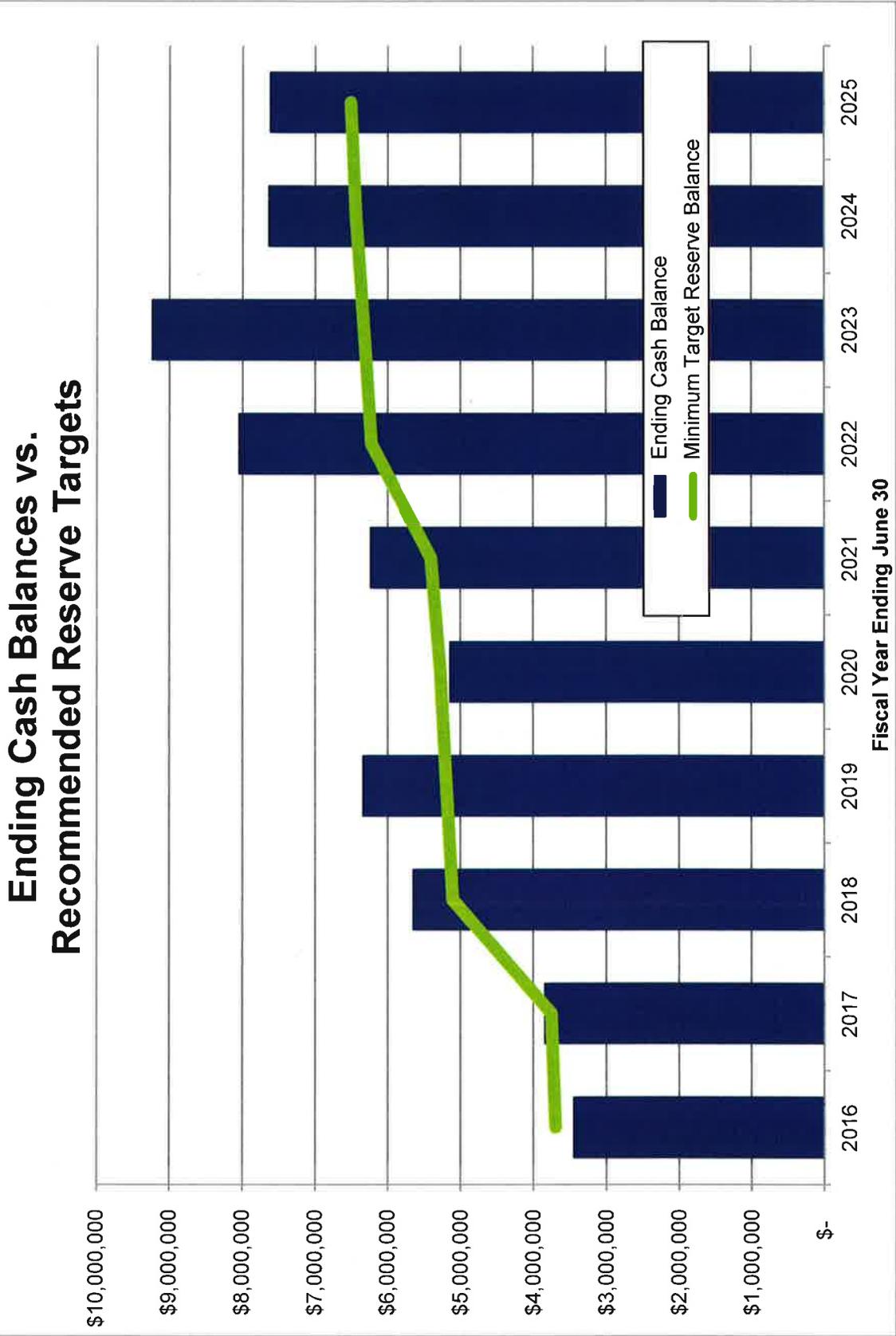
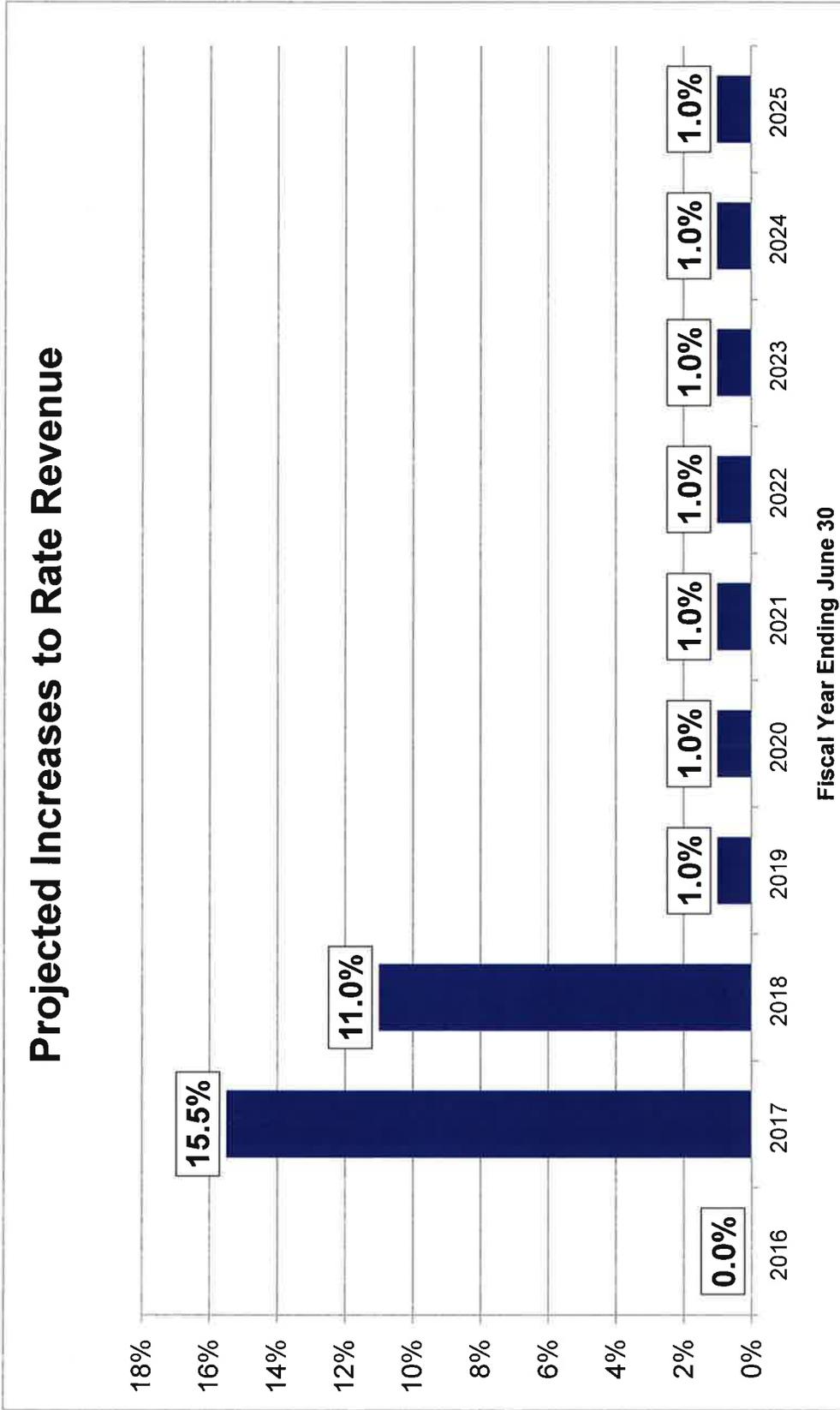


CHART 3



CITY OF COLTON  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 3  
REVENUE FORECAST (1)

| SOURCES OF REVENUE                               | Basis     | 2016                 | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                 | 2024                 | 2025                 |
|--|-----------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| <b>5600 - Use of Money and Property</b>          |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 5601 Pooled Interest                             | Ref to FP | \$ 4,181             | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 5604 Trustee Interest Income (2)                 | Ref to FP | \$ 37,480            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| <b>6700 - Charges for Current Services</b>       |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 6702 Sale of Maps and Pubs                       | 6         | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 6729 Plan Check Fees                             | 1         | \$ 4,435             | \$ 4,479            | \$ 4,524            | \$ 4,569            | \$ 4,627            | \$ 4,686            | \$ 4,778            | \$ 4,874             | \$ 4,971             | \$ 5,071             |
| 6758 Inspection Fees                             | 1         | \$ 3,460             | \$ 3,495            | \$ 3,530            | \$ 3,565            | \$ 3,609            | \$ 3,664            | \$ 3,728            | \$ 3,802             | \$ 3,878             | \$ 3,956             |
| 6788 Fee for Temp Fire Hydrant                   | 6         | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 6792 Customer Service Charge                     | 6         | \$ 14,557            | \$ 14,557           | \$ 14,557           | \$ 14,557           | \$ 14,557           | \$ 14,557           | \$ 14,557           | \$ 14,557            | \$ 14,557            | \$ 14,557            |
| 6793 Mtr Conn Chg/Reimbmt for Wtr Meter          | 6         | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 6794 Frontage/Land Use Fee for Water Line        | 6         | \$ 12,000            | \$ 12,000           | \$ 12,000           | \$ 12,000           | \$ 12,000           | \$ 12,000           | \$ 12,000           | \$ 12,000            | \$ 12,000            | \$ 12,000            |
| 6796 Water Meter Installation Fee                | 6         | \$ 8,450             | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450            | \$ 8,450             | \$ 8,450             | \$ 8,450             |
| <b>6800 - Charges for Current Services</b>       |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 6800 Residential Sales                           | 1         | \$ 5,321,497         | \$ 5,374,712        | \$ 5,428,459        | \$ 5,482,744        | \$ 5,551,278        | \$ 5,634,548        | \$ 5,733,152        | \$ 5,847,815         | \$ 5,964,771         | \$ 6,084,067         |
| 6803 Commercial Sales                            | 1         | \$ 3,248,870         | \$ 3,281,359        | \$ 3,314,173        | \$ 3,347,314        | \$ 3,389,156        | \$ 3,439,993        | \$ 3,500,193        | \$ 3,570,197         | \$ 3,641,601         | \$ 3,714,433         |
| 6806 Sales To City/Depts                         | 6         | \$ 322,702           | \$ 322,702          | \$ 322,702          | \$ 322,702          | \$ 322,702          | \$ 322,702          | \$ 322,702          | \$ 322,702           | \$ 322,702           | \$ 322,702           |
| 6888 Construction Water                          | 6         | \$ 104,734           | \$ 104,734          | \$ 104,734          | \$ 104,734          | \$ 104,734          | \$ 104,734          | \$ 104,734          | \$ 104,734           | \$ 104,734           | \$ 104,734           |
| <b>7800 - Miscellaneous Revenue</b>              |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 7820 Refunds, Rebates & Reimbursements           | 6         | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 7822 Damage to City Property-Recovery            | 6         | \$ 1,000             | \$ 1,000            | \$ 1,000            | \$ 1,000            | \$ 1,000            | \$ 1,000            | \$ 1,000            | \$ 1,000             | \$ 1,000             | \$ 1,000             |
| 7830 Miscellaneous Revenue (3)                   | 1         | \$ 10,000            | \$ 10,100           | \$ 10,201           | \$ 10,303           | \$ 10,432           | \$ 10,588           | \$ 10,774           | \$ 10,989            | \$ 11,209            | \$ 11,433            |
| <b>7900 - Miscellaneous Revenue - Enterprise</b> |           |                      |                     |                     |                     |                     |                     |                     |                      |                      |                      |
| 7907 Sales to Outside Agencies                   | 6         | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| 7908 Connection Fees-B \$                        | 1         | \$ 100,000           | \$ 101,000          | \$ 102,010          | \$ 103,030          | \$ 104,318          | \$ 105,883          | \$ 107,736          | \$ 109,890           | \$ 112,088           | \$ 114,330           |
| 7910 5% Late Charge                              | 6         | \$ 81,019            | \$ 81,019           | \$ 81,019           | \$ 81,019           | \$ 81,019           | \$ 81,019           | \$ 81,019           | \$ 81,019            | \$ 81,019            | \$ 81,019            |
| -- Revenue from Sale of Property                 | 6         | \$ 2,073,000         | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| <b>TOTAL: REVENUE</b>                            |           | <b>\$ 11,347,386</b> | <b>\$ 9,319,608</b> | <b>\$ 9,407,359</b> | <b>\$ 9,495,988</b> | <b>\$ 9,607,882</b> | <b>\$ 9,743,833</b> | <b>\$ 9,904,822</b> | <b>\$ 10,092,030</b> | <b>\$ 10,282,981</b> | <b>\$ 10,477,751</b> |

TABLE 4

| REVENUE SUMMARY                  | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025          |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| WATER RATE REVENUE               | \$ 8,893,070 | \$ 8,978,774 | \$ 9,065,334 | \$ 9,152,761 | \$ 9,263,136 | \$ 9,397,243 | \$ 9,556,047 | \$ 9,740,714 | \$ 9,929,074 | \$ 10,121,202 |
| CAPACITY CHARGES/CONNECTION FEES | \$ 100,000   | \$ 101,000   | \$ 102,010   | \$ 103,030   | \$ 104,318   | \$ 105,883   | \$ 107,736   | \$ 109,890   | \$ 112,088   | \$ 114,330    |
| INTEREST INCOME                  | \$ 41,661    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -          |
| ALL OTHER OPERATING REVENUE      | \$ 2,312,655 | \$ 239,834   | \$ 240,015   | \$ 240,197   | \$ 240,428   | \$ 240,708   | \$ 241,039   | \$ 241,425   | \$ 241,818   | \$ 242,219    |

CITY OF COLTON  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 5  
OPERATING EXPENSE FORECAST (4):

| Water Operations                               | Basis | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|--|-------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>1000 - Salaries &amp; Benefits</b>          |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 1010 Salaries - Miscellaneous                  | 3     | \$ 1,032,111        | \$ 1,054,198        | \$ 1,076,770        | \$ 1,099,839        | \$ 1,123,415        | \$ 1,147,509        | \$ 1,172,134        | \$ 1,197,302        | \$ 1,223,026        | \$ 1,249,317        |
| 1040 Salaries - Part time                      | 3     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 1050 Salaries - Overtime                       | 3     | \$ 160,924          | \$ 164,368          | \$ 167,887          | \$ 171,484          | \$ 175,160          | \$ 178,917          | \$ 182,756          | \$ 186,680          | \$ 190,691          | \$ 194,790          |
| 1100 Salary Related Benefits                   | 3     | \$ 240,306          | \$ 245,449          | \$ 250,704          | \$ 256,075          | \$ 261,564          | \$ 267,174          | \$ 272,908          | \$ 278,767          | \$ 284,757          | \$ 290,878          |
| 1101 Non-Persable Benefits                     | 3     | \$ 249,033          | \$ 254,362          | \$ 259,809          | \$ 265,375          | \$ 271,063          | \$ 276,877          | \$ 282,819          | \$ 288,891          | \$ 295,098          | \$ 301,441          |
| 1150 Retiree Health Insurance                  | 3     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 1161 Certification-Training/Renew              | 3     | \$ 4,500            | \$ 4,596            | \$ 4,695            | \$ 4,795            | \$ 4,898            | \$ 5,003            | \$ 5,111            | \$ 5,220            | \$ 5,332            | \$ 5,447            |
| 1170 Uniforms                                  | 3     | \$ 12,918           | \$ 13,194           | \$ 13,477           | \$ 13,766           | \$ 14,061           | \$ 14,362           | \$ 14,671           | \$ 14,986           | \$ 15,308           | \$ 15,637           |
| 1180 Safety Equipment                          | 3     | \$ 7,500            | \$ 7,661            | \$ 7,825            | \$ 7,992            | \$ 8,163            | \$ 8,339            | \$ 8,518            | \$ 8,700            | \$ 8,887            | \$ 9,078            |
| <b>2000 - Maintenance and Operations</b>       |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 2210 Vehicle Operating Expense                 | 2     | \$ 45,667           | \$ 47,037           | \$ 48,448           | \$ 49,902           | \$ 51,399           | \$ 52,941           | \$ 54,529           | \$ 56,165           | \$ 57,850           | \$ 59,585           |
| 2240 Misc. Equipment Maint.                    | 2     | \$ 2,500            | \$ 2,575            | \$ 2,652            | \$ 2,732            | \$ 2,814            | \$ 2,898            | \$ 2,985            | \$ 3,075            | \$ 3,167            | \$ 3,262            |
| 2241 Permits                                   | 2     | \$ 16,805           | \$ 17,309           | \$ 17,828           | \$ 18,363           | \$ 18,914           | \$ 19,482           | \$ 20,066           | \$ 20,668           | \$ 21,288           | \$ 21,927           |
| 2250 Buildings & Grounds Maint.                | 2     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 2301 Operating Supp./Equip.                    | 2     | \$ 178,166          | \$ 183,511          | \$ 189,016          | \$ 194,687          | \$ 200,527          | \$ 206,543          | \$ 212,740          | \$ 219,122          | \$ 225,695          | \$ 232,466          |
| 2303 Unsch. Immed. Line Repair                 | 2     | \$ 15,000           | \$ 15,450           | \$ 15,914           | \$ 16,391           | \$ 16,883           | \$ 17,389           | \$ 17,911           | \$ 18,448           | \$ 19,002           | \$ 19,572           |
| 2308 Hypochlorite Solution Purchases           | 2     | \$ 140,562          | \$ 144,779          | \$ 149,122          | \$ 153,596          | \$ 158,204          | \$ 162,950          | \$ 167,838          | \$ 172,874          | \$ 178,060          | \$ 183,402          |
| 2309 Perchlorate Resin - Non-Capitalizable (5) | 2     | \$ 314,184          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 2310 Telecommunication Expense                 | 2     | \$ 20,800           | \$ 21,424           | \$ 22,067           | \$ 22,729           | \$ 23,411           | \$ 24,113           | \$ 24,836           | \$ 25,581           | \$ 26,349           | \$ 27,139           |
| 2320 Utilities Expense (6)                     | 2     | \$ 2,625,007        | \$ 2,703,757        | \$ 2,784,870        | \$ 2,868,416        | \$ 2,954,469        | \$ 3,043,103        | \$ 3,134,396        | \$ 3,228,428        | \$ 3,325,280        | \$ 3,425,039        |
| 2331 Purchased Water                           | 2     | \$ 50,000           | \$ 51,500           | \$ 53,045           | \$ 54,636           | \$ 56,275           | \$ 57,964           | \$ 59,703           | \$ 61,494           | \$ 63,339           | \$ 65,239           |
| 2350 Professional Services                     | 2     | \$ 412,000          | \$ 424,360          | \$ 437,091          | \$ 450,204          | \$ 463,710          | \$ 477,621          | \$ 491,950          | \$ 506,708          | \$ 521,909          | \$ 537,567          |
| 2352 Professional Svc - Perchlorate (7)        | 2     | \$ 200,000          | \$ 200,000          | \$ 200,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 2380 Administrative Charges                    | 2     | \$ 6,436            | \$ 6,436            | \$ 6,436            | \$ 6,629            | \$ 6,828            | \$ 7,033            | \$ 7,244            | \$ 7,461            | \$ 7,685            | \$ 7,915            |
| 2381 Lease Payment To Gen Fund (8)             | 6     | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          | \$ 870,000          |
| 2381 Increase in Lease Payment To Gen Fund (8) | 6     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 2381 Production Maintenance                    | 2     | \$ 142,651          | \$ 146,931          | \$ 151,338          | \$ 155,879          | \$ 160,555          | \$ 165,372          | \$ 170,333          | \$ 175,443          | \$ 180,706          | \$ 186,127          |
| 2420 Equipment Lease                           | 2     | \$ 25,000           | \$ 25,750           | \$ 26,523           | \$ 27,318           | \$ 28,138           | \$ 28,982           | \$ 29,851           | \$ 30,747           | \$ 31,669           | \$ 32,619           |
| 2500 Principal (9)                             | 2     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 2510 Interest Expense (9)                      | 2     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 2550 Depreciation Expense                      | 2     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 2560 Bad Debt Expense                          | 2     | \$ 38,500           | \$ 39,655           | \$ 40,845           | \$ 42,070           | \$ 43,332           | \$ 44,632           | \$ 45,971           | \$ 47,350           | \$ 48,771           | \$ 50,234           |
| 2570 Property Tax Expense                      | 2     | \$ 2,500            | \$ 2,575            | \$ 2,652            | \$ 2,732            | \$ 2,814            | \$ 2,898            | \$ 2,985            | \$ 3,075            | \$ 3,167            | \$ 3,262            |
| 2600 Cost Of Issuance                          | 2     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Other Expenses</b>                          |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 3888 Stores Write Off                          | 2     | \$ 6,000            | \$ 6,180            | \$ 6,365            | \$ 6,556            | \$ 6,753            | \$ 6,956            | \$ 7,164            | \$ 7,379            | \$ 7,601            | \$ 7,829            |
| <b>5000 - Total Cost Allocations</b>           |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 5990 Alloc. From Other Departments (10)        | 2     | \$ 833,232          | \$ 858,229          | \$ 883,976          | \$ 910,495          | \$ 937,810          | \$ 965,944          | \$ 994,923          | \$ 1,024,770        | \$ 1,055,513        | \$ 1,087,179        |
| 5991 Transfer Out - PERS Bond                  | 3     | \$ 72,627           | \$ 74,181           | \$ 75,770           | \$ 77,393           | \$ 79,052           | \$ 80,747           | \$ 82,480           | \$ 84,251           | \$ 86,061           | \$ 87,911           |
| <b>Total: Water Operations Expenses</b>        |       | <b>\$ 7,724,929</b> | <b>\$ 7,585,467</b> | <b>\$ 7,765,124</b> | <b>\$ 7,750,052</b> | <b>\$ 7,940,210</b> | <b>\$ 8,135,747</b> | <b>\$ 8,336,819</b> | <b>\$ 8,543,585</b> | <b>\$ 8,756,209</b> | <b>\$ 8,974,861</b> |

CITY OF COLTON  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 6  
OPERATING EXPENSE FORECAST, continued (4):  
Water/Wastewater Admin/Tech

|  | Basis | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
|--|-------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>1000 - Salaries &amp; Benefits</b>                |       |              |              |              |              |              |              |              |              |              |              |
| 1010 Salaries - Miscellaneous                        | 3     | \$ 533,915   | \$ 545,341   | \$ 557,018   | \$ 568,951   | \$ 581,147   | \$ 593,611   | \$ 606,350   | \$ 619,369   | \$ 632,676   | \$ 646,276   |
| -- Salaries - Miscellaneous - Positional Changes (1) | 3     | \$ 91,360    | \$ 93,315    | \$ 95,313    | \$ 97,355    | \$ 99,442    | \$ 101,575   | \$ 103,755   | \$ 105,982   | \$ 108,259   | \$ 110,587   |
| 1040 Salaries - Part Time                            | 3     | \$ 8,237     | \$ 8,413     | \$ 8,593     | \$ 8,778     | \$ 8,966     | \$ 9,158     | \$ 9,354     | \$ 9,555     | \$ 9,761     | \$ 9,970     |
| 1050 Salaries - Overtime                             | 3     | \$ 8,500     | \$ 8,682     | \$ 8,868     | \$ 9,058     | \$ 9,252     | \$ 9,450     | \$ 9,653     | \$ 9,860     | \$ 10,072    | \$ 10,289    |
| 1100 Salary Related Benefits                         | 3     | \$ 114,089   | \$ 116,531   | \$ 119,026   | \$ 121,576   | \$ 124,182   | \$ 126,845   | \$ 129,567   | \$ 132,349   | \$ 135,193   | \$ 138,099   |
| 1101 Non-Perseable Benefits                          | 3     | \$ 100,375   | \$ 102,523   | \$ 104,718   | \$ 106,962   | \$ 109,254   | \$ 111,598   | \$ 113,993   | \$ 116,440   | \$ 118,942   | \$ 121,499   |
| -- Benefit Cost Positional Changes (11)              | 3     | \$ 36,544    | \$ 37,326    | \$ 38,125    | \$ 38,942    | \$ 39,777    | \$ 40,630    | \$ 41,502    | \$ 42,393    | \$ 43,304    | \$ 44,235    |
| 1150 Retiree Health Insurance                        | 3     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| 1160 Education & Training                            | 3     | \$ 7,500     | \$ 7,661     | \$ 7,825     | \$ 7,992     | \$ 8,163     | \$ 8,339     | \$ 8,518     | \$ 8,700     | \$ 8,887     | \$ 9,078     |
| 1161 Certification - Training/Renew                  | 3     | \$ 5,000     | \$ 5,107     | \$ 5,216     | \$ 5,328     | \$ 5,442     | \$ 5,559     | \$ 5,678     | \$ 5,800     | \$ 5,925     | \$ 6,052     |
| 1170 Uniforms  | 3     | \$ 650       | \$ 664       | \$ 678       | \$ 693       | \$ 708       | \$ 723       | \$ 738       | \$ 754       | \$ 770       | \$ 787       |
| 1180 Safety equipment                                | 3     | \$ 1,000     | \$ 1,021     | \$ 1,043     | \$ 1,066     | \$ 1,088     | \$ 1,112     | \$ 1,136     | \$ 1,160     | \$ 1,185     | \$ 1,210     |
| <b>2000 - Maintenance and Operations</b>             |       |              |              |              |              |              |              |              |              |              |              |
| 2210 Vehicle Operating Expense                       | 2     | \$ 6,500     | \$ 6,695     | \$ 6,896     | \$ 7,103     | \$ 7,316     | \$ 7,535     | \$ 7,761     | \$ 7,994     | \$ 8,234     | \$ 8,481     |
| 2230 Vehicle Allowance                               | 2     | \$ 1,514     | \$ 1,559     | \$ 1,606     | \$ 1,654     | \$ 1,704     | \$ 1,755     | \$ 1,808     | \$ 1,862     | \$ 1,918     | \$ 1,975     |
| 2240 Misc. Equipment Maint.                          | 2     | \$ 1,725     | \$ 1,777     | \$ 1,830     | \$ 1,885     | \$ 1,942     | \$ 2,000     | \$ 2,060     | \$ 2,122     | \$ 2,185     | \$ 2,251     |
| 2250 Bldg & Grnds Maintenance                        | 2     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| 2270 Dues & Publications                             | 2     | \$ 8,000     | \$ 8,240     | \$ 8,487     | \$ 8,742     | \$ 9,004     | \$ 9,274     | \$ 9,552     | \$ 9,839     | \$ 10,134    | \$ 10,438    |
| 2280 Travel & Meetings                               | 2     | \$ 3,500     | \$ 3,605     | \$ 3,713     | \$ 3,825     | \$ 3,939     | \$ 4,057     | \$ 4,179     | \$ 4,305     | \$ 4,434     | \$ 4,567     |
| 2300 Office Supplies/Postage                         | 2     | \$ 12,500    | \$ 12,875    | \$ 13,261    | \$ 13,659    | \$ 14,069    | \$ 14,491    | \$ 14,926    | \$ 15,373    | \$ 15,835    | \$ 16,310    |
| 2340 Legal Printing                                  | 2     | \$ 5,000     | \$ 5,150     | \$ 5,305     | \$ 5,464     | \$ 5,628     | \$ 5,796     | \$ 5,970     | \$ 6,149     | \$ 6,334     | \$ 6,524     |
| 2350 Professional Services                           | 2     | \$ 26,000    | \$ 26,780    | \$ 27,583    | \$ 28,411    | \$ 29,263    | \$ 30,141    | \$ 31,045    | \$ 31,977    | \$ 32,936    | \$ 33,924    |
| 2354 Printing & Publications                         | 2     | \$ 5,000     | \$ 5,150     | \$ 5,305     | \$ 5,464     | \$ 5,628     | \$ 5,796     | \$ 5,970     | \$ 6,149     | \$ 6,334     | \$ 6,524     |
| 2420 Equipment Lease                                 | 2     | \$ 6,000     | \$ 6,180     | \$ 6,365     | \$ 6,556     | \$ 6,753     | \$ 6,956     | \$ 7,164     | \$ 7,379     | \$ 7,601     | \$ 7,829     |
| <b>5000 - Total Cost Allocations</b>                 |       |              |              |              |              |              |              |              |              |              |              |
| 5990 Alloc from Gen Fund Depts. (10)                 | 2     | \$ 187,610   | \$ 193,238   | \$ 199,035   | \$ 205,007   | \$ 211,157   | \$ 217,491   | \$ 224,016   | \$ 230,737   | \$ 237,659   | \$ 244,788   |
| 5991 Transfer Out - POBs (12)                        | 3     | \$ 44,017    | \$ 44,959    | \$ 45,922    | \$ 46,906    | \$ 47,911    | \$ 48,939    | \$ 49,989    | \$ 51,063    | \$ 52,160    | \$ 53,281    |
| 5995 Alloc Admin/Tech to Wastewater (13)             | 2     | \$ (573,199) | \$ (590,395) | \$ (608,107) | \$ (626,350) | \$ (645,140) | \$ (664,494) | \$ (684,429) | \$ (704,962) | \$ (726,111) | \$ (747,894) |
| <b>Total: Water Admin/Tech Expenses</b>              |       | \$ 641,338   | \$ 652,398   | \$ 663,626   | \$ 675,024   | \$ 686,594   | \$ 698,337   | \$ 710,255   | \$ 722,351   | \$ 734,625   | \$ 747,079   |

TABLE 7

|   | Basis | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
|---|-------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Water Conservation Programs (14,15)</b>        |       |              |              |              |              |              |              |              |              |              |              |
| <b>1000 - Salaries &amp; Benefits</b>             |       |              |              |              |              |              |              |              |              |              |              |
| 1160 Education & Training                         | 3     | \$ 1,000     | \$ 1,021     | \$ 1,043     | \$ 1,066     | \$ 1,088     | \$ 1,112     | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>2000 - Maintenance and Operations</b>          |       |              |              |              |              |              |              |              |              |              |              |
| 2041 Rebates - Water Conservation                 | 2     | \$ 35,000    | \$ 36,050    | \$ 37,132    | \$ 38,245    | \$ 39,393    | \$ 40,575    | \$ -         | \$ -         | \$ -         | \$ -         |
| 2270 Dues & Publications                          | 2     | \$ 20,000    | \$ 20,600    | \$ 21,218    | \$ 21,855    | \$ 22,510    | \$ 23,185    | \$ -         | \$ -         | \$ -         | \$ -         |
| 2280 Travel & Meetings                            | 2     | \$ 1,350     | \$ 1,391     | \$ 1,432     | \$ 1,475     | \$ 1,519     | \$ 1,565     | \$ -         | \$ -         | \$ -         | \$ -         |
| 2300 Office Supplies/Postage                      | 2     | \$ 5,500     | \$ 5,665     | \$ 5,835     | \$ 6,010     | \$ 6,190     | \$ 6,376     | \$ -         | \$ -         | \$ -         | \$ -         |
| 2341 Advertising                                  | 2     | \$ 5,000     | \$ 5,150     | \$ 5,305     | \$ 5,464     | \$ 5,628     | \$ 5,796     | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Additional Expenses (16)</b>                   |       |              |              |              |              |              |              |              |              |              |              |
| -- Turt Removal Rebate Program                    | 2     | \$ 60,000    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| -- Water Conservation Rebate Program (17)         | 6     | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Total: Water Conservation Program Expenses</b> |       | \$ 627,850   | \$ 569,877   | \$ 571,964   | \$ 574,114   | \$ 576,329   | \$ 578,609   | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Grand Total: Operating Expenses</b>            |       | \$ 8,994,117 | \$ 8,807,742 | \$ 9,000,715 | \$ 8,999,191 | \$ 9,203,132 | \$ 9,412,693 | \$ 9,047,074 | \$ 9,265,936 | \$ 9,490,834 | \$ 9,721,940 |

CITY OF COLTON  
WATER RATE STUDY  
Operating Revenue and Expenses

TABLE 8  
FORECASTING ASSUMPTIONS:

| ECONOMIC VARIABLES          | 2016 | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  |
|-----------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1 Customer Growth (18)      | -    | 1.00% | 1.00% | 1.00% | 1.25% | 1.50% | 1.75% | 2.00% | 2.00% | 2.00% |
| 2 General Cost Inflation    | -    | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3 Labor Cost Inflation (19) | -    | 2.14% | 2.14% | 2.14% | 2.14% | 2.14% | 2.15% | 2.15% | 2.15% | 2.15% |
| 4 Other Cost Inflation      | -    | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 5 Other Cost Inflation      | -    | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| 6 No Escalation             | -    | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

(1) Revenues for FY 2014/15 were provided by City Staff on 6/17/2015. FY 2015/16 were provided by City staff on 6/16/15 (file: Water Revenue FY 14-15 and FY 15-16.xlsx). This excludes the Loan/Bond proceeds, which are accounted for in Exhibit 2.

(2) Interest earnings are zeroed out here because it is calculated in the Financial Plan section of this model, in Table 2 (Reserve Fund Summary).

(3) Per City Staff, miscellaneous Revenue is estimated to be approximately \$20,000 per year.

(4) The FY 2014/15 operating expenses are from the City's Adjusted Budget, unless otherwise noted. FY 2015/16 expenses are from the City's suggested Budget. Inflationary factors are applied to these expenses to project costs in 2015/16 and beyond

Budget files provided by City: Water Adopted Budget FY 2014-2015-Expenditures.pdf and Water Proposed Budget FY 2015-2016-Expenditures.pdf.

(5) Per City Staff (on 2/10/2014), Perchlorate Resin expense will only continue through FY 2014/15, expanded to included budgeted amount for 2015-16

(6) Utility Expense consists of wells & boosters Time of Use (TOU) electric bills, Well 19-Edison, corporate yard electricity, So California Gas Co-Corporate Yard and City Departments Water.

(7) Expense for Perchlorate Professional Services is per City Staff estimates through 2016/17. The expense is expected to drop off in 2017/18, per City Staff 6/4/2015.

(8) Lease payment to General Fund is the Joint Powers Authority (JPA) 55 Year General Lease Payment for Corporate Yard/Water Facilities (Lease Ends 2055). Payments increased at the request of staff (email dated 5/6/2015) to \$2.26 million.

NBS assumes the final payment will be made in FY 2030/31, as opposed to FY 2055/56, since the payment amount is being increased. As a conservative estimate, 0% is used as the discount rate.

(9) Principal and interest payments on outstanding debt is accounted for in Exhibit 3 of this module

(10) This is for General Fund allocations to supporting departments (Finance, City Clerk, City Manager, City Attorney, IS, HR, Purchasing, Auto Shop, etc.).

(11) Expense for positional change assumes the Industrial Engineer cost at a rate of \$37/hr, plus the reclassification of the Utilities Associate Engineer at an additional cost of \$1,200/month. Benefit costs are assumed to be 40% of salary cost.

(12) POB expense is allocated based upon salary and was budgeted at 7.04% of Salary. It was increased by 7.04% of Positional Changes Salary Increase.

(13) Allocation of Admin/Tech to Wastewater is for Wastewater's share of Admin/Tech expenditures (Water's Admin Staff does the Wastewater budget, A/P, contracts, inspections, engineering, etc.).

50% of costs due to positional changes were added to budgeted values.

(14) Annual budget is expected to be \$67,850 starting in 2015/16 and for 5 years. This excludes capital projects, landscape efficiency upgrades such as the one time \$60,000 estimated by the City for turf removal in 2015/16

These cost are included in the \$1.5m Water Conservation Program detailed in Exhibit 2, with the exception of the turf removal program.

(15) These projects are expected to be City landscape changes, home efficiency promotions and possible additional required for drought management. Only expected for 5 years.

(16) Additional costs beginning in FY 2015/16, provided by City Staff, via email 5/6/2015. Landscape Efficiency Upgrades are included in Exhibit 2.

(17) Added per City Staff request, 6/17/2015.

(18) Per City Staff, customer growth is estimated to be approximately 1% through 2015/16 and phased-in to 2% annually in 2020/21, to be conservative.

(19) Labor cost inflation is calculated as follows: 14% of labor cost is increasing by 3% per year and the other 86% is increasing by 2% per year. The blended inflation rate is approximately 2.15% each year.

CITY OF COLTON  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

TABLE 9  
CAPITAL FUNDING SUMMARY  
CAPITAL FUNDING FORECAST

| Funding Sources:                                      | Budget              |                      | Projected           |                     |                     |                      |                     |                     |                     |                     |                     |                     |                   |
|---|---------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
|   | FY 2015/16          | FY 2016/17           | FY 2017/18          | FY 2018/19          | FY 2019/20          | FY 2020/21           | FY 2021/22          | FY 2022/23          | FY 2023/24          | FY 2024/25          |                     |                     |                   |
| Grants  | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              |
| Use of Capacity Fee Reserves                          | -                   | -                    | -                   | -                   | -                   | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                 |
| Use of Existing Bond Proceeds                         | 500,000             | -                    | -                   | -                   | -                   | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                 |
| Lease-Purchase Financing                              | -                   | -                    | -                   | -                   | -                   | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                 |
| Use of New Revenue Bond Proceeds (1)                  | -                   | 4,423,850            | 6,688,975           | 3,887,176           | -                   | 3,918,346            | 3,856,789           | 3,074,685           | 150,180             | 2,856,531           | 160,214             | 1,184,322           | 772,837           |
| Use of Capital Improvement and Depreciation Reserve   | -                   | -                    | -                   | 226,942             | 1,110,134           | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                 |
| Rate Revenue  | 3,445,000           | -                    | -                   | -                   | 1,078,981           | -                    | -                   | -                   | -                   | -                   | -                   | -                   | -                 |
| <b>Total Sources of Capital Funds</b>                 | <b>\$ 3,945,000</b> | <b>\$ 4,423,850</b>  | <b>\$ 6,688,975</b> | <b>\$ 4,114,117</b> | <b>\$ 2,189,115</b> | <b>\$ 3,918,346</b>  | <b>\$ 3,856,789</b> | <b>\$ 3,074,685</b> | <b>\$ 3,166,925</b> | <b>\$ 1,184,322</b> | <b>\$ 1,957,160</b> | <b>\$ 1,184,322</b> | <b>\$ 772,837</b> |
| <b>Uses of Capital Funds:</b>                         |                     |                      |                     |                     |                     |                      |                     |                     |                     |                     |                     |                     |                   |
| Project Costs (excluding water conservation projects) | \$ 3,945,000        | \$ 4,423,850         | \$ 6,688,975        | \$ 4,114,117        | \$ 2,189,115        | \$ 3,918,346         | \$ 3,856,789        | \$ 3,074,685        | \$ 3,166,925        | \$ 1,184,322        | \$ 1,957,160        | \$ 1,184,322        | \$ 772,837        |
| Water Conservation Projects                           | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              |
| <b>Capital Funding Surplus (Deficiency)</b>           | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>       |
| <b>New Lease-Purchase Financing</b>                   | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>       |
| <b>New Revenue Bond Proceeds</b>                      | <b>\$ -</b>         | <b>\$ 15,000,000</b> | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 11,000,000</b> | <b>\$ -</b>         | <b>\$ -</b>       |

(1) New Revenue Bonds represent new debt issued by the Water Fund to pay for some capital projects.

CITY OF COLTON  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

CAPITAL IMPROVEMENT PROGRAM (1)

TABLE 10

Capital Improvement Program Costs (in Current-Year Dollars):

| Project Description  | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Well Sites (\$3,430,000)</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Well 22 (500 gpm)  | \$ 300,000          |                     |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| Well 24 (1800 gpm)   | \$ 200,000          |                     |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| Well 23 (1200 gpm)   |                     | \$ 100,000          |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| Well 17 (1100 gpm)   |                     | \$ 200,000          |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| Well 21 (1300 gpm)   |                     |                     | \$ 100,000          |                     |                     |                     |                     |                     |                     | \$ -                |
| Well 19 (800 gpm)  |                     |                     | \$ 60,000           |                     |                     |                     |                     |                     |                     | \$ -                |
| Well 16 (500 gpm)  |                     |                     | \$ 50,000           |                     |                     |                     |                     |                     |                     | \$ -                |
| Well 13 (800 gpm)  |                     |                     |                     | \$ 30,000           |                     |                     |                     |                     |                     | \$ -                |
| Well 26 (800 gpm)  |                     |                     |                     | \$ 140,000          | \$ 50,000           |                     |                     |                     |                     | \$ -                |
| Well 27 (1200 gpm)   |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     |                     | \$ -                |
| Well 28 (800 gpm)  |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     |                     | \$ -                |
| Well 30 (2800 gpm)   |                     |                     |                     |                     |                     | \$ 500,000          | \$ 1,600,000        |                     |                     | \$ -                |
| New Well   |                     |                     |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| <b>Booster Station (\$2,250,000)</b>                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| New Booster Station  |                     |                     |                     |                     | \$ 300,000          | \$ 1,500,000        |                     |                     |                     | \$ -                |
| Reche Canyon Booster Station   | \$ 250,000          |                     |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| Prado Booster Station  |                     | \$ 200,000          |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| <b>Transmission &amp; Distribution (\$8,100,000)</b>                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| La Cadena Drive  | \$ 300,000          | \$ 1,700,000        |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| 9th Street   | \$ 1,800,000        |                     |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| Bordwell - MT Vernon   |                     | \$ 1,000,000        | \$ 1,000,000        |                     |                     |                     |                     |                     |                     | \$ -                |
| Rialto Distribution  |                     |                     | \$ 1,000,000        |                     |                     |                     |                     |                     |                     | \$ -                |
| Randall Line   |                     |                     |                     |                     |                     | \$ 300,000          |                     |                     |                     | \$ -                |
| Center Street  |                     |                     |                     |                     |                     | \$ 300,000          | \$ 700,000          |                     |                     | \$ -                |
| <b>Reservoir (\$10,750,000)</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Rialto 2 Rehabilitation (3MG)  |                     | \$ 500,000          |                     |                     | \$ 500,000          |                     |                     |                     |                     | \$ -                |
| Rialto 1 Reservoir Replacement (4MG)                                   |                     |                     | \$ 2,000,000        | \$ 2,500,000        |                     |                     |                     | \$ 2,000,000        | \$ 2,000,000        | \$ 1,000,000        |
| La Loma Reservoir (4MG)  |                     |                     |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| La Loma (3MG)  |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     | \$ -                |
| Montecito (3MG)  |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     | \$ -                |
| Wild Canyon (2MG)  |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     | \$ -                |
| Domecq (3MG)   |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     | \$ -                |
| Domecq Above (0.3MG)   |                     |                     |                     |                     |                     |                     | \$ 50,000           |                     |                     | \$ -                |
| <b>Water Conservation</b>  | \$ 400,000          | \$ 400,000          | \$ 400,000          | \$ 400,000          | \$ 400,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          |
| <b>Projected Future Capital Improvements (2)</b>                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Capital Outlay (3)</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Automobile (Water Operations, 4910)                                    | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ 150,000          | \$ -                | \$ -                | \$ -                |
| Automobile (Water Admin/Tech, 8300)                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| Radio Equipment  |                     |                     |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| Miscellaneous Equipment  | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ 30,000           | \$ -                | \$ -                | \$ -                |
| Water Meters (4)   | \$ 500,000          |                     |                     |                     |                     |                     |                     |                     |                     | \$ -                |
| Operations Equipment   | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Total: Capital Improvement Program Costs (Current-Year Dollars)</b> | <b>\$ 3,945,000</b> | <b>\$ 4,295,000</b> | <b>\$ 6,305,000</b> | <b>\$ 3,765,000</b> | <b>\$ 1,945,000</b> | <b>\$ 3,380,000</b> | <b>\$ 3,230,000</b> | <b>\$ 2,500,000</b> | <b>\$ 2,500,000</b> | <b>\$ 1,500,000</b> |

CITY OF COLTON  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

TABLE 11  
Capital Improvement Program Costs (in Future-Year Dollars):

| Project Description   | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Well Sites (\$3,430,000)</b>                                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Well 22 (500 gpm)   | \$ 300,000          | -                   | -                   | -                   | -                   | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 24 (1800 gpm)  | \$ 200,000          | -                   | -                   | -                   | -                   | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 23 (1200 gpm)  | -                   | 103,000             | -                   | -                   | -                   | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 17 (1100 gpm)  | -                   | 206,000             | -                   | -                   | -                   | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 21 (1300 gpm)  | -                   | -                   | 106,090             | -                   | -                   | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 19 (800 gpm)   | -                   | -                   | 63,654              | -                   | -                   | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 16 (500 gpm)   | -                   | -                   | 53,045              | -                   | -                   | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 13 (800 gpm)   | -                   | -                   | -                   | 32,782              | -                   | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 26 (800 gpm)   | -                   | -                   | -                   | 152,982             | -                   | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 27 (1200 gpm)  | -                   | -                   | -                   | -                   | 56,275              | -                   | -                   | \$ -                | \$ -                | \$ -                |
| Well 28 (800 gpm)   | -                   | -                   | -                   | -                   | -                   | 57,964              | -                   | \$ -                | \$ -                | \$ -                |
| Well 30 (2800 gpm)  | -                   | -                   | -                   | -                   | -                   | 57,964              | -                   | \$ -                | \$ -                | \$ -                |
| New Well  | -                   | -                   | -                   | -                   | -                   | 579,637             | 1,910,484           | \$ -                | \$ -                | \$ -                |
| <b>Booster Station (\$2,250,000)</b>                                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| New Booster Station   | \$ -                | \$ -                | \$ -                | \$ -                | \$ 337,653          | \$ 1,738,911        | \$ -                | \$ -                | \$ -                | \$ -                |
| Reche Canyon Booster Station  | \$ 250,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Prado Booster Station   | \$ -                | \$ 206,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Transmission &amp; Distribution (\$8,100,000)</b>                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| La Cadena Drive   | \$ 300,000          | \$ 1,751,000        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 9th Street  | \$ 1,800,000        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Bordwell - MT Vernon  | \$ -                | \$ 1,060,900        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Rialto Distribution   | \$ -                | \$ 1,030,000        | \$ 1,060,900        | \$ -                | \$ -                | \$ 347,782          | \$ -                | \$ -                | \$ -                | \$ -                |
| Randall Line  | \$ -                | \$ -                | \$ 1,060,900        | \$ -                | \$ -                | \$ 347,782          | \$ -                | \$ -                | \$ -                | \$ -                |
| Center Street   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 835,837          | \$ -                | \$ -                | \$ -                |
| <b>Reservoir (\$10,750,000)</b>                                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Railto 2 Rehabilitation (3MG)   | \$ -                | \$ 515,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Rialto 1 Reservoir Replacement (4MG)                                  | \$ -                | \$ -                | \$ 2,121,800        | \$ 2,731,818        | \$ 562,754          | \$ -                | \$ -                | \$ 2,459,748        | \$ 2,533,540        | \$ 1,304,773        |
| La Loma Reservoir (4MG)   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| La Loma (3MG)   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Montecito (3MG)   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Wild Canyon (2MG)   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Domecq (3MG)  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Domecq Above (0.3MG)  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Water Conservation</b>   | \$ 400,000          | \$ 412,000          | \$ 424,360          | \$ 437,091          | \$ 450,204          | \$ 579,637          | \$ 597,026          | \$ 614,937          | \$ 633,385          | \$ 652,387          |
| <b>Projected Future Capital Improvements (2)</b>                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Capital Outlay (3)</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Automobile (Water Operations, 4910)                                   | \$ 150,000          | \$ 154,500          | \$ 159,135          | \$ 163,909          | \$ 168,826          | \$ 173,891          | \$ 179,108          | \$ -                | \$ -                | \$ -                |
| Automobile (Water Admin/Tech, 8300)                                   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Radio Equipment   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Miscellaneous Equipment   | \$ 30,000           | \$ 30,900           | \$ 31,827           | \$ 32,782           | \$ 33,765           | \$ 34,778           | \$ 35,822           | \$ -                | \$ -                | \$ -                |
| Water Meters (4)  | \$ 500,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Operations Equipment  | \$ 15,000           | \$ 15,450           | \$ 15,914           | \$ 16,391           | \$ 16,883           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Total: Capital Improvement Program Costs (Future-Year Dollars)</b> | <b>\$ 3,945,000</b> | <b>\$ 4,423,850</b> | <b>\$ 6,688,975</b> | <b>\$ 4,114,117</b> | <b>\$ 2,189,115</b> | <b>\$ 3,918,346</b> | <b>\$ 3,856,789</b> | <b>\$ 3,074,685</b> | <b>\$ 3,166,925</b> | <b>\$ 1,957,160</b> |

CITY OF COLTON  
WATER RATE STUDY  
Capital Improvement Plan Expenditures

TABLE 12  
FORECASTING ASSUMPTIONS:

| Economic Variables  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Annual Construction Cost Inflation, Per Engineering News Record (5.6) | 0.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Cumulative Construction Cost Multiplier from 2016                     | 1.00  | 1.03  | 1.06  | 1.09  | 1.13  | 1.16  | 1.19  | 1.23  | 1.27  | 1.30  |

- (1) Capital projects and cost data for FY2015/16 and beyond was provided via email by City Staff on 2/1/2016.
- (2) Future Capital projects through 2025 provided by staff. Beginning in 2026, it is the average of all previous CIP project costs to represent expected future spending.
- (3) Capital Outlay expense from Water Proposed Budget FY 2015-16-Expenditures.pdf
- (4) Bank of America AMR loan will be used for water meter replacements in 2016 per City Staff 1/4/2016.
- (5) Project costs are inflated by 3% per year, Engineering News Record estimates of construction cost inflation.
- (6) For reference purposes, the annual Construction Cost Inflation percentage is the 10 year average change in the Construction Cost Index for 2005-2015. Source: Engineering News Record website (<http://enr.construction.com>).

CITY OF COLTON  
WATER RATE STUDY  
Debt Service

TABLE 13

| EXISTING DEBT OBLIGATIONS                                   | Projected           |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |  |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|--|
|   | Budget              | FY 2015/16          | FY 2016/17          | FY 2017/18          | FY 2018/19          | FY 2019/20          | FY 2020/21          | FY 2021/22          | FY 2022/23          | FY 2023/24        | FY 2024/25        |  |
| <b>Annual Repayment Schedules:</b>                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |  |
| 1998 Water Revenue Bonds                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |  |
| Principal Payment   | \$ 340,000          | \$ 360,000          | \$ 375,000          | \$ 390,000          | \$ 410,000          | \$ 430,000          | \$ 455,000          | \$ 475,000          | \$ 500,000          | \$ 520,000        |                   |  |
| Interest Payment  | 356,163             | 340,013             | 322,913             | 305,100             | 286,575             | 267,100             | 246,675             | 225,063             | 202,500             | 177,500           |                   |  |
| <b>Subtotal: Annual Debt Service</b>                        | <b>\$ 696,163</b>   | <b>\$ 700,013</b>   | <b>\$ 697,913</b>   | <b>\$ 695,100</b>   | <b>\$ 696,575</b>   | <b>\$ 697,100</b>   | <b>\$ 701,675</b>   | <b>\$ 700,063</b>   | <b>\$ 702,500</b>   | <b>\$ 697,500</b> |                   |  |
| Coverage Requirement(% above annual payment) (1)            | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%                 | 25%               |                   |  |
| Reserve Requirement (total fund balance) (2)                | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500          | \$ 702,500        | \$ 701,500        |  |
| Loan from Wastewater Fund to Water Fund, \$1.67 Million (3) |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |  |
| Principal Payment   | \$ 335,091          | \$ 336,300          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              | \$ -              |  |
| Interest Payment  | 2,421               | 1,213               | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                 | -                 |  |
| <b>Subtotal: Annual Debt Service</b>                        | <b>\$ 337,512</b>   | <b>\$ 337,512</b>   | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ -</b>       |  |
| Coverage Requirement(% above annual payment)                | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                | 0%                |  |
| Reserve Requirement (total fund balance)                    | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              | \$ -              |  |
| Bank of America - 10 Year AMR Loan                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |  |
| Principal Payment   | \$ 301,809          | \$ 309,384          | \$ 317,150          | \$ 325,110          | \$ 333,270          | \$ 341,635          | \$ 350,210          | \$ 359,001          | \$ 368,012          | \$ -              |                   |  |
| Interest Payment  | 75,440              | 67,865              | 60,099              | 52,139              | 43,978              | 35,613              | 27,038              | 18,248              | 9,237               | -                 |                   |  |
| <b>Subtotal: Annual Debt Service</b>                        | <b>\$ 377,249</b>   | <b>\$ 377,249</b> |                   |  |
| Coverage Requirement(% above annual payment)                | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                  | 0%                |                   |  |
| Reserve Requirement (total fund balance)                    | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -              | \$ -              |  |
| <b>Grand Total: Existing Annual Debt Service</b>            | <b>\$ 1,410,924</b> | <b>\$ 1,414,774</b> | <b>\$ 1,075,161</b> | <b>\$ 1,072,349</b> | <b>\$ 1,073,824</b> | <b>\$ 1,074,349</b> | <b>\$ 1,078,924</b> | <b>\$ 1,077,311</b> | <b>\$ 1,079,749</b> | <b>\$ 697,500</b> |                   |  |
| <b>Grand Total: Existing Annual Coverage Requirement</b>    | <b>\$ 174,041</b>   | <b>\$ 175,003</b>   | <b>\$ 174,478</b>   | <b>\$ 173,775</b>   | <b>\$ 174,144</b>   | <b>\$ 174,275</b>   | <b>\$ 175,419</b>   | <b>\$ 175,016</b>   | <b>\$ 175,625</b>   | <b>\$ 174,375</b> |                   |  |
| <b>Grand Total: Existing Debt Reserve Target</b>            | <b>\$ 702,500</b>   | <b>\$ 702,500</b> | <b>\$ 701,500</b> |  |

(1) Per the Installment Purchase Agreement for the 1998 Water Revenue Bonds, the Utility is required to maintain a debt coverage ratio of 1.25 for this bond issue and all future debt.  
 (2) The Reserve Requirement in future years is equal to the least of: 10% of the principal amount of the original principal amount of the bonds, the maximum annual debt service payment, or 125% of the average annual debt service payment.  
 (3) Amortization schedule provided by City Staff on 7/28/2014.

TABLE 14  
NEW DEBT FINANCING ASSUMPTIONS:

| Long-Term Debt Terms                          | SRF Loan Funding | Revenue Bonds |
|---|------------------|---------------|
| Issuance Cost                                 | 0.00%            | 2.00%         |
| Annual Interest Cost (%)                      | 2.49%            | 5.50%         |
| Term  | 7                | 30            |
| Debt Reserve Funded?                          | No               | Yes           |
| Coverage Requirement (% above annual pmt) (1) | 25%              | 25%           |

TABLE 15

NEW DEBT OBLIGATIONS:

| Annual Repayment Schedules                          | 2016        | 2017        | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|---|-------------|-------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| State Revolving Fund Loan                           |             |             |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal Payment                                   | \$ -        | \$ -        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Interest Payment                                    |             |             |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Subtotal: Annual Debt Service</b>                | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| Revenue Bonds                                       |             |             |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal Payment                                   | \$ -        | \$ -        | \$ 227,263          | \$ 239,762          | \$ 252,949          | \$ 266,862          | \$ 448,199          | \$ 472,850          | \$ 498,856          | \$ 526,293          |
| Interest Payment                                    |             |             | 905,405             | 892,905             | 879,718             | 865,806             | 1,515,092           | 1,490,441           | 1,464,435           | 1,436,998           |
| <b>Subtotal: Annual Debt Service</b>                | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> |
| <b>Grand Total: New Annual Debt Service</b>         | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> |
| <b>Grand Total: New Annual Coverage Requirement</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 283,167</b>   | <b>\$ 283,167</b>   | <b>\$ 283,167</b>   | <b>\$ 283,167</b>   | <b>\$ 490,823</b>   | <b>\$ 490,823</b>   | <b>\$ 490,823</b>   | <b>\$ 490,823</b>   |
| <b>Grand Total: New Debt Reserve Target</b>         | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,132,668</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> | <b>\$ 1,963,291</b> |

TABLE 16

TOTAL DEBT SERVICE:

| Annual Obligations          | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Annual Debt Service         | \$ 1,410,924 | \$ 1,414,774 | \$ 2,207,829 | \$ 2,205,017 | \$ 2,206,492 | \$ 2,207,017 | \$ 3,042,215 | \$ 3,040,602 | \$ 3,043,040 | \$ 2,660,791 |
| Annual Coverage Requirement | \$ 174,041   | \$ 175,003   | \$ 457,645   | \$ 456,942   | \$ 457,311   | \$ 457,442   | \$ 666,241   | \$ 665,838   | \$ 666,448   | \$ 665,198   |
| Total Debt Reserve Target   | \$ 702,500   | \$ 702,500   | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 1,835,168 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,665,791 | \$ 2,664,791 |

CITY OF COLTON  
WATER RATE STUDY  
Cost of Service Analysis

TABLE 17

| Classification of Expenses                 | Test Year <sup>1</sup><br>FY 2017/18 | Commodity<br>(COM)  | Conservation<br>Charge<br>(CONS) | Capacity<br>(CAP)   | Customer<br>(CA)  | Fire<br>Protection<br>(FP) | Basis of Classification |              |             |              |             |
|--|--------------------------------------|---------------------|----------------------------------|---------------------|-------------------|----------------------------|-------------------------|--------------|-------------|--------------|-------------|
|  |                                      |                     |                                  |                     |                   |                            | (COM)                   | (CONS)       | (CAP)       | (CA)         | (FP)        |
| <b>Water Operations Expenses</b>           |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |
| <b>1000 - Salaries &amp; Benefits</b>      |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |
| 1010 Salaries - Miscellaneous              | \$ 1,076,770                         | \$ 323,031          | \$ -                             | \$ 624,527          | \$ 53,839         | \$ 75,374                  | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 1040 Salaries - Part time                  | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 1050 Salaries - Overtime                   | \$ 167,887                           | \$ 50,366           | \$ -                             | \$ 97,375           | \$ 8,394          | \$ 11,752                  | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 1100 Salary Related Benefits               | \$ 250,704                           | \$ 75,211           | \$ -                             | \$ 145,408          | \$ 12,535         | \$ 17,549                  | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 1101 Non-Persable Benefits                 | \$ 259,809                           | \$ 77,943           | \$ -                             | \$ 150,689          | \$ 12,990         | \$ 18,187                  | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 1150 Retiree Health Insurance              | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 1161 Certification-Training/Renew          | \$ 4,695                             | \$ 1,408            | \$ -                             | \$ 2,723            | \$ 235            | \$ 329                     | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 1170 Uniforms                              | \$ 13,477                            | \$ 4,043            | \$ -                             | \$ 7,817            | \$ 674            | \$ 943                     | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 1180 Safety Equipment                      | \$ 7,825                             | \$ 2,347            | \$ -                             | \$ 4,538            | \$ 391            | \$ 548                     | 0%                      | 30%          | 0%          | 5%           | 7%          |
| <b>2000 - Maintenance and Operations</b>   |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |
| 2210 Vehicle Operating Expense             | \$ 48,448                            | \$ 14,534           | \$ -                             | \$ 31,491           | \$ 2,422          | \$ -                       | 0%                      | 30%          | 0%          | 5%           | 0%          |
| 2240 Misc. Equipment Maint.                | \$ 2,652                             | \$ 796              | \$ -                             | \$ 1,538            | \$ 133            | \$ 186                     | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 2241 Permits                               | \$ 17,828                            | \$ 5,349            | \$ -                             | \$ 11,588           | \$ 891            | \$ -                       | 0%                      | 30%          | 0%          | 5%           | 0%          |
| 2250 Buildings & Grounds Maint.            | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 30%          | 0%          | 5%           | 0%          |
| 2301 Operating Supp./Equip.                | \$ 189,016                           | \$ 56,705           | \$ -                             | \$ 109,629          | \$ 9,451          | \$ 13,231                  | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 2303 Unsch. Immed. Line Repair             | \$ 15,914                            | \$ 4,774            | \$ -                             | \$ 9,230            | \$ 796            | \$ 1,114                   | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 2308 Hypochlorite Solution Purchases       | \$ 149,122                           | \$ 149,122          | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 100%         | 0%          | 0%           | 0%          |
| 2309 Perchlorate Resin - Non-Capitalizable | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 100%         | 0%          | 0%           | 0%          |
| 2310 Telecommunication Expense             | \$ 22,067                            | \$ 6,620            | \$ -                             | \$ 14,343           | \$ 1,103          | \$ -                       | 0%                      | 30%          | 0%          | 5%           | 0%          |
| 2320 Utilities Expense                     | \$ 2,784,870                         | \$ 2,506,383        | \$ -                             | \$ 278,487          | \$ -              | \$ -                       | 0%                      | 90%          | 0%          | 10%          | 0%          |
| 2331 Purchased Water                       | \$ 53,045                            | \$ 53,045           | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 100%         | 0%          | 0%           | 0%          |
| 2350 Professional Services                 | \$ 437,091                           | \$ 131,127          | \$ -                             | \$ 253,513          | \$ 21,855         | \$ 30,596                  | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 2352 Administrative Charges                | \$ 200,000                           | \$ 200,000          | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 100%         | 0%          | 0%           | 0%          |
| 2380 Administrative Charges                | \$ 6,436                             | \$ -                | \$ -                             | \$ 6,436            | \$ -              | \$ -                       | 0%                      | 0%           | 0%          | 100%         | 0%          |
| 2381 Lease Payment To Gen Fund             | \$ 870,000                           | \$ 261,000          | \$ -                             | \$ 461,100          | \$ 87,000         | \$ 60,900                  | 0%                      | 30%          | 0%          | 53%          | 7%          |
| 2381 Increase in Lease Payment To Gen Fund | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 30%          | 0%          | 0%           | 7%          |
| 2411 Production Maintenance                | \$ 151,338                           | \$ -                | \$ -                             | \$ 140,745          | \$ -              | \$ 10,594                  | 0%                      | 0%           | 0%          | 93%          | 7%          |
| 2420 Equipment Lease                       | \$ 26,523                            | \$ 7,957            | \$ -                             | \$ 15,383           | \$ 1,326          | \$ 1,857                   | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 2500 Principal                             | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 2510 Interest Expense                      | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 0%           | 0%          | 93%          | 7%          |
| 2550 Depreciation Expense                  | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 0%           | 0%          | 93%          | 7%          |
| 2560 Bad Debt Expense                      | \$ 40,845                            | \$ -                | \$ -                             | \$ 40,845           | \$ -              | \$ -                       | 0%                      | 0%           | 0%          | 100%         | 0%          |
| 2570 Property Tax Expense                  | \$ 2,652                             | \$ -                | \$ -                             | \$ 2,652            | \$ -              | \$ -                       | 0%                      | 0%           | 0%          | 100%         | 0%          |
| 2600 Cost Of Issuance                      | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 30%          | 0%          | 65%          | 0%          |
| <b>Other Expenses</b>                      |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |
| 3888 Stores Write Off                      | \$ 6,365                             | \$ 1,910            | \$ -                             | \$ 3,692            | \$ 318            | \$ 446                     | 0%                      | 30%          | 0%          | 5%           | 7%          |
| <b>5000 - Total Cost Allocations</b>       |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |
| 5990 Alloc. From Other Departments         | \$ 883,976                           | \$ 265,193          | \$ -                             | \$ 512,706          | \$ 44,199         | \$ 61,878                  | 0%                      | 30%          | 0%          | 5%           | 7%          |
| 5991 Transfer Out - PERS Bond              | \$ 75,770                            | \$ 22,731           | \$ -                             | \$ 43,946           | \$ 3,788          | \$ 5,304                   | 0%                      | 30%          | 0%          | 5%           | 7%          |
| <b>Total: Water Operations Expenses</b>    | <b>\$ 7,765,124</b>                  | <b>\$ 4,221,595</b> | <b>\$ -</b>                      | <b>\$ 2,970,402</b> | <b>\$ 262,341</b> | <b>\$ 310,787</b>          | <b>0.0%</b>             | <b>54.4%</b> | <b>0.0%</b> | <b>38.3%</b> | <b>4.0%</b> |

CITY OF COLTON  
WATER RATE STUDY  
Cost of Service Analysis

TABLE 18

| Classification of Expenses                       | Test Year <sup>1</sup><br>FY 2017/18 | Commodity<br>(COM)  | Conservation<br>Charge<br>(CONS) | Capacity<br>(CAP)   | Customer<br>(CA)  | Fire<br>Protection<br>(FP) | Basis of Classification |              |             |              |             |             |
|--|--------------------------------------|---------------------|----------------------------------|---------------------|-------------------|----------------------------|-------------------------|--------------|-------------|--------------|-------------|-------------|
|  |                                      |                     |                                  |                     |                   |                            | (COM)                   | (CONS)       | (CAP)       | (CA)         | (FP)        |             |
| <b>Water Admin/Tech Expenses</b>                 |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |             |
| <b>1000 - Salaries &amp; Benefits</b>            |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |             |
| 1010 Salaries - Miscellaneous                    | \$ 557,018                           | \$ 167,105          | \$ -                             | \$ 323,070          | \$ 27,851         | \$ 38,991                  | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| -- Salaries - Miscellaneous - Positional Changes | \$ 95,313                            | \$ 28,594           | \$ -                             | \$ 55,282           | \$ 4,766          | \$ 6,672                   | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 1040 Salaries - Part Time                        | \$ 8,593                             | \$ 2,578            | \$ -                             | \$ 4,984            | \$ 430            | \$ 602                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 1050 Salaries - Overtime                         | \$ 8,868                             | \$ 2,660            | \$ -                             | \$ 5,143            | \$ 443            | \$ 621                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 1100 Salary Related Benefits                     | \$ 119,026                           | \$ 35,708           | \$ -                             | \$ 69,035           | \$ 5,951          | \$ 8,332                   | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 1101 Non-Persable Benefits                       | \$ 104,718                           | \$ 31,415           | \$ -                             | \$ 60,737           | \$ 5,236          | \$ 7,330                   | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| -- Benefit Cost Positional Changes               | \$ 38,125                            | \$ 11,438           | \$ -                             | \$ 22,113           | \$ 1,906          | \$ 2,669                   | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 1150 Retiree Health Insurance                    | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 1160 Education & Training                        | \$ 7,825                             | \$ 2,347            | \$ -                             | \$ 4,538            | \$ 391            | \$ 548                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 1161 Certification - Training/Renew              | \$ 5,216                             | \$ 1,565            | \$ -                             | \$ 3,025            | \$ 261            | \$ 365                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 1170 Uniforms                                    | \$ 678                               | \$ 203              | \$ -                             | \$ 393              | \$ 34             | \$ 47                      | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 1180 Safety equipment                            | \$ 1,043                             | \$ 313              | \$ -                             | \$ 605              | \$ 52             | \$ 73                      | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| <b>2000 - Maintenance and Operations</b>         |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |             |
| 2210 Vehicle Operating Expense                   | \$ 6,896                             | \$ 2,069            | \$ -                             | \$ 4,000            | \$ 345            | \$ 483                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 2230 Vehicle Allowance                           | \$ 1,606                             | \$ 482              | \$ -                             | \$ 932              | \$ 80             | \$ 112                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 2240 Misc. Equipment Maint.                      | \$ 1,830                             | \$ 549              | \$ -                             | \$ 1,061            | \$ 92             | \$ 128                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 2250 Bldg & Grnds Maintenance                    | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 30%          | 0%          | 65%          | 5%          | 0%          |
| 2270 Dues & Publications                         | \$ 8,487                             | \$ 2,546            | \$ -                             | \$ 5,517            | \$ 424            | \$ -                       | 0%                      | 30%          | 0%          | 65%          | 5%          | 0%          |
| 2280 Travel & Meetings                           | \$ 3,713                             | \$ 1,114            | \$ -                             | \$ 2,414            | \$ 186            | \$ -                       | 0%                      | 30%          | 0%          | 65%          | 5%          | 0%          |
| 2300 Office Supplies/Postage                     | \$ 13,261                            | \$ 3,978            | \$ -                             | \$ 7,692            | \$ 663            | \$ 928                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 2340 Legal Printing                              | \$ 5,305                             | \$ 1,591            | \$ -                             | \$ 3,448            | \$ 265            | \$ -                       | 0%                      | 30%          | 0%          | 65%          | 5%          | 0%          |
| 2350 Professional Services                       | \$ 27,583                            | \$ 8,275            | \$ -                             | \$ 15,998           | \$ 1,379          | \$ 1,931                   | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 2354 Printing & Publications                     | \$ 5,305                             | \$ 1,591            | \$ -                             | \$ 3,077            | \$ 265            | \$ 371                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 2420 Equipment Lease                             | \$ 6,365                             | \$ 1,910            | \$ -                             | \$ 3,692            | \$ 318            | \$ 446                     | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| <b>5000 - Total Cost Allocations</b>             |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |             |
| 5990 Alloc from Gen Fund Depts.                  | \$ 199,035                           | \$ 59,711           | \$ -                             | \$ 115,441          | \$ 9,952          | \$ 13,932                  | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 5991 Transfer Out - POBs                         | \$ 45,922                            | \$ 13,777           | \$ -                             | \$ 26,635           | \$ 2,296          | \$ 3,215                   | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| 5995 Alloc Admin/Tech to Wastewater              | \$ (608,107)                         | \$ (182,432)        | \$ -                             | \$ (352,702)        | \$ (30,405)       | \$ (42,567)                | 0%                      | 30%          | 0%          | 58%          | 5%          | 7%          |
| <b>Total: Water Admin/Tech Expenses</b>          | <b>\$ 663,626</b>                    | <b>\$ 199,088</b>   | <b>\$ -</b>                      | <b>\$ 366,128</b>   | <b>\$ 33,181</b>  | <b>\$ 45,228</b>           | <b>0.0%</b>             | <b>30.0%</b> | <b>0.0%</b> | <b>58.2%</b> | <b>5.0%</b> | <b>6.8%</b> |
| <b>Water Conservation Program Expenses</b>       |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |             |
| <b>1000 - Salaries &amp; Benefits</b>            |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |             |
| 1160 Education & Training                        | \$ 1,043                             | \$ -                | \$ 1,043                         | \$ -                | \$ -              | \$ -                       | 100%                    | 0%           | 0%          | 0%           | 0%          | 0%          |
| <b>2000 - Maintenance and Operations</b>         |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |             |
| 2041 Rebates - Water Conservation                | \$ 37,132                            | \$ -                | \$ 37,132                        | \$ -                | \$ -              | \$ -                       | 100%                    | 0%           | 0%          | 0%           | 0%          | 0%          |
| 2270 Dues & Publications                         | \$ 21,218                            | \$ -                | \$ 21,218                        | \$ -                | \$ -              | \$ -                       | 100%                    | 0%           | 0%          | 0%           | 0%          | 0%          |
| 2280 Travel & Meetings                           | \$ 1,432                             | \$ -                | \$ 1,432                         | \$ -                | \$ -              | \$ -                       | 100%                    | 0%           | 0%          | 0%           | 0%          | 0%          |
| 2300 Office Supplies/Postage                     | \$ 5,835                             | \$ -                | \$ 5,835                         | \$ -                | \$ -              | \$ -                       | 100%                    | 0%           | 0%          | 0%           | 0%          | 0%          |
| 2341 Advertising                                 | \$ 5,305                             | \$ -                | \$ 5,305                         | \$ -                | \$ -              | \$ -                       | 100%                    | 0%           | 0%          | 0%           | 0%          | 0%          |
| <b>Additional Expenses</b>                       |                                      |                     |                                  |                     |                   |                            |                         |              |             |              |             |             |
| -- Turf Removal Rebate Program                   | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 100%                    | 0%           | 0%          | 0%           | 0%          | 0%          |
| -- Water Conservation Rebate Program             | \$ 500,000                           | \$ -                | \$ 500,000                       | \$ -                | \$ -              | \$ -                       | 100%                    | 0%           | 0%          | 0%           | 0%          | 0%          |
| <b>Total: Water Conservation Expenses</b>        | <b>\$ 571,964</b>                    | <b>\$ -</b>         | <b>\$ 571,964</b>                | <b>\$ -</b>         | <b>\$ 295,522</b> | <b>\$ 356,015</b>          | <b>100.0%</b>           | <b>0.0%</b>  | <b>0.0%</b> | <b>0.0%</b>  | <b>0.0%</b> | <b>0.0%</b> |
| <b>Grand Total: Water Operating Expenses</b>     | <b>\$ 9,000,715</b>                  | <b>\$ 4,420,683</b> | <b>\$ 571,964</b>                | <b>\$ 3,356,530</b> | <b>\$ 295,522</b> | <b>\$ 356,015</b>          | <b>6.4%</b>             | <b>49.1%</b> | <b>6.4%</b> | <b>37.3%</b> | <b>3.3%</b> | <b>4.0%</b> |

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TABLE 19  
Classification of Expenses, continued

| Budget Categories   | Test Year <sup>1</sup><br>FY 2017/18 | Commodity<br>(COM)  | Conservation<br>Charge<br>(CONS) | Capacity<br>(CAP)   | Customer<br>(CA)  | Fire<br>Protection<br>(FP) | Basis of Classification |             |              |             |             |
|---|--------------------------------------|---------------------|----------------------------------|---------------------|-------------------|----------------------------|-------------------------|-------------|--------------|-------------|-------------|
|   |                                      |                     |                                  |                     |                   |                            | (COM)                   | (CONS)      | (CAP)        | (CA)        | (FP)        |
| <b>Debt Service Payments</b>                              |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 1998 Water Revenue Bonds                                  | \$ 697,913                           | \$ 202,395          | \$ -                             | \$ 446,664          | \$ -              | \$ 48,854                  | 29%                     | 0%          | 64%          | 0%          | 7%          |
| Loan from Wastewater Fund to Water Fund                   | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 100%                    | 0%          | 0%           | 0%          | 0%          |
| B of A 10-Yr AMR Loan                                     | \$ 377,249                           | \$ 377,249          | \$ -                             | \$ -                | \$ -              | \$ -                       | 100%                    | 0%          | 0%           | 0%          | 0%          |
| New Debt Issue - Revenue Bond (Net of Conservation Costs) | \$ 1,002,513                         | \$ 320,804          | \$ -                             | \$ 601,508          | \$ -              | \$ 80,201                  | 32%                     | 0%          | 60%          | 0%          | 8%          |
| Allocation of New Debt Issue to Conservation Costs        | \$ 130,155                           | \$ -                | \$ 130,155                       | \$ -                | \$ -              | \$ -                       | 0%                      | 100%        | 0%           | 0%          | 0%          |
| <b>Total Debt Service Payments</b>                        | <b>\$ 2,207,829</b>                  | <b>\$ 900,447</b>   | <b>\$ 130,155</b>                | <b>\$ 1,048,172</b> | <b>\$ -</b>       | <b>\$ 129,055</b>          | <b>40.8%</b>            | <b>5.9%</b> | <b>47.5%</b> | <b>0.0%</b> | <b>5.8%</b> |
| <b>Capital Expenditures</b>                               |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| Rate-Funded General Capital Expenses                      | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 0%          | 100%         | 0%          | 0%          |
| Conservation-Related Capital Expenses                     | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0%                      | 100%        | 0%           | 0%          | 0%          |
| <b>TOTAL REVENUE REQUIREMENTS</b>                         | <b>\$ 11,208,544</b>                 | <b>\$ 5,321,130</b> | <b>\$ 702,120</b>                | <b>\$ 4,404,702</b> | <b>\$ 295,522</b> | <b>\$ 485,070</b>          | <b>47.5%</b>            | <b>6.3%</b> | <b>39.3%</b> | <b>2.6%</b> | <b>4.3%</b> |
| <b>Less: Non-Rate Revenues</b>                            |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| Interest Earnings (in Operating & Capital Reserves)       | \$ (15,692)                          | \$ (7,948)          | \$ -                             | \$ (6,579)          | \$ (441)          | \$ (725)                   | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| <b>6700 - Charges for Current Services</b>                |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 6702 Sale of Maps and Pubs                                | \$ (4,524)                           | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 6729 Plan Check Fees                                      | \$ (3,530)                           | \$ -                | \$ -                             | \$ -                | \$ (4,524)        | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 6758 Inspection Fees                                      | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ (3,530)        | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 6788 Fee for Temp Fire Hydrant                            | \$ (14,557)                          | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 6792 Customer Service Charge                              | \$ (12,000)                          | \$ -                | \$ -                             | \$ (5,031)          | \$ (338)          | \$ (554)                   | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 6793 Mtr Conn Chg/Reimbt for Wtr Meter                    | \$ (8,450)                           | \$ (4,280)          | \$ -                             | \$ (3,543)          | \$ (238)          | \$ (390)                   | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 6794 Frontage/Land Use Fee for Water Line                 | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 6796 Water Meter Installation Fee                         | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| <b>6800 - Charges for Current Services</b>                |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 6800 Residential Sales                                    | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 0.0%        | 0.0%        |
| 6803 Commercial Sales                                     | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 0.0%        | 0.0%        |
| 6806 Sales To City Depts                                  | \$ (104,734)                         | \$ (53,044)         | \$ -                             | \$ (43,909)         | \$ (2,946)        | \$ (4,835)                 | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 6888 Construction Water                                   | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 0.0%        | 0.0%        |
| <b>7800 - Miscellaneous Revenue</b>                       |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 7820 Refunds, Rebates & Reimbursements                    | \$ (1,000)                           | \$ (506)            | \$ -                             | \$ (419)            | \$ (28)           | \$ (46)                    | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| 7822 Damage to City Property-Recovery                     | \$ (10,201)                          | \$ (5,166)          | \$ -                             | \$ (4,277)          | \$ (287)          | \$ (471)                   | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 7830 Miscellaneous Revenue                                | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 0.0%        | 0.0%        |
| <b>7900 - Miscellaneous Revenue - Enterprise</b>          |                                      |                     |                                  |                     |                   |                            |                         |             |              |             |             |
| 7907 Sales to Outside Agencies                            | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| 7908 Connection Fees-B-\$                                 | \$ (81,019)                          | \$ -                | \$ -                             | \$ -                | \$ (81,019)       | \$ -                       | 0.0%                    | 0%          | 0.0%         | 0.0%        | 0.0%        |
| 7910 5% Late Charge                                       | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 0.0%                    | 0%          | 0.0%         | 100.0%      | 0.0%        |
| -- Revenue from Sale of Property                          | \$ -                                 | \$ -                | \$ -                             | \$ -                | \$ -              | \$ -                       | 50.6%                   | 0%          | 41.9%        | 2.8%        | 4.6%        |
| <b>NET REVENUE REQUIREMENTS</b>                           | <b>\$ 10,952,837</b>                 | <b>\$ 5,244,108</b> | <b>\$ 702,120</b>                | <b>\$ 4,340,945</b> | <b>\$ 187,615</b> | <b>\$ 478,049</b>          |                         |             |              |             |             |
| <b>Allocation of Revenue Requirements</b>                 | <b>100.0%</b>                        | <b>47.9%</b>        | <b>6.4%</b>                      | <b>39.6%</b>        | <b>1.7%</b>       | <b>4.4%</b>                |                         |             |              |             |             |

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TABLE 20

| Rate Alternative #1<br>Per COSA Results   |                      | (COM)                        | (CAP)                        | (CA)                      | (FP)                      |
|---|----------------------|------------------------------|------------------------------|---------------------------|---------------------------|
| Adjustment for Current Rate Level:  | Total                |                              |                              |                           |                           |
| Target Rate Rev. After Rate Increases, FY 2016/17                               | \$10,370,483         |                              |                              |                           |                           |
| Projected Rate Revenue at Current Rates<br>FY 2016/17 Projected Rate Adjustment | \$8,978,774<br>15.5% |                              |                              |                           |                           |
| <b>Adjusted Net Revenue Req'ts</b>  | <b>\$ 10,370,483</b> | <b>\$ 4,965,283</b><br>47.9% | <b>\$ 4,110,141</b><br>39.6% | <b>\$ 177,639</b><br>1.7% | <b>\$ 452,631</b><br>4.4% |
| <i>Percent of Revenue</i>   |                      |                              |                              |                           |                           |

TABLE 21

| Development of the COMMODITY Allocation Factor |   |                         |  |  |                                   |
|--|---|-------------------------|--|--|-----------------------------------|
| Customer Class                                 | April '14 - March '15 Volume (hcf) <sup>1</sup> | Percent of Total Volume | % Adjustment for Conservation <sup>2</sup> | Estimated Volume Adjusted for Conservation | Estimated Percent of Total Volume |
| Single-Family Residential                      | 2,244,826                                       | 56.2%                   | 16%  | 1,894,028                                  | 56.2%                             |
| Multi-Family Residential                       | 146,327   | 3.7%                    | 16%  | 123,461                                    | 3.7%                              |
| Commercial & Industrial                        | 1,429,355                                       | 35.8%                   | 16%  | 1,205,990                                  | 35.8%                             |
| Municipal                                      | 152,818   | 3.8%                    | 16%  | 128,937                                    | 3.8%                              |
| <i>Sub Total</i>                               | 3,973,326                                       | 99.5%                   | 16%  | 3,352,416                                  | 99.5%                             |
| Commercial Fire                                | 18,283  | 0.5%                    | 16%  | 15,426                                     | 0.5%                              |
| <b>Total</b>                                   | <b>3,991,609</b>                                | <b>100%</b>             | <b>16%</b>                                 | <b>3,367,842</b>                           | <b>100%</b>                       |

1. Consumption data source: City of Colton utility billing system data for April 2014 - March 2015 (file: WaterRateStudy-Mthly Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx)

2. Assumed conservation is 16% from April 2014 - May 2015 consumption levels, to comply with the State's 20% conservation mandate (2014-15 consumption is down 4% from 2013 levels).

**Commodity Related Costs:** These costs are associated with the total consumption (flow) of water over a specified period of time (e.g. annual).

TABLE 22

| Development of the CAPACITY (MAX MONTH) Allocation Factors |                           |                          |                   |                           |  |
|--|---------------------------|--------------------------|-------------------|---------------------------|--|
| Customer Class   | Average Monthly Use (hcf) | Peak Month Use (hcf) (1) | Peak Month Factor | Max Month Capacity Factor |  |
| Single-Family Residential                                  | 187,069                   | 259,338                  | 1.39              | 58.6%                     |  |
| Multi-Family Residential                                   | 12,194                    | 14,899                   | 1.22              | 3.4%                      |  |
| Commercial & Industrial                                    | 119,113                   | 145,915                  | 1.23              | 33.0%                     |  |
| Municipal  | 12,735                    | 20,090                   | 1.58              | 4.5%                      |  |
| Commercial Fire  | 1,524                     | 2,095                    | 1.38              | 0.5%                      |  |
| <b>Total</b>   | <b>332,634</b>            | <b>442,337</b>           | <b>1.33</b>       | <b>100%</b>               |  |

1. Based on peak monthly data (peak day data not available).

**Capacity Related Costs:** Costs associated with the maximum demand required at one point in time the maximum size of facilities required to meet this demand.

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**TABLE 23**  
**Development of the Customer Allocation Factor**

| Customer Class            | Number of Meters (1,2) | Percent of Total |
|---------------------------|------------------------|------------------|
| Single-Family Residential | 8,807                  | 86.9%            |
| Multi-Family Residential  | 48                     | 0.5%             |
| Commercial & Industrial   | 950                    | 9.4%             |
| Municipal                 | 156                    | 1.5%             |
| Commercial Fire           | 171                    | 1.7%             |
| <b>Total</b>              | <b>10,132</b>          | <b>100.0%</b>    |

1. Number of meters is per the City of Colton's utility billing data as of February 2015 for standard meters and as of April 2015 for commercial fire meters.

2. Construction hydrants are excluded.

**Customer Related Costs** : Costs associated with having a customer on the water system. These costs vary with the addition or deletion of customers on the system. Examples: Meter-reading, Postage and billing.

**TABLE 24**  
**ALLOCATION OF WATER REVENUE REQUIREMENTS:**

| Classification Components      | Total Rate Revenue Requirements FY 2016/17 |
|--------------------------------|--|
| Commodity-Related Costs        |  |
| Standard Expense               | \$ 4,965,283 48%                           |
| Conservation Expense           | \$ 664,789 6%                              |
| Capacity-Related Costs         | \$ 4,110,141 40%                           |
| Customer-Related Costs         | \$ 177,639 2%                              |
| Fire Protection-Related Costs  | \$ 452,631 4%                              |
| <b>Net Revenue Requirement</b> | <b>\$ 10,370,483 100%</b>                  |

**TABLE 25**  
**Allocation of Net Revenue Requirements - FY 2016/17:**

| Customer Class            | Commodity Related Costs |                     | Capacity Related Costs |                     | Customer Related Costs |                   | Fire Protection Related Costs |                   | Cost of Service Net Revenue | % of COS Net Revenue |
|---------------------------|-------------------------|---------------------|------------------------|---------------------|------------------------|-------------------|-------------------------------|-------------------|-----------------------------|----------------------|
|                           | Allocation Factor %     | Allocated Costs     | Allocation Factor %    | Allocated Costs     | Allocation Factor %    | Allocated Costs   | Allocation Factor %           | Allocated Costs   |                             |                      |
| <b>Allocated Costs</b>    |                         | <b>\$ 4,110,141</b> |                        | <b>\$ 4,110,141</b> |                        | <b>\$ 177,639</b> |                               | <b>\$ 452,631</b> | <b>\$ 10,370,483</b>        |                      |
| Single-Family Residential | 56%                     | \$ 2,792,407        | 59%                    | \$ 2,409,737        | 87%                    | \$ 154,408.89     | 0%                            | \$ -              | \$ 5,730,422                | 55%                  |
| Multi-Family              | 4%                      | \$ 182,021          | 3%                     | \$ 138,440          | 0%                     | \$ 842            | 0%                            | \$ -              | \$ 345,672                  | 3%                   |
| Commercial & Industrial   | 36%                     | \$ 1,778,018        | 33%                    | \$ 1,355,824        | 9%                     | \$ 16,656         | 0%                            | \$ -              | \$ 3,388,553                | 33%                  |
| Municipal                 | 4%                      | \$ 190,095          | 5%                     | \$ 186,674          | 2%                     | \$ 2,735          | 0%                            | \$ -              | \$ 404,955                  | 4%                   |
| Commercial Fire           | 0%                      | \$ 22,743           | 0%                     | \$ 3,045            | 2%                     | \$ 2,998          | 100%                          | \$ 452,631        | \$ 500,885                  | 5%                   |
| <b>Total</b>              | <b>100%</b>             | <b>\$ 4,965,283</b> | <b>100%</b>            | <b>\$ 4,110,141</b> | <b>100%</b>            | <b>\$ 177,639</b> | <b>100%</b>                   | <b>\$ 452,631</b> | <b>\$ 10,370,486</b>        | <b>100%</b>          |

**TABLE 26  
 CALCULATION OF MONTHLY FIXED METER SERVICE CHARGES (EXCLUDING COMMERCIAL FIRE METERS) FOR FY 2016/17:**

| Number of Meters by Class and Size (1)                       | FY 2016/17          |                     |                   |                   |                 |                   |                  |                   |                   |                   | Total             |                     |
|--|---------------------|---------------------|-------------------|-------------------|-----------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|  | 3/4 inch            | 1 inch              | 1.5 inch          | 2 inch            | 3 inch          | 4 inch            | 6 inch           | 8 inch            | 10 inch           | 12 inch           |                   |                     |
| Single-Family Residential                                    | 4,854               | 3,878               | 61                | 14                | -               | -                 | -                | -                 | -                 | -                 | -                 | 8,807               |
| Multi-Family   | 8                   | 12                  | 5                 | 20                | -               | -                 | -                | -                 | -                 | -                 | -                 | 48                  |
| Commercial & Industrial                                      | 214                 | 203                 | 208               | 294               | -               | 1                 | 1                | 3                 | -                 | -                 | -                 | 950                 |
| Municipal  | 19                  | 44                  | 32                | 57                | -               | 4                 | -                | -                 | -                 | -                 | -                 | 156                 |
| <b>Total Meters/Accounts</b>                                 | <b>5,095</b>        | <b>4,137</b>        | <b>306</b>        | <b>385</b>        | <b>-</b>        | <b>27</b>         | <b>7</b>         | <b>4</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>9,961</b>        |
| Hydraulic Capacity Factor (2)                                | 1.00                | 1.67                | 3.33              | 5.33              | 10.67           | 16.67             | 33.33            | 60.00             | 80.00             | 112.50            | -                 | -                   |
| <b>Total Equivalent Meters</b>                               | <b>5,095</b>        | <b>6,895</b>        | <b>1,020</b>      | <b>2,053</b>      | <b>-</b>        | <b>450</b>        | <b>233</b>       | <b>240</b>        | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>15,987</b>       |
| <b>Monthly Fixed Service Charges</b>                         | <b>\$1.46</b>       | <b>\$1.46</b>       | <b>\$1.46</b>     | <b>\$1.46</b>     | <b>\$1.46</b>   | <b>\$1.46</b>     | <b>\$1.46</b>    | <b>\$1.46</b>     | <b>\$1.46</b>     | <b>\$1.46</b>     | <b>\$1.46</b>     | <b>\$1.46</b>       |
| Customer Costs (\$/Acct/mo.) (3)                             | \$21.32             | \$35.54             | \$71.08           | \$113.72          | \$227.45        | \$355.39          | \$710.78         | \$1,279.40        | \$1,705.87        | \$2,398.88        | \$2,398.88        | \$2,398.88          |
| Capacity Costs (\$/Acct/mo.) (4)                             | \$22.78             | \$37.00             | \$72.54           | \$115.19          | \$228.91        | \$356.85          | \$712.24         | \$1,280.86        | \$1,707.33        | \$2,400.34        | \$2,400.34        | \$2,400.34          |
| <b>Total Monthly Meter Charge</b>                            | <b>\$22.78</b>      | <b>\$37.00</b>      | <b>\$72.54</b>    | <b>\$115.19</b>   | <b>\$228.91</b> | <b>\$356.85</b>   | <b>\$712.24</b>  | <b>\$1,280.86</b> | <b>\$1,707.33</b> | <b>\$2,400.34</b> | <b>\$2,400.34</b> | <b>\$2,400.34</b>   |
| <b>Annual Fixed Costs Allocated to Monthly Meter Charges</b> |                     |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                     |
| Customer Costs (w/o Comm. Fire Meters)                       | \$ 174,641          |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                     |
| Capacity Costs   | \$ 4,090,674        |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                     |
| <b>Total Fixed Meter Costs</b>                               |                     |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                     |
| <b>Annual Revenue from Mo. Meter Charges</b>                 |                     |                     |                   |                   |                 |                   |                  |                   |                   |                   |                   |                     |
| Customer Charges   | \$ 89,328           | \$ 72,532           | \$ 5,365          | \$ 6,750          | \$ -            | \$ 473            | \$ 123           | \$ 70             | \$ -              | \$ -              | \$ -              | \$ 174,641          |
| Capacity Charges   | \$ 1,303,710        | \$ 1,764,295        | \$ 260,998        | \$ 525,408        | \$ -            | \$ 115,146        | \$ 59,705        | \$ 61,411         | \$ -              | \$ -              | \$ -              | \$ 4,090,674        |
| <b>Total Revenue from Mo. Meter Charges</b>                  | <b>\$ 1,393,039</b> | <b>\$ 1,836,827</b> | <b>\$ 266,363</b> | <b>\$ 532,158</b> | <b>\$ -</b>     | <b>\$ 115,620</b> | <b>\$ 59,828</b> | <b>\$ 61,481</b>  | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 4,265,316</b> |

(1) From the City's utility billing system data, as of February 2015 (File: WaterRateStudy-Mthly Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx).  
 (2) Source: AWWA Manual M1, "Safe Maximum Operating Capacity by Meter Type", Table B-1. Assumes displacement meters for 3/4 to 2-inch, singlejet meters for 3 to 6-inch and propeller meters for 8 to 12-inch meters.  
 (3) Customer costs are allocated to each customer by dividing the total customer costs by the total number of customers.  
 (4) Capacity costs are allocated by meter size and the hydraulic capacity of the meter.

**TABLE 27  
 CALCULATION OF COMMERCIAL FIRE METER MONTHLY FIXED METER SERVICE CHARGES FOR FY 2016/17:**

| Number of Meters by Class and Size (1)                       | FY 2016/17    |               |               |               |               |                  |                   |                   |                  |               | Total         |                   |
|--|---------------|---------------|---------------|---------------|---------------|------------------|-------------------|-------------------|------------------|---------------|---------------|-------------------|
|  | 3/4 inch      | 1 inch        | 1.5 inch      | 2 inch        | 3 inch        | 4 inch           | 6 inch            | 8 inch            | 10 inch          | 12 inch       |               |                   |
| Commercial Fire Meters                                       | -             | -             | -             | -             | -             | 42               | 48                | 68                | 13               | -             | -             | 171               |
| <b>Total Meters/Accounts</b>                                 | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>42</b>        | <b>48</b>         | <b>68</b>         | <b>13</b>        | <b>-</b>      | <b>-</b>      | <b>171</b>        |
| Hydraulic Capacity Factor (2)                                | -             | -             | -             | -             | -             | 23.33            | 53.33             | 93.33             | 146.67           | -             | -             | -                 |
| <b>Total Equivalent Meters</b>                               | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>980</b>       | <b>2,560</b>      | <b>6,347</b>      | <b>1,907</b>     | <b>-</b>      | <b>-</b>      | <b>11,793</b>     |
| <b>Monthly Fixed Service Charges</b>                         | <b>\$1.46</b> | <b>\$1.46</b> | <b>\$1.46</b> | <b>\$1.46</b> | <b>\$1.46</b> | <b>\$1.46</b>    | <b>\$1.46</b>     | <b>\$1.46</b>     | <b>\$1.46</b>    | <b>\$1.46</b> | <b>\$1.46</b> | <b>\$1.46</b>     |
| Customer Costs (\$/Acct/mo.) <sup>3</sup>                    | -             | -             | -             | -             | -             | \$77.84          | \$177.92          | \$311.35          | \$489.27         | -             | -             | -                 |
| Capacity Costs (\$/Acct/mo.) <sup>4</sup>                    | -             | -             | -             | -             | -             | \$79.30          | \$179.38          | \$312.81          | \$490.73         | -             | -             | -                 |
| <b>Total Monthly Meter Charge</b>                            | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>\$79.30</b>   | <b>\$179.38</b>   | <b>\$312.81</b>   | <b>\$490.73</b>  | <b>-</b>      | <b>-</b>      | <b>-</b>          |
| <b>Annual Fixed Costs Allocated to Monthly Meter Charges</b> |               |               |               |               |               |                  |                   |                   |                  |               |               |                   |
| Customer Costs   | \$ 2,998      |               |               |               |               |                  |                   |                   |                  |               |               |                   |
| Capacity & Fire Protection Costs                             | \$ 472,098    |               |               |               |               |                  |                   |                   |                  |               |               |                   |
| <b>Total Fixed Meter Costs</b>                               |               |               |               |               |               |                  |                   |                   |                  |               |               |                   |
| <b>Annual Revenue from Mo. Meter Charges</b>                 |               |               |               |               |               |                  |                   |                   |                  |               |               |                   |
| Customer Charges   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 736           | \$ 842            | \$ 1,192          | \$ 228           | \$ -          | \$ -          | \$ 2,998          |
| Capacity Charges   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 39,230        | \$ 102,479        | \$ 254,063        | \$ 76,326        | \$ -          | \$ -          | \$ 472,098        |
| <b>Total Revenue from Mo. Meter Charges</b>                  | <b>\$ -</b>   | <b>\$ 39,967</b> | <b>\$ 103,321</b> | <b>\$ 255,255</b> | <b>\$ 76,554</b> | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ 475,096</b> |

(1) From the City's utility billing system data for April 2015 data (WaterRateStudy-Mthly Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx).  
 (2) Source: AWWA Manual M6, "Water Meters - Selection, Installation, Testing, and Maintenance", Table 5-3, Fire Service Type (C703) for 4"-10" meters.

CITY OF COLTON  
WATER RATE STUDY  
Water Cost of Service Analysis/Rate Design

TABLE 28  
PROPOSED VOLUMETRIC CHARGES FOR FY 2016/17:

| Customer Classes          | Number of Meters <sup>1</sup> | Water Consumption (hcf/yr.) <sup>2</sup> | Target Rev. Req't from Vol. Charges <sup>3</sup> | % of Total Rate Revenue | Proposed Rate Structure |
|---------------------------|-------------------------------|--|--|-------------------------|-------------------------|
| Single-Family Residential | 8,807                         | 1,894,028                                | \$ 3,166,275                                     | 31%                     | Tiered                  |
| Multi-Family Residential  | 48                            | 123,461                                  | \$ 206,391                                       | 2%                      | Uniform                 |
| Commercial & Industrial   | 950                           | 1,205,990                                | \$ 2,016,072                                     | 19%                     | Uniform                 |
| Municipal                 | 156                           | 128,937                                  | \$ 215,546                                       | 2%                      | Uniform                 |
| Commercial Fire           | 171                           | 15,426                                   | \$ 25,788  | 0%                      | Uniform                 |
| <b>Total</b>              | <b>10,132</b>                 | <b>3,367,842</b>                         | <b>\$ 5,630,072</b>                              | <b>54%</b>              |                         |

1. From the City's utility billing system data for February 2015 (File: WaterRateStudy-Mithy Customer Billing Data\_Jul 2013 thru Apr 2015.xlsx.)
2. Water consumption is adjusted to account for conservation.
3. Commercial Fire meters class does not pay for conservation costs.

TABLE 29  
Estimated SFR Water Consumption by Tier:

| Customer Class            | Upper Tier Breakpoint <sup>1</sup> | Applicable Water Consumption | % of SFR Consumption |
|---------------------------|------------------------------------|------------------------------|----------------------|
| Single Family Residential | Tier 1<br>Tier 2                   | 1,345,929<br>548,099         | 71%<br>29%           |
| <b>Total</b>              |                                    | <b>1,894,028</b>             | <b>100%</b>          |

1. The Tier 1 breakpoint is set to the average annual consumption amount for SFR customers that would allow the City to meet its conservation mandate (i.e. if SFR customers consume 18 hcf/month on average, this customer group would meet its mandated conservation).
2. Water consumption by tier is where consumption would fall in the two tiers, if the Tier 1 breakpoint is set to 18 hcf, based on historical consumption patterns. From calculations in a separate NBS worksheet: Tiered Usage Analysis\_2-3-16.xlsx.

CITY OF COLTON  
 WATER RATE STUDY  
 Water Cost of Service Analysis/Rate Design

TABLE 28  
 PROPOSED VOLUMETRIC CHARGES FOR FY 2016/17:  
 TABLE 30

Tiered Rates by Meter Size:

| Customer Class            | Upper Tier Breakpoint <sup>1</sup> | Applicable Water Consumption | Costs to Recover <sup>2</sup> | Cost/hcf | Cumulative Rate |
|---------------------------|------------------------------------|------------------------------|-------------------------------|----------|-----------------|
| Single Family Residential | 18 hcf                             | 1,894,028                    | \$ 2,792,407                  | \$1.47   | \$1.47          |
|                           |                                    | 548,099                      | \$ 373,868                    | \$0.68   | \$2.16          |
| <b>Total</b>              |                                    |                              | <b>\$ 3,166,275</b>           |          |                 |

1. The Tier 1 breakpoint is set to the average annual consumption amount for SFR customers that would allow the City to meet its conservation mandate (i.e. if SFR customers consume 18 hcf/month on average, this customer group would meet its mandated conservation).
2. Costs recovered in Tier 1 are base commodity costs allocated to SFR customers based on % of consumption compared to all other users. Costs recovered in Tier 2 are base commodity costs (same as Tier 1), plus the additional water conservation-related costs allocated to SFR customers. While conservation program costs are spread proportionately to all users based on consumption, conservation program costs would not be as high, if users consumed 18 hcf/month or less.

TABLE 30  
 Estimated Revenue by Customer Class:

| Customer Class            | Estimated Consumption |                | Estimated Volumetric Rate Revenue | Estimated Fixed Rate Revenue | Total Estimated Rate Revenue | Cost of Service Net Revenue Reqs. |
|---------------------------|-----------------------|----------------|-----------------------------------|------------------------------|------------------------------|-----------------------------------|
|                           | Tier 1                | Tier 2         |                                   |                              |                              |                                   |
| Single-Family Residential | 1,345,929             | 548,099        | \$ 3,166,275                      | \$ 3,121,427                 | \$ 6,287,702                 | \$ 5,730,422                      |
| Multi-Family Residential  |                       |                | \$ 206,391                        | \$ 67,712                    | \$ 274,102                   | \$ 345,672                        |
| Commercial & Industrial   |                       |                | \$ 2,016,072                      | \$ 927,675                   | \$ 2,943,747                 | \$ 3,388,553                      |
| Municipal                 |                       |                | \$ 215,546                        | \$ 148,502                   | \$ 364,048                   | \$ 404,955                        |
| Commercial Fire           |                       |                | \$ 25,788                         | \$ 475,096                   | \$ 500,884                   | \$ 500,885                        |
| <b>Total</b>              | <b>1,345,929</b>      | <b>548,099</b> | <b>\$ 5,630,072</b>               | <b>\$ 4,740,412</b>          | <b>\$ 10,370,483</b>         | <b>\$ 10,370,486</b>              |

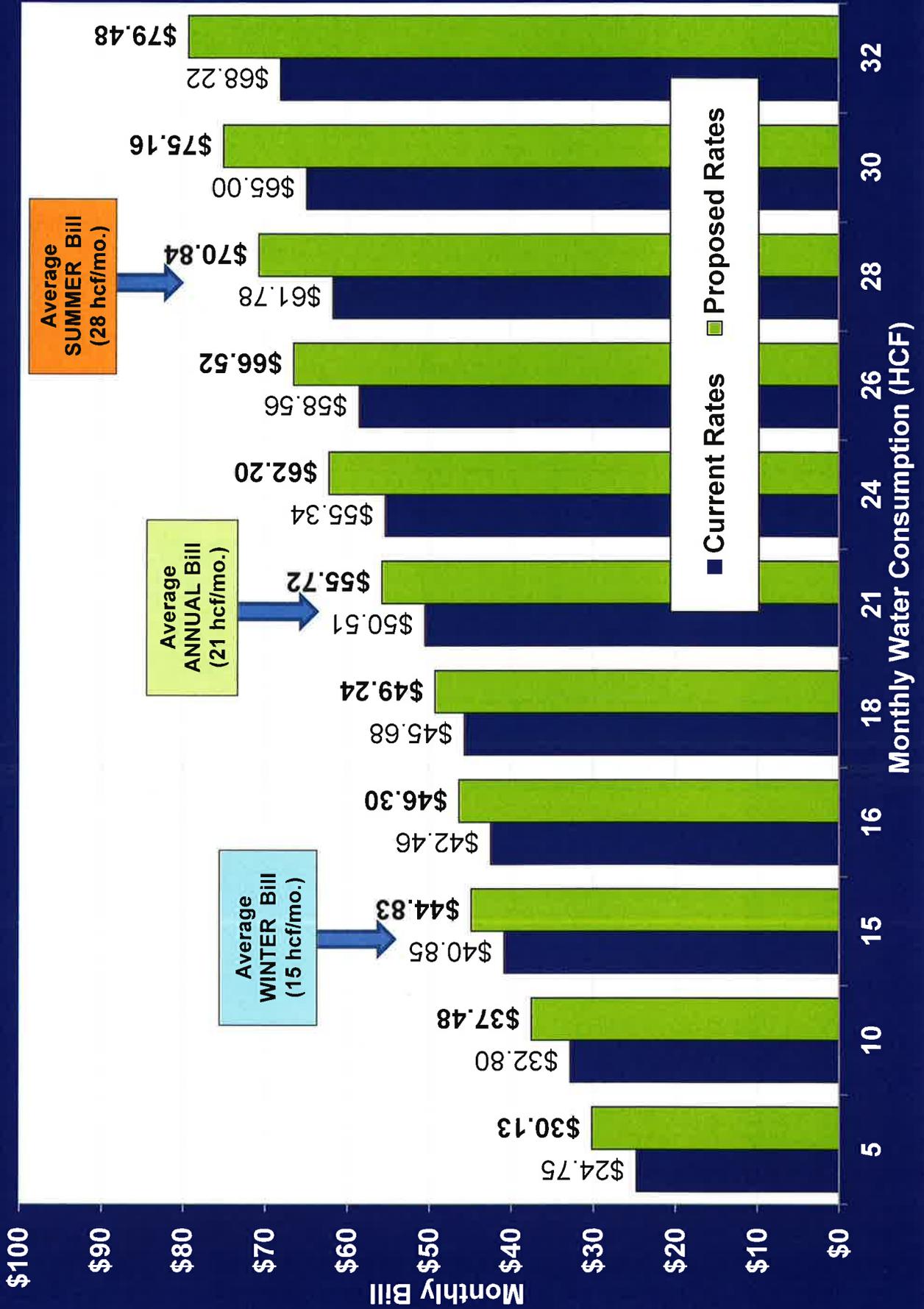
CITY OF COLTON  
WATER RATE STUDY  
Water Cost of Service Analysis/Rate Design

TABLE 32  
Current vs. Proposed Water Rates

| Water Rate Schedule   | Current Rates | Proposed Water Rates<br>46% Fixed / 54% Variable |                      |                     |                     |                     |
|---|---------------|--|----------------------|---------------------|---------------------|---------------------|
|   |               | FY 2016/17<br>15.50%                             | FY 2017/18<br>11.00% | FY 2018/19<br>1.00% | FY 2019/20<br>1.00% | FY 2020/21<br>1.00% |
| <b>Projected Increase in Rate Revenue per Financial Plan:</b> |               |  |                      |                     |                     |                     |
| <b>Fixed Service Charge</b>                                   |               |  |                      |                     |                     |                     |
| 5/8-inch meter  | \$16.70       | \$22.78  | \$25.29              | \$25.54             | \$25.80             | \$26.06             |
| 3/4-inch meter  | \$16.70       | \$22.78  | \$25.29              | \$25.54             | \$25.80             | \$26.06             |
| 1-inch meter  | \$26.23       | \$37.00  | \$41.07              | \$41.48             | \$41.90             | \$42.31             |
| 1.5-inch meter  | \$47.00       | \$72.54  | \$80.52              | \$81.32             | \$82.14             | \$82.96             |
| 2-inch meter  | \$71.31       | \$115.19   | \$127.86             | \$129.13            | \$130.43            | \$131.73            |
| 3-inch meter  | \$84.86       | \$228.91   | \$254.09             | \$256.63            | \$259.20            | \$261.79            |
| 4-inch meter  | \$288.78      | \$356.85   | \$396.10             | \$400.07            | \$404.07            | \$408.11            |
| 6-inch meter  | \$489.49      | \$712.24   | \$790.59             | \$798.49            | \$806.48            | \$814.54            |
| 8-inch meter  | \$627.22      | \$1,280.86                                       | \$1,421.76           | \$1,435.98          | \$1,450.34          | \$1,464.84          |
| 10-inch meter   | \$896.96      | \$1,707.33                                       | \$1,895.14           | \$1,914.09          | \$1,933.23          | \$1,952.56          |
| 12-inch meter   | \$1,456.16    | \$2,400.34                                       | \$2,664.38           | \$2,691.02          | \$2,717.93          | \$2,745.11          |
| <b>Commercial Fire Meters - Fixed Service Charge</b>          |               |  |                      |                     |                     |                     |
| 4-inch meter  | \$62.28       | \$79.30  | \$88.02              | \$88.90             | \$89.79             | \$90.69             |
| 6-inch meter  | \$139.73      | \$179.38   | \$199.11             | \$201.10            | \$203.11            | \$205.14            |
| 8-inch meter  | \$242.99      | \$312.81   | \$347.22             | \$350.69            | \$354.20            | \$357.74            |
| 10-inch meter   | \$380.68      | \$490.73   | \$544.71             | \$550.15            | \$555.66            | \$561.21            |
| <b>Commodity Charges for All Water Consumed</b>               |               |  |                      |                     |                     |                     |
| <b>Single Family Residential Volumetric Rates:</b>            |               |  |                      |                     |                     |                     |
| Current, Uniform Volumetric Rate                              | \$1.61        | --   | --                   | --                  | --                  | --                  |
| New, Tiered Rates   | --            | \$1.47   | \$1.64               | \$1.65              | \$1.67              | \$1.69              |
| Tier 1: 0 - 18 hcf  | --            | \$2.16   | \$2.39               | \$2.42              | \$2.44              | \$2.47              |
| Tier 2: 19+ hcf   | --            |  |                      |                     |                     |                     |
| <b>All Other Customers</b>                                    |               |  |                      |                     |                     |                     |
| Rate Per HCF of Water Consumed                                | \$1.61        | \$1.67   | \$1.86               | \$1.87              | \$1.89              | \$1.91              |

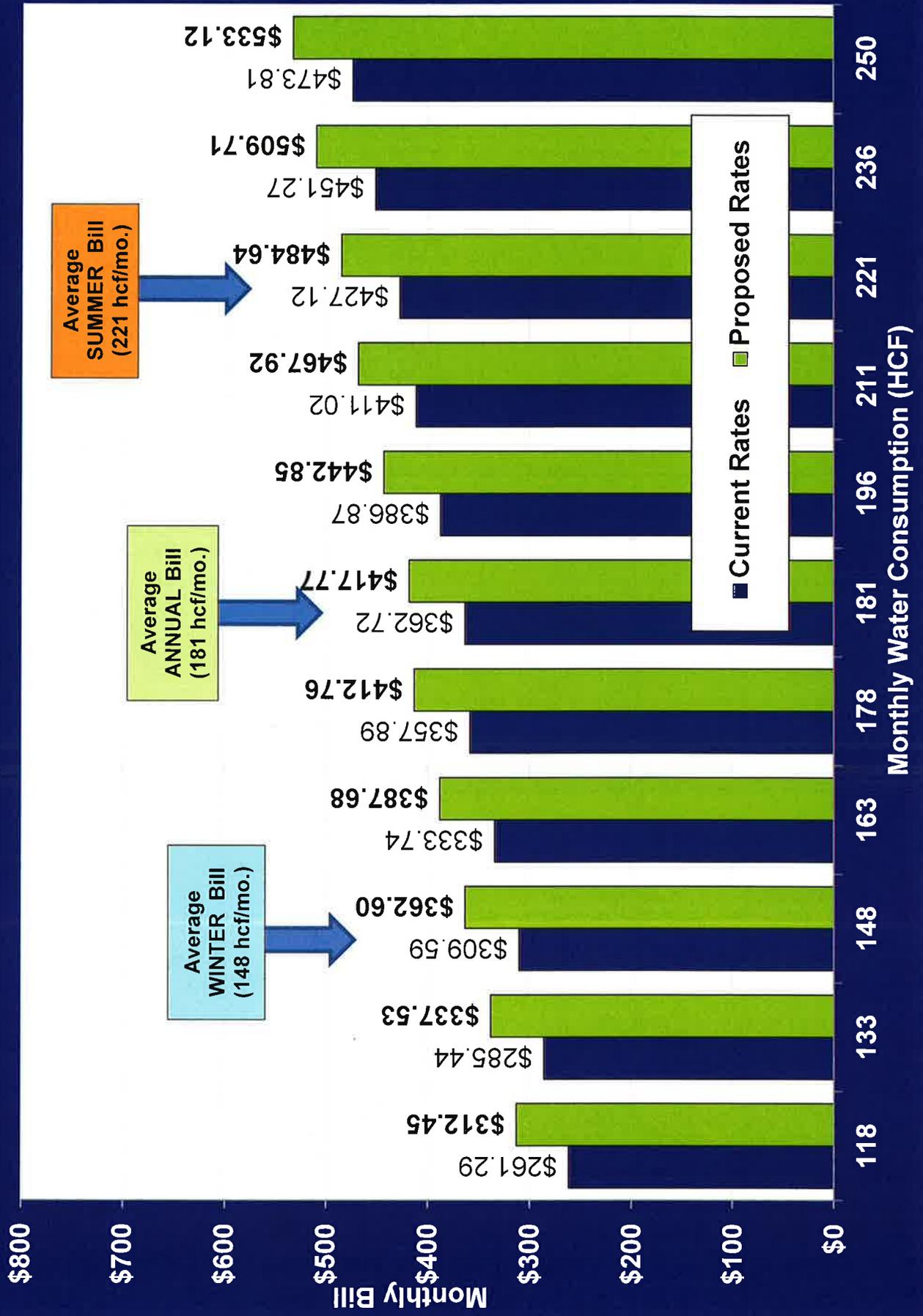
# Single-Family Residential Bill Comparison Current vs. Proposed 2016/17 Rates (3/4" meter)

CHART 4



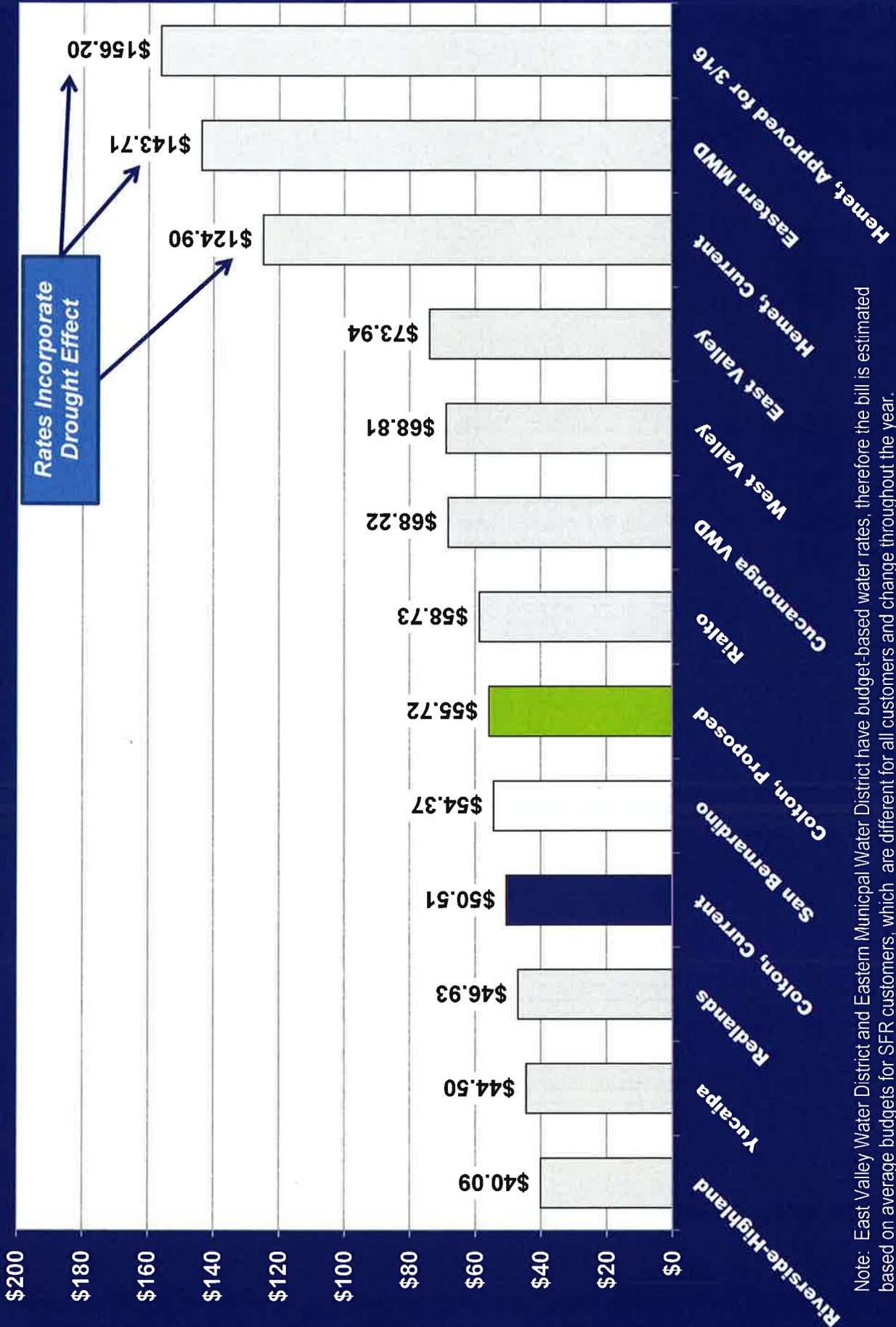
# Commercial Customer Bill Comparison Current vs. Proposed Rates (2" meter)

CHART 5



# Regional Bill Comparison - SFR Customer Assumes 3/4" Meter, 21 hcf Consumption

CHART 6



Rates Incorporate Drought Effect

Note: East Valley Water District and Eastern Municipal Water District have budget-based water rates, therefore the bill is estimated based on average budgets for SFR customers, which are different for all customers and change throughout the year.

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## STAFF REPORT

DATE: APRIL 5, 2016  
TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
FROM: BILL SMITH, CITY MANAGER *BS*  
PREPARED BY: DAVID X. KOLK, Ph.D., UTILITY DIRECTOR *Dxk*  
SUBJECT: STREET SWEEPING MAINTENANCE AGREEMENT

### RECOMMENDED ACTION

It is recommended that the City Council: (1) Award a Maintenance Agreement (Agreement) for street sweeping to R.F. Dickson Co., Inc. for fiscal year 2016/2017 at an annual amount not to exceed \$205,360.20; (2) Award R.F. Dickson Co., Inc. the right to purchase the City owned street sweeper for \$165,000; (3) Authorize the City Manager to execute the City's standard maintenance agreement on behalf of the City with any non-substantive revisions approved by the City Attorney, and; (4) Authorize the City Manager to extend the Agreement on an annual basis for up to four, one-year terms on the same terms and conditions at the City's discretion.

### BACKGROUND

Currently, the Colton Public Works Department provides street sweeping services throughout Colton using a City owned street sweeper. However, Public Works has determined that costs can be reduced and the service levels increased by contracting with a firm that specializes in street sweeping.

### ISSUES/ANALYSIS

In accordance with Colton Municipal Code (CMC) Section 3.08.110, Ordinance 0-12-03 the Public Works Department solicited and received proposals for street sweeping. Two (2) proposals were received from known street sweeping companies in Southern California. The sealed bid opening took place on March 3, 2016 at 3:00 p.m. in the Colton City Council Conference Room. The award of this Agreement will provide street sweeping services city wide. As bid, the awarded Agreement will allow for up to four renewable terms.

The basis of award for the street sweeping maintenance contract was determined by the lowest responsible bidder. The following are the bid results:

|                            | <b>Basis of Bid</b><br><i>Street Sweeping Services</i> | <b>Optional Bid</b><br><i>Purchasing Street Sweeper</i> |
|----------------------------|--|---|
| 1. R.F. Dickson Co., Inc.  | \$ 205,360.20  | \$ 165,000.00   |
| 2. Cannon Pacific Services | \$ 219,165.00  | \$ 168,460.00   |

Staff has reviewed each proposal received, reviewed the background, qualifications, and technical capabilities of the two companies. Staff recommends award of a maintenance agreement for street sweeping services to R.F. Dickson Co., Inc., the lowest, responsible and qualified bidder, in the amount of \$205,360.20 annually and the sale of the City owned street sweeper to R.F. Dickson (Dickson) for \$165,000.

Under the Agreement Dickson will:

1. Provide all labor, materials and equipment necessary to sweep the City streets;
2. Sweep every curb mile of City streets twice a month;
3. Provide up to 40 curb miles of additional sweeping for special events and another 40 curb miles of sweeping for weather events;
4. Be available for emergency call outs at a cost of \$105/hour during working hours and \$125/hour during non-working hours;
5. Be available during all hours for calls by City management to address complaints.

The Agreement allows the City to terminate the Agreement for any reason, without penalty, by providing 7 days' notice prior to the effective date of termination. This provision ensures that Dickson will provide the highest level of service to the City during the Agreement period.

In addition to providing street sweeping services, Dickson will purchase the City's street sweeper for \$165,000. The City paid \$330,000 for the street sweeper and financed it through Jules and Associates. There is still approximately \$110,000 owed on the sweeper that will be paid off with the sale proceeds and the remaining \$55,000 will be split between storm water and the City's Pollution Reduction Fund, the two funds that have been paying for the sweeper. Even though Cannon Pacific Services, the other bidder, offered \$3,460 more for the sweeper than Dickson, their bid was predicated on receiving the street sweeping contract.

## **FISCAL IMPACTS**

Funds for street sweeping are provided by Republic Services under the City's trash collection agreement. Republic pays \$210,000 annually to the City as reimbursement for street sweeping services. Funds for street sweeping services are annually budgeted in the General Fund Public Works Street Maintenance Division Professional Services account 100-6150-6160-2350.

## **ENVIRONMENTAL IMPACTS**

None.

**ALTERNATIVES**

1. Provide alternative direction to staff.

**ATTACHMENTS**

1. Exhibit "A" Maintenance Agreement with R.F. Dickson Co., Inc.

# **Exhibit A**

## **Maintenance Agreement**

**CITY OF COLTON  
MAINTENANCE SERVICES AGREEMENT**

**1. PARTIES AND DATE.**

This Agreement is made and entered into this 5<sup>th</sup> day of April, 2016 by and between the City of Colton, a municipal corporation organized under the laws of the State of California with its principal place of business at 650 North La Cadena Drive, Colton, California 92324 (“City”) and R.F. Dickson Co., Inc., a CORPORATION with its principal place of business at 12524 Columbia Way, Downey, CA 90242 (“Contractor”). City and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**2. RECITALS.**

**2.1 Contractor.**

Contractor desires to perform and assume responsibility for the provision of certain maintenance services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing Street Sweeping services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of City. Contractor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

**2.2 Project.**

City desires to engage Contractor to render such services for the CITY WIDE STREET SWEEPING SERVICES PROJECT (“Project”) as set forth in this Agreement.

(BB&K: 1-14)

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### 3. TERMS.

#### 3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional Street Sweeping maintenance services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from May 1, 2016 to April 30, 2017, unless earlier terminated as provided herein. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. City in its sole and absolute discretion have an option to extend the Agreement for an additional four, one (1) year terms on the same terms or conditions of this Agreement. Contractor shall complete the Services within the term of this Agreement and any extended term, and shall meet any other established schedules and deadlines.

#### 3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of City and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Contractor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with the Schedule, City shall respond to Contractor's submittals in a timely manner. Upon request of City, Contractor shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.

3.2.4 City's Representative. The City hereby designates David Kolk, Utilities Director, or his or her designee, to act as its representative for the performance of this Agreement

for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor hereby Steve Dickson, President, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8 Period of Performance. Contractor shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Contractor shall perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" or "B" attached hereto, or which may be provided separately in writing to the Contractor. Contractor agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such completion schedule or Project milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the City will suffer damage.

3.2.9 Disputes. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of this Contract, Contractor shall continue to perform the Work while said dispute is decided by the City. If

Contractor disputes the City's decision, Contractor shall have such remedies as may be provided by law.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Contractor. By executing this Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Contractor. Contractor also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Contractor shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Contractor shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Sub-subcontractors and Consultants. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Contractor verifies that they are a duly authorized officer of Contractor, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Contractor under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Contractor shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.6 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Although the SCAQMD and CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by SCAQMD and CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify City against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.7 Water Quality.

(A) Management and Compliance. To the extent applicable, Contractor's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency, the State Water Resources Control Board and the Santa Ana Regional Water Quality Control Board; the City's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any

such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

(B) Liability for Non-Compliance. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Contractor or City to penalties, fines, or additional regulatory requirements. Contractor shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from and against any and all fines, penalties, claims or other regulatory requirements imposed as a result of Contractor's non-compliance with the laws, regulations and policies described in this Section, unless such non-compliance is the result of the sole established negligence, willful misconduct or active negligence of the City, its officials, officers, agents, employees or authorized volunteers.

(C) Training. In addition to any other standard of care requirements set forth in this Agreement, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them without impacting water quality in violation of the laws, regulations and policies described in this Section. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in this Section as they may relate to the Services provided under this Agreement. Upon request, City will provide Contractor with a list of training programs that meet the requirements of this paragraph.

### 3.2.11 Insurance.

3.2.11.1 Time for Compliance. Contractor shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this Section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this Section.

3.2.11.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. The policy shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or

provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 29); or (2) cross liability for claims or suits by one insured against another.

(B) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease. Defense costs shall be paid in addition to the limits.

(C) Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or materially reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Contractor or the City may withhold amounts sufficient to pay premium from Contractor payments. In the alternative, the City may suspend or terminate this Agreement.

3.2.11.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements on forms supplied or approved by the City to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) using ISO CG forms 20 10 and 20 37, or endorsements providing the exact same coverage, the City of Colton, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Services or ongoing and complete operations performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection with such work; and (2) using ISO form 20 01, or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City, before the City's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of

coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(A).

(B) Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible; and (2) the insurance coverage shall be primary insurance as respects the City, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way. Notwithstanding the minimum limits set forth in Section 3.2.11.2(B), any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds pursuant to this Section 3.2.11.3(B).

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Contractor.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days (10 days for nonpayment of premium) prior written notice by certified mail, return receipt requested, has been given to the City; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its directors, officials, officers, employees, agents, and volunteers. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officials, officers, employees, agents and volunteers, or any other additional insureds.

3.2.11.4 Separation of Insureds; No Special Limitations; Waiver of Subrogation. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents, and volunteers. All policies shall waive any right of subrogation of the insurer against the City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City, its officials, officers, employees, agents, and volunteers, or any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

3.2.11.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or

self-insured retentions as respects the City, its directors, officials, officers, employees, agents, and volunteers; or (2) the Contractor shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.11.6 Subcontractor Insurance Requirements. Contractor shall not allow any subcontractors to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to the City that they have secured all insurance required under this Section. If requested by Contractor, the City may approve different scopes or minimum limits of insurance for particular subcontractors. The Contractor and the City shall be named as additional insureds on all subcontractors' policies of Commercial General Liability using ISO form 20 38, or coverage at least as broad.

3.2.11.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City.

3.2.11.8 Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the City if requested. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11.9 Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Services under this Agreement.

3.2.12 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

### 3.2.13 Bonds.

3.2.13.1 Performance Bond. If required by law or otherwise specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Agreement a Performance Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in

a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by the City.

3.2.13.2 Payment Bond. If required by law or otherwise specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Agreement a Payment Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by the City.

3.2.13.3 Bond Provisions. Should, in City's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the affected bond within 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Agreement until any replacement bonds required by this Section are accepted by the City. To the extent, if any, that the total compensation is increased in accordance with the Agreement, the Contractor shall, upon request of the City, cause the amount of the bonds to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. To the extent available, the bonds shall further provide that no change or alteration of the Agreement (including, without limitation, an increase in the total compensation, as referred to above), extensions of time, or modifications of the time, terms, or conditions of payment to the Contractor, will release the surety. If the Contractor fails to furnish any required bond, the City may terminate this Agreement for cause.

3.2.13.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, shall be accepted. The surety must be a California-admitted surety with a current A.M. Best's rating no less than A:VIII and satisfactory to the City. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.2.14 Accounting Records. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

### **3.3 Fees and Payments.**

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall

not exceed Two hundred Five Thousand Three Hundred Sixty Dollars and Twenty Cents (\$205,360.20) without written approval of City's City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Contractor shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

### **3.4 Termination of Agreement.**

3.4.1 Grounds for Termination. City may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to City, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

### **3.5 General Provisions.**

3.5.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**Contractor:**

R.F. Dickson Co., Inc.  
12524 Columbia Way  
Downey, CA 90242  
Attn: Steve Dickson, President

**City:**

City of Colton  
650 North La Cadena Drive  
Colton, California 92324  
Attn: David Kolk, Public Works Department

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.2 Indemnification.

3.5.2.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's Services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Contractor's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor.

3.5.2.2 Additional Indemnity Obligations. Contractor shall defend, with Counsel of City's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.2.1 that may be brought or instituted against City or its directors, officials, officers, employees, volunteers and agents. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall survive expiration or termination of this

Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

3.5.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City.

3.5.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.5 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this Project.

3.5.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.7 Assignment or Transfer. Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.5.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

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

3.5.13 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.15 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.16 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE FOR MAINTENANCE SERVICES AGREEMENT  
BETWEEN THE CITY OF COLTON  
AND R.F. DICKSON CO., INC.**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the 1st day of May, 2016.

**CITY OF COLTON**

By: \_\_\_\_\_  
William Smith  
City Manager

*Attest:* \_\_\_\_\_  
Carolina R. Padilla  
City Clerk

**R.F. DICKSON CO., INC.  
a Corporation**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Title (Print)

\_\_\_\_\_  
Title (Print)

**EXHIBIT "A"**  
**SCOPE OF SERVICES**

**ATTACHED SCOPE OF SERVICES**



## Our Solution To Beach Pollution

March 3, 2016

Mr. Reggie Torres  
Public Works Department  
City of Colton  
160 S. 10<sup>th</sup> Street  
Colton, CA 92324

What makes a really great community? At R.F. Dickson we ask ourselves that every day, because we have been in the business of helping municipalities like Colton create those kinds of places for more than sixty-six years.

R.F. Dickson Co is a fourth generation, family owned street sweeping company operating in Southern California since 1950. Our facility, equipment, personnel and well managed administration are ideally suited to provide the City and its residents with outstanding street sweeping service.

We will work with the City of Colton every day to preserve it for future generations, and as your partner we will find ways to minimize cost and environmental impact making your community the best it can be.

Please understand that Municipal street sweeping is our *"Core Business"*, and for the past 66 years we are proud to have supplied this service.

We look forward to working with you, your City Staff, and the residents of the City of Colton. We thank you for your consideration, should you have any questions, or if we can help in any way, please do not hesitate to call.

Sincerely,

Steve Dickson  
President

---

**R.F. Dickson Co. Inc.**

Contract Street Sweeping  
Government Grant Consulting  
CNG Fueling Facilities

12524 Columbia Way  
Downey, CA 90242  
[www.dickson-ca.com](http://www.dickson-ca.com)

562-923-5441  
800-573-3222  
Fax 562-869-5943

**R.F. Dickson Co.**  
**City of Colton**  
**Street Sweeping Proposal**

**Experience**

R.F. Dickson Co., Inc. is very proud of serving the Municipal Street Sweeping Industry for the past 66 years, and we are now in our four generation of a family owned business.

In 1958, we received the first municipal street sweeping contract to take over city services in California, and since have operated throughout the state, currently supplying service to 26 public agencies.

In 1964, we received our first street sweeping contracts with the *County of Los Angeles*, and the cities of Lakewood and La Mirada, and are proud to say; our continuous high level of service is still being provided.

In 1980, the State of Arizona granted the largest contract in the state for sweeping to our company. This contract was with the Arizona Department of Transportation (ADOT), for sweeping both the freeways, and state highways throughout the state. We have also owned and operated a heavy equipment company throughout the State of Texas for many years. We have worked directly with the sweeper manufacturers, designing and developing the latest in sweeping equipment.

Beginning in 1999, we started to develop our first CNG regional fueling station to be used by our company, and other public and private fleets. Our new CNG station came on line in 2002, and was in conjunction with the implementation of the new AQMD 1186.1 Fleet Rules, regarding the use of alternative fuels for the street sweepers.



### ***Overall Approach***

R.F. Dickson is deeply committed to providing the City of Colton with safe, efficient and seamless street sweeping services. We have an extensive amount of experience working with more than 26 municipalities throughout Southern California.

Our general work plan, will meet all of the street sweeping requirements for the City of Colton incorporating a well-managed administration and operational structure, supported by interdepartmental team work.

This proposed Sweeping Contract is well within our capabilities. We will supply only the highest-level professional service, to the City of Colton.

Our environmentally compliant equipment is expertly maintained, and will meet or exceed all industry standards for cleanliness, dust suppression, and comply with all NPDES requirements.

***We carry one principal goal, COMPLETE CUSTOMER SATISFACTION.***

### ***Scope of Work***

We will sweep every curb mile within the City of Colton. We will sweep all median curbs and cul-de-sacs within the sweeping schedule. We will sweep all City owned or leased parking lots as specified in the proposal. We will perform 40 curb mile of special events and 40 curb mile of inclement weather sweeps free of charge.

We will team up with the Public Works Department, increasing the quality of our service within the community. Our commitment to you is that we will provide the City of Colton with safe, efficient, cost effective and worry-free service.

We have surveyed every curb mile in the City of Colton; as a result we have a very clear understanding of what will be involved in performing street sweeping services.

### ***Methods to Achieve Client Satisfaction***

We have customer service representatives available on regular services days (Monday through Friday) from 8AM until 5 PM; staff includes both English and Spanish speaking, to better assist our customers.

Every staff member has been trained to assist customers in a courteous and professional manner; to insure customer satisfaction. All inquiries are directed to our General Manager, and his customer service staff, and will resolve all inquiries within 24 hours or sooner. Our General Manager has access to all our drivers via company supplied cell phones, to enable immediate communication.

In addition our Client Relations Manager will be working with the City of Colton to resolve any questions, should they arise.

The City staff will have our General Manager's direct cell number for immediate access in case of emergency or daily activities.



[www.DicksonSweeping.com](http://www.DicksonSweeping.com)

**EXHIBIT "B"**  
**SCHEDULE OF SERVICES**

**MAY 1, 2016 TO APRIL 30, 2017**

City and Contractor have an option to renew the contract for an additional four, one (1) year terms. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

**EXHIBIT "C"**

**COMPENSATION**

**Client Reference Recommendations:** Bidder shall furnish approximately five (5) Letters of Recommendation from current or previous municipality customers. The letter shall be on Agency letterhead, including; types of services completed, time frame of agreement and level of service performed.

**INSTRUCTIONS FOR BID SCHEDULE**

Bidders shall fully complete the Bid Schedule and return it with their submittal. This Bid shall include all costs associate with all labor, equipment, materials, transportation, overhead, travel, profit, insurance, bond, sales and other taxes, licenses, incidentals, and all other related costs necessary to provide street sweeping services. All prices shall be quoted in US Dollars only.

**STREET SWE EPING SCHEDULE**

- Down town twice monthly
- Arterials twice monthly
- Residential and Commercial twice monthly
- Medians twice monthly

**BID FORM SCHEDULE**

Contractor shall provide annual cost proposals for all of the listed options. The City of Colton reserves the right to use any of the following options/combinations of the options and to change at any time during the course of the contract.

| Item Description | Unit of Measure | Estimated Annual Quantity | Unit Price | Total               |
|------------------|-----------------|---------------------------|------------|---------------------|
| Street Sweeping  |                 |                           |            |                     |
| Twice monthly    | Curb Mile       | 265.00                    | \$ 32.29   | \$205,360.20        |
|                  |                 | <b>BASE BID TOTAL=</b>    |            | <b>\$205,360.20</b> |

**Emergency Call-outs**

Provide an estimated time of arrival in minutes for emergency call-outs (from time of notification by the City to the operators arrival at the scene).

**Working Hours**                    \$105.00  
**After Hours**                        \$125.00

**OPTIONAL BID NO. 1:**

Purchasing the City owned street sweeper (2014 Six Wheel single engine broom street sweeper with conveyor) \$165,000.00

**CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)  
03/16/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|   |                                    |                             |
|---|------------------------------------|-----------------------------|
| PRODUCER<br>Crosby Insurance, Inc<br>8181 E. Kaiser Blvd<br>Anaheim Hills, CA 92808<br>Christopher Hopper | CONTACT NAME:                      |                             |
|   | PHONE (A/C, No, Ext): 714-221-5200 | FAX (A/C, No): 714-221-5210 |
|   | E-MAIL ADDRESS:                    |                             |
|   | INSURER(S) AFFORDING COVERAGE      | NAIC #                      |
| INSURED<br>RF Dickson Co. Inc.<br>12524 Columbia Way<br>Downey, CA 90242                                  | INSURER A:                         | Nautilus Insurance Company  |
|   | INSURER B:                         | Travelers Excess Casualty   |
|   | INSURER C:                         |                             |
|   | INSURER D:                         |                             |
|   | INSURER E:                         |                             |
|   | INSURER F:                         |                             |

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE  | ADDL INSR                           | SUBR WVD                            | POLICY NUMBER   | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS   |
|----------|--|-------------------------------------|-------------------------------------|-----------------|-------------------------|-------------------------|--|
| A        | <b>GENERAL LIABILITY</b>   |                                     |                                     | ECPO151301316   | 10/01/2015              | 10/01/2016              | EACH OCCURRENCE \$ 1,000,000                         |
|          | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY                               | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |                 |                         |                         | DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 |
|          | <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR                 |                                     |                                     |                 |                         |                         | MED EXP (Any one person) \$ 5,000                    |
|          | <input checked="" type="checkbox"/> <b>Pollution Liab.</b>                                     |                                     |                                     |                 |                         |                         | PERSONAL & ADV INJURY \$ 1,000,000                   |
|          | GEN'L AGGREGATE LIMIT APPLIES PER  |                                     |                                     |                 |                         |                         | GENERAL AGGREGATE \$ 2,000,000                       |
|          | <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC |                                     |                                     |                 |                         |                         | PRODUCTS - COMP/OP AGG \$ 2,000,000                  |
|          | <b>AUTOMOBILE LIABILITY</b>  |                                     |                                     |                 |                         |                         | Emp Ben. \$ 1,000,000                                |
|          | <input type="checkbox"/> ANY AUTO  |                                     |                                     |                 |                         |                         | COMBINED SINGLE LIMIT (Ea accident) \$               |
|          | <input type="checkbox"/> ALL OWNED AUTOS   | <input type="checkbox"/>            | <input type="checkbox"/>            |                 |                         |                         | BODILY INJURY (Per person) \$                        |
|          | <input type="checkbox"/> HIRED AUTOS   | <input type="checkbox"/>            | <input type="checkbox"/>            |                 |                         |                         | BODILY INJURY (Per accident) \$                      |
|          |  |                                     |                                     |                 |                         |                         | PROPERTY DAMAGE (PER ACCIDENT) \$                    |
|          |  |                                     |                                     |                 |                         |                         | \$   |
| B        | <input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b>                                       | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | ZUP31M1512815NF | 10/01/2015              | 10/01/2016              | EACH OCCURRENCE \$ 5,000,000                         |
|          | <input type="checkbox"/> <b>EXCESS LIAB</b>  | <input type="checkbox"/>            | <input type="checkbox"/>            |                 |                         |                         | AGGREGATE \$ 5,000,000                               |
|          | DED <input checked="" type="checkbox"/> RETENTION \$ 10,000                                    |                                     |                                     |                 |                         |                         | \$   |
|          | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>   |                                     |                                     |                 |                         |                         | WC STATUTORY LIMITS                                  |
|          | ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)                    | <input type="checkbox"/>            | N/A                                 |                 |                         |                         | OTHER  |
|          | If yes, describe under DESCRIPTION OF OPERATIONS below   |                                     |                                     |                 |                         |                         | E.L. EACH ACCIDENT \$                                |
| A        | <b>Pollution Liab.</b>   |                                     |                                     | ECPO151301316   | 10/01/2015              | 10/01/2016              | Pollution Ea. Cond. 1,000,000                        |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

\*Ten days notice of cancellation will be given for non-payment of premium.  
Re: City wide street sweeping services - The City of Colton, Public Works/Utilities Service Department are named as additional insured where required under written contract. (GA/PR)

**CERTIFICATE HOLDER****CANCELLATION**

COLTON5

City of Colton  
Public Works/Utilities  
Service Department  
160 S 10th St.  
Colton, CA 92324

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

03/16/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|   |   |                                    |
|---|---|------------------------------------|
| PRODUCER<br>Crosby Insurance, Inc<br>8181 E. Kaiser Blvd<br>Anaheim Hills, CA 92808<br>Christopher Hopper | CONTACT NAME: <b>Christopher Hopper</b>   | FAX (A/C, No): <b>714-221-5210</b> |
|   | PHONE (A/C, No, Ext): <b>714-221-5200</b> | FAX (A/C, No): <b>714-221-5210</b> |
| E-MAIL ADDRESS:   |   |                                    |
| INSURER(S) AFFORDING COVERAGE   |   | NAIC #                             |
| INSURER A: <b>AMERICAN ZURICH INS.CO.</b>   |   | <b>40142</b>                       |
| INSURER B:  |   |                                    |
| INSURER C:  |   |                                    |
| INSURER D:  |   |                                    |
| INSURER E:  |   |                                    |
| INSURER F:  |   |                                    |

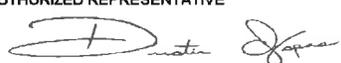
**COVERAGES**                      **CERTIFICATE NUMBER:**                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE  | ADDL INSR                              | SUBR WVD   | POLICY NUMBER        | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS  |
|----------|--|--|------------|----------------------|-------------------------|-------------------------|---|
|          | <b>GENERAL LIABILITY</b><br><input type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC |  |            |                      |                         |                         | EACH OCCURRENCE \$<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$<br>MED EXP (Any one person) \$<br>PERSONAL & ADV INJURY \$<br>GENERAL AGGREGATE \$<br>PRODUCTS - COMP/OP AGG \$<br>\$  |
| <b>A</b> | <input checked="" type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> NON-OWNED AUTOS   | <b>X</b>                               | <b>X</b>   | <b>BAP4503531-05</b> | <b>10/01/2015</b>       | <b>10/01/2016</b>       | COMBINED SINGLE LIMIT (Ea accident) \$ <b>1,000,000</b><br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (PER ACCIDENT) \$<br>\$  |
|          | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED <input type="checkbox"/> RETENTION \$  |  |            |                      |                         |                         | EACH OCCURRENCE \$<br>AGGREGATE \$<br>\$  |
| <b>A</b> | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below  | <b>Y/N</b><br><input type="checkbox"/> | <b>N/A</b> | <b>WC3736431-11</b>  | <b>10/01/2015</b>       | <b>10/01/2016</b>       | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER<br>E.L. EACH ACCIDENT \$ <b>1,000,000</b><br>E.L. DISEASE - EA EMPLOYEE \$ <b>1,000,000</b><br>E.L. DISEASE - POLICY LIMIT \$ <b>1,000,000</b> |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

\*Ten days notice of cancellation will be given for non-payment of premium.  
Re: City wide street sweeping services - The City of Colton, Public Works/Utilities Service Department are named as additional insured where required under written contract.

|  |   |
|--|---|
| <b>CERTIFICATE HOLDER</b>  | <b>CANCELLATION</b>   |
| <b>COLTON5</b><br><br>City of Colton<br>Public Works/Utilities<br>Service Department<br>160 S 10Th St.<br>Colton, CA 92324 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |

## ENDORSEMENT

This endorsement forms a part of the policy to which it is attached. Please read it carefully.

### ADDITIONAL INSURED – BLANKET

This endorsement modifies insurance provided under the following:

#### ENVIRONMENTAL COMBINED POLICY

In consideration of the premium charged and notwithstanding anything contained in this policy to the contrary, it is hereby agreed and understood that this endorsement shall apply only to the Coverage Part(s) corresponding with the box or boxes marked below.

- COVERAGES A AND B – GENERAL LIABILITY**
- COVERAGE D – CONTRACTORS POLLUTION LIABILITY**

**SECTION III – WHO IS AN INSURED** is amended to include as an insured, with respect to Coverage **A, B** and **D**, any person(s) or organization(s) when you and such person(s) or organization(s) have agreed in a written contract or written agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such written contract or written agreement must be in effect prior to the performance of **your work** which is the subject of such written contract or written agreement.

Such additional insured status applies only:

1. Under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY** for claims or **suits** resulting from:
  - a. Your work **performed for such person(s) or organization(s) in the performance of your ongoing operations for the additional insured; or**
  - b. **Your work** performed for such person(s) or organizations(s) and included in the **products-completed operations hazard**.
2. Under **COVERAGE D CONTRACTORS POLLUTION LIABILITY** for claims or **suits** arising out of **pollution conditions** that are the result of:
  - a. Your work **performed for such person(s) or organization(s) in the performance of your ongoing operations for the additional insured; or**
  - b. Your work **performed for such person(s) or organizations(s) and included in the products-completed operations hazard**.

With respect to damages caused by **your work**, as described above, the coverage provided hereunder shall be primary and not contributing with any other insurance available to those person(s) or organization(s) with which you have so agreed in a written contract or written agreement.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY SHALL APPLY AND REMAIN UNCHANGED.**

## ENDORSEMENT

This endorsement forms a part of the policy to which it is attached. Please read it carefully.

### WAIVER OF SUBROGATION

It is agreed that the Company, in the event of any payment under this policy, waives its right of recovery against any Principal, but only at the specific written request of the Named Insured either before or after loss, wherein such waiver has been included before loss as part of a contractual undertaking by the Named Insured.

This waiver shall apply only with respect to losses occurring due to operations undertaken as per the specific contract existing between the Named Insured and such Principal and shall not be construed to be a waiver with respect to other operations of such Principal in which the Named Insured has no contractual interest.

No waiver of subrogation shall directly or indirectly apply to any employee, employees or agents of either the Named Insured or of the Principal, and the Company reserves its right or lien to be reimbursed from any recovery funds obtained by any injured employee.

This waiver does not apply in any jurisdiction or situation where such waiver is held to be illegal or against public policy or in any situation wherein the Principal against whom subrogation is to be waived is found to be solely negligent.

## ENDORSEMENT

This endorsement forms a part of the policy to which it is attached. Please read it carefully.

### DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

#### SCHEDULE

**Designated Construction Projects:**

Any and all projects as required.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by **occurrences** under **SECTION I – COVERAGE A** which can be attributed only to ongoing operations as shown in the schedule above:
1. A separate Designated Construction Project Limit applies to each designated construction project and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations page.
  2. Except for damages because of **bodily injury** or **property damage** included in the **products-completed operations hazard**, the Designated Construction Project Limit is the most we will pay for the sum of all damages under **SECTION I – COVERAGE A** regardless of the number of:
    - a. Insureds;
    - b. Claims made or **suits** brought; or
    - c. Persons or organizations making claims or bringing **suits**.
  3. Any payments made under **SECTION I – COVERAGE A** for damages shall reduce the Designated Construction Project Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations page nor shall they reduce any other Designated Construction Project Limit, except as affected by the Designated Construction Project Aggregate Limit described below.
  4. The limits shown in the Declarations page for Each Occurrence and Damage to Premises Rented to you continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project Limit.
  5.
    - a. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under the Designated Construction Project Limit, described in **1.** and **2.** above.
    - b. Regardless of the number of construction projects or designated construction projects covered under this policy, the most we will pay as the Designated Construction Project General Aggregate is \$5,000,000.
- B.** For all sums which the insured becomes legally obligated to pay as damages caused by **occurrences** under **SECTION I – COVERAGE A** which cannot be attributed only to ongoing operations as shown in the schedule above:

1. Any payments made under **SECTION I –COVERAGE A** for damages shall reduce the amount available under the General Aggregate Limit or the Products Completed Operations Aggregate Limit, whichever is applicable; and
  2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.
- C.** When coverage for liability arising out of the **products-completed operations hazard** is provided, any payments for damages because of **bodily injury** or **property damage** included in the **products-completed operations hazard** will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.
- D.** If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- E.** The provisions of **SECTION IV – LIMITS OF INSURANCE** not otherwise modified by this endorsement shall continue to apply as stipulated.



ZURICH

# Coverage Extension Endorsement

| Policy No.    | Eff. Date of Pol. | Exp. Date of Pol. | Eff. Date of End. | Producer No. | Add'l. Prem | Return Prem. |
|---------------|-------------------|-------------------|-------------------|--------------|-------------|--------------|
| BAP4503531-05 | 10/01/2015        | 10/01/2016        | 10/01/2015        |              |             |              |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

- Business Auto Coverage Form**
- Motor Carrier Coverage Form**

## A. Amended Who Is An Insured

- The following is added to the **Who Is An Insured** Provision in **Section II – Covered Autos Liability Coverage**:

The following are also "insureds":

- Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow for acts performed within the scope of employment by you. Any "employee" of yours is also an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.
- Anyone volunteering services to you is an "insured" while using a covered "auto" you don't own, hire or borrow to transport your clients or other persons in activities necessary to your business.
- Anyone else who furnishes an "auto" referenced in Paragraphs **A.1.a.** and **A.1.b.** in this endorsement.
- Where and to the extent permitted by law, any person(s) or organization(s) where required by written contract or written agreement with you executed prior to any "accident", including those person(s) or organization(s) directing your work pursuant to such written contract or written agreement with you, provided the "accident" arises out of operations governed by such contract or agreement and only up to the limits required in the written contract or written agreement, or the Limits of Insurance shown in the Declarations, whichever is less.

- The following is added to the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary and Excess Insurance Provisions Condition** in the Motor Carrier Coverage Form:

Coverage for any person(s) or organization(s), where required by written contract or written agreement with you executed prior to any "accident", will apply on a primary and non-contributory basis and any insurance maintained by the additional "insured" will apply on an excess basis. However, in no event will this coverage extend beyond the terms and conditions of the Coverage Form.

## B. Amendment – Supplementary Payments

Paragraphs **a.(2)** and **a.(4)** of the **Coverage Extensions** Provision in **Section II – Covered Autos Liability Coverage** are replaced by the following:

- Up to \$5,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

**C. Fellow Employee Coverage**

The **Fellow Employee** Exclusion contained in **Section II – Covered Autos Liability Coverage** does not apply.

**D. Driver Safety Program Liability and Physical Damage Coverage**

1. The following is added to the **Racing** Exclusion in **Section II – Covered Autos Liability Coverage**:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

2. The following is added to Paragraph **2.** in the **Exclusions** of **Section III – Physical Damage Coverage** of the Business Auto Coverage Form and Paragraph **2.b.** in the **Exclusions** of **Section IV – Physical Damage Coverage** of the Motor Carrier Coverage Form:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

**E. Lease or Loan Gap Coverage**

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

**Lease Or Loan Gap Coverage**

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

- a. Any amount paid under the **Physical Damage Coverage** Section of the Coverage Form; and
- b. Any:
  - (1) Overdue lease or loan payments at the time of the "loss";
  - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
  - (3) Security deposits not returned by the lessor;
  - (4) Costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and
  - (5) Carry-over balances from previous leases or loans.

**F. Towing and Labor**

Paragraph **A.2.** of the **Physical Damage Coverage** Section is replaced by the following:

We will pay up to \$75 for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

**G. Extended Glass Coverage**

The following is added to Paragraph **A.3.a.** of the **Physical Damage Coverage** Section:

If glass must be replaced, the deductible shown in the Declarations will apply. However, if glass can be repaired and is actually repaired rather than replaced, the deductible will be waived. You have the option of having the glass repaired rather than replaced.

**H. Hired Auto Physical Damage – Increased Loss of Use Expenses**

The **Coverage Extension** for **Loss Of Use Expenses** in the **Physical Damage Coverage** Section is replaced by the following:

**Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or written rental agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$100 per day, to a maximum of \$3000.

**I. Personal Effects Coverage**

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

**Personal Effects Coverage**

- a. We will pay up to \$750 for "loss" to personal effects which are:
  - (1) Personal property owned by an "insured"; and
  - (2) In or on a covered "auto".
- b. Subject to Paragraph a. above, the amount to be paid for "loss" to personal effects will be based on the lesser of:
  - (1) The reasonable cost to replace; or
  - (2) The actual cash value.
- c. The coverage provided in Paragraphs a. and b. above, only applies in the event of a total theft of a covered "auto". No deductible applies to this coverage. However, we will not pay for "loss" to personal effects of any of the following:
  - (1) Accounts, bills, currency, deeds, evidence of debt, money, notes, securities, or commercial paper or other documents of value.
  - (2) Bullion, gold, silver, platinum, or other precious alloys or metals; furs or fur garments; jewelry, watches, precious or semi-precious stones.
  - (3) Paintings, statuary and other works of art.
  - (4) Contraband or property in the course of illegal transportation or trade.
  - (5) Tapes, records, discs or other similar devices used with audio, visual or data electronic equipment.

Any coverage provided by this Provision is excess over any other insurance coverage available for the same "loss".

**J. Tapes, Records and Discs Coverage**

- 1. The Exclusion in Paragraph B.4.a. of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph B.2.c. of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply.
- 2. The following is added to Paragraph 1.a. **Comprehensive Coverage** under the **Coverage** Provision of the **Physical Damage Coverage** Section:
 

We will pay for "loss" to tapes, records, discs or other similar devices used with audio, visual or data electronic equipment. We will pay only if the tapes, records, discs or other similar audio, visual or data electronic devices:

  - (a) Are the property of an "insured"; and
  - (b) Are in a covered "auto" at the time of "loss".

The most we will pay for such "loss" to tapes, records, discs or other similar devices is \$500. The **Physical Damage Coverage Deductible** Provision does not apply to such "loss".

**K. Airbag Coverage**

The Exclusion in Paragraph **B.3.a.** of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph **B.4.a.** of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply to the accidental discharge of an airbag.

**L. Two or More Deductibles**

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

If an accident is covered both by this policy or Coverage Form and by another policy or Coverage Form issued to you by us, the following applies for each covered "auto" on a per vehicle basis:

- 1. If the deductible on this policy or Coverage Form is the smaller (or smallest) deductible, it will be waived; or
- 2. If the deductible on this policy or Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

**M. Physical Damage – Comprehensive Coverage – Deductible**

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

Regardless of the number of covered "autos" damaged or stolen, the maximum deductible that will be applied to Comprehensive Coverage for all "loss" from any one cause is \$5,000 or the deductible shown in the Declarations, whichever is greater.

**N. Temporary Substitute Autos – Physical Damage**

- 1. The following is added to **Section I – Covered Autos**:

**Temporary Substitute Autos – Physical Damage**

If Physical Damage Coverage is provided by this Coverage Form on your owned covered "autos", the following types of vehicles are also covered "autos" for Physical Damage Coverage:

Any "auto" you do not own when used with the permission of its owner as a temporary substitute for a covered "auto" you do own but is out of service because of its:

- 1. Breakdown;
- 2. Repair;
- 3. Servicing;
- 4. "Loss"; or
- 5. Destruction.

- 2. The following is added to the Paragraph **A. Coverage** Provision of the **Physical Damage Coverage** Section:

**Temporary Substitute Autos – Physical Damage**

We will pay the owner for "loss" to the temporary substitute "auto" unless the "loss" results from fraudulent acts or omissions on your part. If we make any payment to the owner, we will obtain the owner's rights against any other party.

The deductible for the temporary substitute "auto" will be the same as the deductible for the covered "auto" it replaces.

**O. Amended Duties In The Event Of Accident, Claim, Suit Or Loss**

Paragraph **a.** of the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition is replaced by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident", claim, "suit" or "loss". However, these duties only apply when the "accident", claim, "suit" or "loss" is known to you (if you are an individual), a partner (if you are a partnership), a member (if you are a limited liability company) or an executive officer or insurance manager (if you are a corporation). The failure of any

agent, servant or employee of the "insured" to notify us of any "accident", claim, "suit" or "loss" shall not invalidate the insurance afforded by this policy.

Include, as soon as practicable:

- (1) How, when and where the "accident" or "loss" occurred and if a claim is made or "suit" is brought, written notice of the claim or "suit" including, but not limited to, the date and details of such claim or "suit";
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

If you report an "accident", claim, "suit" or "loss" to another insurer when you should have reported to us, your failure to report to us will not be seen as a violation of these amended duties provided you give us notice as soon as practicable after the fact of the delay becomes known to you.

**P. Waiver of Transfer Of Rights Of Recovery Against Others To Us**

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

This Condition does not apply to the extent required of you by a written contract, executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by such contract. This waiver only applies to the person or organization designated in the contract.

**Q. Employee Hired Autos – Physical Damage**

Paragraph **b.** of the **Other Insurance** Condition in the Business Auto Coverage Form and Paragraph **f.** of the **Other Insurance – Primary and Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented under a written contract or written agreement entered into by an "employee" or elected or appointed official with your permission while being operated within the course and scope of that "employee's" employment by you or that elected or appointed official's duties as respect their obligations to you.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

**R. Unintentional Failure to Disclose Hazards**

The following is added to the **Concealment, Misrepresentation Or Fraud** Condition:

However, we will not deny coverage under this Coverage Form if you unintentionally:

- (1) Fail to disclose any hazards existing at the inception date of this Coverage Form; or
- (2) Make an error, omission, improper description of "autos" or other misstatement of information.

You must notify us as soon as possible after the discovery of any hazards or any other information that was not provided to us prior to the acceptance of this policy.

**S. Hired Auto – World Wide Coverage**

Paragraph **7a.(5)** of the **Policy Period, Coverage Territory** Condition is replaced by the following:

- (5) Anywhere in the world if a covered "auto" is leased, hired, rented or borrowed for a period of 60 days or less,

**T. Bodily Injury Redefined**

The definition of "bodily injury" in the **Definitions** Section is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease, sustained by a person including death or mental anguish, resulting from any of these at any time. Mental anguish means any type of mental or emotional illness or disease.

**U. Expected Or Intended Injury**

The **Expected Or Intended Injury** Exclusion in Paragraph **B. Exclusions** under **Section II – Covered Auto Liability Coverage** is replaced by the following:

**Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**V. Physical Damage – Additional Temporary Transportation Expense Coverage**

Paragraph **A.4.a.** of **Section III – Physical Damage Coverage** is replaced by the following:

**4. Coverage Extensions**

**a. Transportation Expenses**

We will pay up to \$50 per day to a maximum of \$1,000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

**W. Replacement of a Private Passenger Auto with a Hybrid or Alternative Fuel Source Auto**

The following is added to Paragraph **A. Coverage** of the **Physical Damage Coverage** Section:

In the event of a total "loss" to a covered "auto" of the private passenger type that is replaced with a hybrid "auto" or "auto" powered by an alternative fuel source of the private passenger type, we will pay an additional 10% of the cost of the replacement "auto", excluding tax, title, license, other fees and any aftermarket vehicle upgrades, up to a maximum of \$2500. The covered "auto" must be replaced by a hybrid "auto" or an "auto" powered by an alternative fuel source within 60 calendar days of the payment of the "loss" and evidenced by a bill of sale or new vehicle lease agreement.

To qualify as a hybrid "auto", the "auto" must be powered by a conventional gasoline engine and another source of propulsion power. The other source of propulsion power must be electric, hydrogen, propane, solar or natural gas, either compressed or liquefied. To qualify as an "auto" powered by an alternative fuel source, the "auto" must be powered by a source of propulsion power other than a conventional gasoline engine. An "auto" solely propelled by biofuel, gasoline or diesel fuel or any blend thereof is not an "auto" powered by an alternative fuel source.

**X. Return of Stolen Automobile**

The following is added to the **Coverage Extension** Provision of the **Physical Damage Coverage** Section:

If a covered "auto" is stolen and recovered, we will pay the cost of transport to return the "auto" to you. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

All other terms, conditions, provisions and exclusions of this policy remain the same.

**WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY**

WC 04 03 06 (Ed. 4-84)

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT—  
CALIFORNIA**

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on **October 1, 2015** at 12:01 A.M. standard time, forms a part of  
(DATE)

Policy No. WC3736431-11

Endorsement No.

of the **American Zurich Insurance Company**

(NAME OF INSURANCE COMPANY)

issued to RF Dicskon Co., Inc.

Premium (if any) \$

  
Authorized Representative

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be % of the California workers' compensation premium otherwise due on such remuneration.

**Schedule**

**Person or Organization**

**Job Description**

**ALL PERSONS OR  
ORGANIZATIONS  
WHEN REQUIRED  
BY WRITTEN CONTRACT**

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# STAFF REPORT

ITEM NO. 18

DATE: APRIL 5, 2016  
TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS  
FROM: BILL SMITH, CITY MANAGER  
PREPARED BY: CARLOS CAMPOS, CITY ATTORNEY  
SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLTON ADDING A NEW CHAPTER 9.23 TO TITLE 9 OF THE COLTON MUNICIPAL CODE REGARDING PSYCHOACTIVE HERBAL INCENSE, PSYCHOACTIVE BATH SALTS AND OTHER SYNTHETIC DRUGS, PROHIBITING THE DISTRIBUTION AND SALE OF CERTAIN INTOXICATING CHEMICAL COMPOUNDS KNOWN AS SYNTHETIC DRUGS

## RECOMMENDED ACTION

It is recommended that the City Council waive full reading and introduce by title only Ordinance No. O-07-16, an Ordinance of the City Council of the City of Colton adding a new Chapter 9.23 to Title 9 of the Colton Municipal Code regarding psychoactive herbal incense, psychoactive bath salts and other synthetic drugs, prohibiting the distribution and sale of certain intoxicating chemical compounds known as synthetic drugs.

## BACKGROUND

Synthetic drugs, including psychoactive herbal incense and psychoactive bath salts, have been documented to cause hallucinations, agitation, psychosis, aggression, suicidal and homicidal ideations, cannibalism and death. While state and federal law prohibit certain compounds that are used to create synthetic drugs, they are not comprehensive enough to eliminate the distribution and sale of all synthetic drugs in the City. The makers of synthetic drugs continually alter the composition of the compounds in their products so as to not come under the purview of state and federal law and other laws and regulations attempting to prohibit the sale of synthetic drugs. In fact, products which plainly are being marketed for use as synthetic drugs are being packaged with advertisements stating that the product does not contain the compounds specifically banned by state or federal law.

At present, the Colton Municipal Code lacks any provisions regarding psychoactive herbal incense, psychoactive bath salts and other synthetic drugs. City staff recommends the City join numerous other jurisdictions, including the Cities of Rialto, Grand Terrace, San Bernardino, and Fontana, in adopting ordinances addressing this issue.

## **ISSUES/ANALYSIS**

The proposed ordinance amends Colton Municipal Code, adding a new Chapter 9.23 to Title 9 of the Code. If adopted, Ordinance No. O-07-16 would do the following:

- Prohibit the storage, provision, display for sale, distribution or sale of any synthetic drug within the City;
- Prohibit the storage, provision, display for sale, distribution or sale of anything claimed or represented to be a synthetic drug within the City;
- Prohibit the possession of synthetic drugs within the City; and
- Establish penalties for the foregoing.

## **FISCAL IMPACTS**

No fiscal impact.

## **ALTERNATIVES**

None.

## **ATTACHMENTS**

1. Ordinance No. O-07-16
2. National Institute on Drug Abuse Fact Sheet on Synthetic Cannabinoids
3. Drug Enforcement Administration Fact Sheet on K2 or Spice
4. National Institute on Drug Abuse Fact Sheet on Synthetic Cathinones ("Bath Salts")
5. American Association of Poison Control Centers – Synthetic Cannabinoids
6. American Association of Poison Control Centers – Bath Salts



1 anxiety, paranoia, and hallucinations. Psychoactive herbal incense abusers who have been taken  
2 to Poison Control Centers report symptoms that include rapid heart rate, vomiting, agitation,  
3 confusion, and hallucinations. Nationwide, the American Association of Poison Control Centers  
4 (“AAPCC”) reported 6,968 cases of exposure in 2011, 5,230 in 2012, 2,668 in 2013, 3,682 in  
5 2014, and 7,779 in 2015. The AAPCC claims that psychoactive herbal incense can cause  
6 dangerous health effects, is made specifically to be abused, and is not tested for safety; and

7 **WHEREAS**, there is an emerging family of drugs commonly referred to as “bath salts” or  
8 “psychoactive bath salts” that contain one or more chemicals relating to cathinone, an  
9 amphetamine-like stimulant found naturally in the Khat plant. According to the NIDA,  
10 psychoactive bath salts typically take the form of a white or brown crystalline powder and are  
11 sold in small plastic or foil packages labeled “not for human consumption.” Psychoactive bath  
12 salts are often sold in drug stores under a variety of brand names, such as Ivory Wave, Bloom,  
13 Cloud Nine, Lunar Wave, Vanilla Sky, White Lightning, and Scarface and users of psychoactive  
14 bath salts can experience euphoria, increased sociability, and sex drive, while others experience  
15 paranoia, agitation, and hallucinatory delirium. Some users even display psychotic and violent  
16 behavior, with deaths being reported in several instances; and

17 **WHEREAS**, in October 2011, the DEA placed three common synthetic cathinones found  
18 in psychoactive bath salts under emergency ban pending further investigation and, in July 2012,  
19 President Obama signed the Synthetic Drug Abuse Prevention Act of 2012 (as part of the Federal  
20 Drug Administration Safety and Innovation Act) permanently making two of them illegal along  
21 with psychoactive herbal incense. On April 12, 2013, the DEA used its emergency scheduling  
22 authority to schedule three more types of synthetic cannabinoids, temporarily designating them as  
23 Schedule I substances; and

24 **WHEREAS**, the Analog Drug Law codified in California Health and Safety Code Section  
25 11400 provides that selling a drug that is an analog of a scheduled controlled substance is a crime  
26 subject to criminal prosecution; and

27 **WHEREAS**, according to NIDA, although federal law prohibits chemically similar  
28 “analogues” of the specifically banned types of psychoactive herbal incense and psychoactive  
bath salts, manufacturers are expected to respond by creating new drugs different enough from the  
banned substances to evade current legal restriction. For example, after the cathinone  
mephedrone was banned in the United Kingdom in 2010, a chemical called naphyrone quickly  
replaced it, and is now being sold as “jewelry cleaner” under the name “Cosmic Blast”; and

**WHEREAS**, the AAPCC reported 6,137 cases of exposure in 2011, 2,691 in 2012, 995 in  
2013, 582 in 2014, and 522 in 2015. The AAPCC claims that psychoactive bath salts are among  
the worst substances the AAPCC has ever seen, has not been tested, and can have permanent side  
effects; and

**WHEREAS**, to avoid the threat to public health, safety, and welfare that would occur if  
these intoxicating synthetic chemical compounds were permitted in the City and to ensure the  
individual or business which possesses, provides, distributes or sells Synthetic Drugs as defined  
herein is a threat to public health, safety and welfare and, as such, is subject to the City’s  
administrative, criminal and civil enforcement procedures (including those set forth in Chapters  
8.02 and 8.12 of Title 8 of the Colton Municipal Code) and, in the case of a business, prohibition

1 against the issuance of a business license (pursuant to Chapter 5.02 of the Colton Municipal  
2 Code); and

3 **WHEREAS**, the City Council hereby finds that many communities in California have  
4 recognized the dangers of Synthetic Drugs, which have been documented to cause hallucinations,  
5 agitation, psychosis, aggression, suicidal and homicidal ideations, cannibalism and death. While  
6 state and federal law prohibit certain compounds that are used to create synthetic drugs, they are  
7 not comprehensive enough to eliminate the distribution and sale of all Synthetic Drugs in the City.  
8 Specifically, the Council finds that the makers of Synthetic Drugs continually alter the  
9 composition of the compounds in their products so as to not come under the purview of state and  
10 federal law and other laws and regulations attempting to prohibit the sale of Synthetic Drugs. In  
11 fact, products which plainly are being marketed for use of Synthetic Drugs are now being  
12 packaged with advertisements stating that the product does not contain the compounds  
13 specifically banned by state or federal law. Thus, the City Council finds that in order to  
14 implement an effective measure prohibiting the distribution and sale of Synthetic Drugs, it is  
15 necessary to look at all factors related to the sales and marketing of Synthetic Drugs. These  
16 factors will help City officials determine whether a product that does not come under the purview  
17 of state or federal law is nevertheless a Synthetic Drug because it is intended for recreational drug  
18 use; and

19 **WHEREAS**, while the question of whether a given product is being distributed or sold for  
20 use as a recreational drug must be determined on a case-by-case basis, the City Council finds that  
21 the following evidentiary factors are helpful in determining whether a given product is in fact a  
22 Synthetic Drug:

23 1. Marketing: Synthetic Drugs are rarely, if ever, suitable for their marketed uses. For  
24 example, a Synthetic Drug in the form of a powder might be marketed as “glass cleaner,”  
25 even though the powder cannot reasonably be used to clean glass.

26 2. Sales Location: Synthetic Drugs are typically sold in liquor stores, smoke shops and gas  
27 stations, yet Synthetic Drugs are marketed as products that are not typically sold by these  
28 businesses. For example, Synthetic Drugs are often marketed as bath salts, spice, incense,  
29 potpourri, skin treatments, cleaning products and plant food; however, these types of  
30 products are typically not sold in liquor stores, smoke shops or gas stations.

31 3. Warning Labels: Synthetic Drugs often use warning labels such as: “not for human  
32 consumption” and “not for purchase by minors.” Bona fide bath salts, incense, cleaning  
33 products and the like do not typically bear such labels. Of particular relevance are labels  
34 that indicate a given product does not contain chemical compounds banned by state law,  
35 which bona fide bath salts, incense, cleaning products and the like would not have any  
36 reason to advertise.

37 4. Price: Synthetic Drugs are typically more expensive than products that are used for a  
38 Synthetic Drug’s marketed use. For example, a Synthetic Drug marketed as “glass  
39 cleaner” might be priced at \$50.00 for an eighth of an ounce, while bona fide glass cleaner  
40 is priced at approximately \$5.00 for 26 ounces.

1 5. Similarity to Illicit Street Drugs: Synthetic Drugs often resemble illicit street drugs  
2 and/or use brand names and packaging that are designed to make the product appear  
3 similar to illicit street drugs. For example, many Synthetic Drugs are sold as white  
4 powders packaged in vials (resembling cocaine) or dyed green to appear similar to  
5 marijuana. Additionally, brand names are often similar to street slang for illicit drugs and  
6 have no relation to the products that are purportedly being sold. These brand names are  
7 always changing, but include “Eight Ballz,” “Spice,” “Black Mamba,” “K-2,” “Puff,”  
8 “Sugar Sticks,” “Green Buddha,” “Diablo Botanical Incense,” “Scooby Snax Potpourri,”  
9 “Grape Ape Herbal Incense,” “Aurora Incense,” “Three Monkey Incense,” “Mr. and Mrs.  
10 Marley,” “Cloud 9 Incense,” and a group of Synthetic Drugs marketed as from “The Spice  
11 Guy”; and

12 **WHEREAS**, the City Council further finds that, given the recent state and federal laws  
13 making the certain identified chemicals in psychoactive herbal incense and psychoactive bath  
14 salts illegal and the public peace, health, safety and welfare concerns associated with the sale and  
15 use of psychoactive herbal incense and psychoactive bath salts as mentioned herein, the City finds  
16 that the sale and the use of psychoactive herbal incense and psychoactive bath salts each create a  
17 nuisance that threatens the health, safety, and property of users, their families, and any person or  
18 property nearby and therefore, by adding Chapter 9.23 to the Colton Municipal Code by this  
19 Ordinance, wishes to prohibit, without encroaching upon any field of law occupied by state or  
20 federal law, the sale and use of psychoactive herbal incense and psychoactive bath salts (as those  
21 phrases are defined in this Ordinance) in the City. To avoid the threat to public health, safety, and  
22 welfare that would occur if these intoxicating synthetic chemical compounds were permitted in  
23 the City and to ensure the individual or business which possesses, provides, distributes or sells  
24 Synthetic Drugs as defined herein is a threat to public health, safety and welfare and, as such, is  
25 subject to the City’s administrative, criminal and civil enforcement procedures (including those  
26 set forth in Chapters 8.02 and 8.12 of Title 8 of the Colton Municipal Code) and, in the case of a  
27 business, prohibition against the issuance of a business license (pursuant to Chapter 5.02 of the  
28 Colton Municipal Code); and

19 **WHEREAS**, an effective way to prevent and abate the health, safety and welfare  
20 concerns that exist as a result of the marketing, distribution and sale of Synthetic Drugs in  
21 manners that brazenly seek to circumvent State and Federal Law is through the enforcement of  
22 the City's administrative, criminal and civil enforcement procedures and through the prohibition  
23 against the issuance of a business license. Because the chemical composition of Synthetic Drugs  
24 is constantly evolving, it is necessary to look at the circumstances surrounding the marketing  
25 (including price), distribution or sale of any given product to determine if the product is being  
26 provided, distributed or sold as a recreational drug. This ordinance shall not apply to any activity  
27 already regulated by Health and Safety Code Sections 11357.5, 11375.5, 11401, the federal  
28 Controlled Substances Act or pre-empted by any State or Federal law or regulation; and

25 **WHEREAS**, by enacting this Ordinance, the City ordains that nothing herein shall be  
26 deemed to conflict with federal law, including but not limited to its treatment of controlled  
27 substances, state law, including but not limited to Health and Safety Code Section 11357.5 and  
28 Section 11375.5, or otherwise or to license any activity that is prohibited thereunder except as  
mandated by such laws.



1 psychoactive herbal incense and psychoactive bath salts in the City would result in undesirable  
2 impacts to the community. Among these impacts are: increased potential for the sale of these  
3 controlled substances to minors and adults for their use, increased dependency on these controlled  
4 substances, increased harm to the users of these controlled substances, and increased risk of  
5 injury to persons or property by users of these controlled substances.

6 **9.23.020 Definitions.**

7 The following words, terms and phrases, when used in this division, shall have the  
8 meanings ascribed to them in this section, except where the context clearly indicates a different  
9 meaning:

10 *Business* shall have the same meaning as the term is defined in section 5.02.020 of this Municipal  
11 Code.

12 *Consume, consuming* or *consumption* shall mean to ingest, inhale, inject, smoke or snort  
13 (insufflate).

14 *Distribute, distributing*, or *distribution* shall mean to furnish, give away, exchange, transfer,  
15 deliver or supply, whether for monetary gain or not.

16 *Person* shall include any natural person, business, firm, company, corporation, public corporation,  
17 club, trust, partnership, association or similar organization.

18 *Possess, possessing* or *possession* shall mean to have for consumption, distribution or sale in  
19 one's actual or constructive custody or control, or under one's authority or power, whether such  
20 custody, control, authority or power be exercised solely or jointly with others.

21 *Provide, providing* or *provision* shall mean offering to distribute or sell a product or substance to  
22 any person.

23 *Psychoactive bath salts* shall mean any crystalline or powder product that contains a synthetic  
24 chemical compound that, when consumed, elicits psychoactive or psychotropic stimulant effects.  
25 The term "psychoactive bath salts" includes without limitation:

26 (1) Products that elicit psychoactive or psychotropic stimulant effects and contain any of  
27 the following intoxicating chemical compounds:

28 (A) Salvia Divinorum or Salvinorum A; all parts of the plant presently classified  
botanically as Salvia Divinorum, whether growing or not, the seeds thereof, any extract from any  
part of such plant, and every compound, manufacture, salts derivative, mixture or preparation of  
such plant, its seeds or extracts;

(B) Cathinone (2-amino-1-phenyl-1-propanone), 4- methylmethcathinone (2-  
methylamino-1-(4-methylphenyl)propan-1-one), 4-methoxymethcathinone (1-(4-methoxyphenyl)-  
2-(methylamino)propan-1-one), MDPV (methylenedioxypropylone), MDMA (3, 4-  
methylenedioxy-N-methylamphetamine), methylene (3,4-methylenedioxy- N-methylcathinone),  
methcathinone (2-(methylamino)-1-phenyl-propan-1- one), flephedrone (4-fluoromethcathinone),  
3-FMC (3- fluoromethcathinone), ethcathinone (2-ethylamino-1-phenyl-propan-1-one), butylone

1 (β-keto-N-methylbenzodioxolylbutanamine), a-PPP (a- pyrrolidinopropiophenon), MPPP (4'-  
2 methyl-a-pyrrolidinopropiophenone), MDPPP (3',4'-methylenedioxy-a-pyrrolidinopropiophenone),  
3 a-PVP (1- phenyl-2-(1-pyrrolidinyl)-1-pentanone) or naphyrone (1-naphthalen-2-yl-2- pyrrolidin-1-  
ylpentan-1-one), 6-APDB (6(2aminopropyl)2,3 dihydrobenzo-furan), and analogs of MDA (3,4-  
methylenedioxymethamphetamine);

4 (C) Any derivative of the above listed intoxicating chemical compounds;

5 (D) Any synthetic substance and its isomers with a chemical structure similar to  
6 the above listed compounds;

7 (E) Any chemical alteration of the above listed intoxicating chemical compounds;

8 or

9 (F) Any other substantially similar chemical structure or compound; and

10 (2) Products that elicit psychoactive or psychotropic stimulant effects and are marketed  
11 under any of the following trade names: Bliss, Blizzard, Blue Silk, Bonzai Grow, Charge Plus,  
12 Charlie, Cloud Nine, Euphoria, Hurricane, Ivory Snow, Ivory Wave, Lunar Wave, Ocean, Ocean  
13 Burst, Pixie Dust, Posh, Pure Ivory, Purple Wave, Red Dove, Scarface, Snow Leopard, Stardust,  
14 Vanilla Sky, White Dove, White Night and White Lightning. The term “psychoactive bath salts”  
15 shall not include any product, substance, material, compound, mixture or preparation that is  
16 specifically excepted by the California Uniform Controlled Substances Act (“UCSA”) (Health  
and Safety Code §§ 11000 et seq.), listed in one of the UCSA’s schedules of controlled  
substances (Health and Safety Code §§ 11053-11058), regulated by one of the UCSA's Synthetic  
Drug Laws (Health and Safety Code §§ 11357.5, 11375.5 and 11401), regulated by the Federal  
Controlled Substances Act (the “CSA”) (21 USC §§ 801 et seq.) or approved by the Food and  
Drug Administration (“FDA”).

17 *Psychoactive herbal incense* shall mean any organic product consisting of plant material that  
18 contains a synthetic stimulant compound that, when consumed, elicits psychoactive or  
19 psychotropic euphoric effects. The term “psychoactive herbal incense” includes without  
limitation:

20 (1) Products that elicit psychoactive or psychotropic euphoric effects and contain any of  
21 the following chemical compounds:

22 (A) Cannabicyclohexanol (2-[(1R,3S)-3-hydroxycyclohexyl]-5-(2-methylnonan-2-  
yl)phenol), JWH-018 (naphthalene-1-yl-(1-pentylindol-3-yl)methanone), JWH-073 (naphthalen-  
23 1-yl-(1-butylindol-3-yl)methanone), JWH-200 ((1-(2-morpholin-4-ylethyl)indol-2-yl)-  
naphthalen-1-yl)methanone), HU-210 or 1.1-dimethylheptyl-11-hydroxy-delta8-  
24 tetrahydrocannabinol ((6aR,10aR)-9- (Hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-  
6a,7,10,10a-tetrahydrobenzo [c]chromen-1-ol), CP 47, 497 (2-[(1R,3S)-3- hydroxycyclohexyl]-5-  
25 (2-methyloctan-2-yl)phenol) and the dimethylhexyl, dimethyloctyl and dimethylnonyl  
26 homologues of CP 47,497 (2-[1R,3S)-3- hydroxycyclohexyl]-5-(2-methyloctan-2-yl)phenol) or  
AM-2201 (1-[(5-fluoropentyl)-1H-indol-3-yl]-(naphthalen-1-yl)methanone), 1-Pentyl-3 (2-  
27 methoxyphenylacetyl)indole (also known as JWH-250), 1-Hexyl-3-(1- naphthoyl)indole (also  
known as JWH-019), 1-Pentyl-3-(4-chloro-1- naphthoyl)indole (also known as JWH-398), N-  
28

1 benzylpiperazine (also known as BZP), 1-(3-trifluoromethylphenyl)piperazine (also known as  
2 TFMPP);

3 (B) Any derivative of the above listed intoxicating chemical compounds;

4 (C) Any synthetic substance and its isomers with a chemical structure similar to  
the above listed intoxicating chemical compounds;

5 (D) Any chemical alteration of the above listed intoxicating chemical compounds;

6 (E) Any other substantially similar chemical structure or compound; or

7 (F) Any other synthetic cannabinoid.  
8

9 (2) Products that elicit psychoactive or psychotropic euphoric effects and are marketed  
10 under any of the following names: K2, K3, Spice, Genie, Smoke, Potpourri, Buzz, Spice 99,  
11 Voodoo, Pulse, Hush, Mystery, Earthquake, Black Mamba, Stinger, Ocean Blue, Stinger,  
12 Serenity, Fake Weed and Black Mamba. The term "psychoactive herbal incense" shall not  
13 include any product, substance, material, compound, mixture, or preparation that is specifically  
excepted by the UCSA (Health and Safety Code §§ 11000 et seq.), listed in one of the UCSA's  
schedules of controlled substances (Health and Safety Code §§ 11053—11058) regulated by one  
of the USCA's Synthetic Drug Laws (Health and Safety Code §§ 11357.5, 11375.5 and 11401),  
regulated by the CSA (21 USC §§ 81 et seq.) or approved by the FDA.

14 *Psychoactive or psychotropic stimulant effects* shall mean affecting the central nervous system or  
15 brain function to change perception, mood, consciousness, cognition or behavior in ways that are  
similar to the effects of cocaine, methylphenidate or amphetamines.

16 *Psychoactive or psychotropic euphoric effects* shall mean affecting the central nervous system or  
17 brain function to change perception, mood, consciousness, cognition or behavior in ways that are  
18 similar to the effects of cannabis.

19 *Sell, selling or sale* shall mean to furnish, exchange, transfer, deliver or supply for monetary gain.

20 *Synthetic drug* shall include psychoactive bath salts and psychoactive herbal incense, as those  
terms are defined hereinabove.

21 **9.23.030 Provision, display for sale, sale or distribution of synthetic drugs prohibited.**

22 (a) It is unlawful for any person to store, provide, display for sale, distribute or sell  
23 any synthetic drug within the City of Colton.

24 (b) It is unlawful for any person to permit the storage, provision, display for sale,  
25 distribution or sale of any synthetic drugs from any real property owned, possessed, managed or  
controlled by such person in the City of Colton.

26 (c) Merely disclaiming a synthetic drug as "not safe for human consumption" will not  
27 avoid the application of this section.  
28

1 **9.23.040 Provision, display for sale, sale or distribution of substances claimed or**  
2 **represented to be synthetic drugs prohibited.**

3 (a) It is unlawful for any person to claim or represent that a product that person is  
4 storing, providing, displaying for sale, distributing or selling is a synthetic drug within the City of  
5 Colton.

6 (b) To determine if a person is claiming or representing that a product is a synthetic  
7 drug, the enforcing officer may consider any of the following evidentiary factors:

8 (1) The product is not suitable for its marketed use (such as a crystalline or  
9 powder product being marketed as "glass cleaner");

10 (2) The business providing, displaying for sale, distributing or selling the  
11 product does not typically provide, distribute or sell products that are used for that product's  
12 marketed use (such as a liquor store selling "plant food");

13 (3) The product contains a warning label that is not typically present on  
14 products that are used for that product's marketed use (such as "not for human consumption,"  
15 "not for purchase by minors," or "does not contain chemicals banned by section 11357.5");

16 (4) The product is significantly more expensive than products that are used for  
17 that product's marketed use (such as half of a gram of a substance marketed as "glass cleaner"  
18 costing \$50.00);

19 (5) The product resembles an illicit street drug (such as cocaine,  
20 methamphetamine or marijuana); or

21 (6) The product's name or packaging uses images or slang referencing an illicit  
22 street drug (such as "Eight Ballz" or "Green Buddha").

23 (c) Merely disclaiming a substance claimed or represented to be a synthetic drug as  
24 "not safe for human consumption" will not avoid the application of this section.

25 **9.23.050 Possession of synthetic drugs prohibited.**

26 It is unlawful for any person to possess any synthetic drug within the City of Colton.

27 **9.23.060 Public nuisance.**

28 (a) It is a public nuisance for any person to store, provide, display for sale, distribute  
or sell any synthetic drug within the City of Colton.

(b) It is a public nuisance for any person to allow the storage, provision, display for  
sale, distribution or sale of any synthetic drug on property owned, controlled or managed by such  
person within the City of Colton.

(c) It is a public nuisance for any person to provide, display for sale, distribute or sell  
any substance claimed or represented to be a synthetic drug within the City of Colton.

1 (d) It is a public nuisance for any person to allow the provision, display for sale,  
2 distribution or sale of any substance claimed or represented to be a synthetic drug on property  
3 owned, controlled or managed by such person within the City of Colton.

4 (e) To determine if a person is claiming or representing that a substance or product is  
5 a synthetic drug, the enforcing officer may consider any of the evidentiary factors set forth in  
6 section 9.23.040 of this Chapter.

7 (f) A criminal conviction is not required for establishing the occurrence of nuisance  
8 activity pursuant to this Chapter. The occurrence of nuisance activity may be established by  
9 documented evidence that the nuisance activity was witnessed by a code enforcement officer,  
10 peace officer or other witness willing to testify.

11 (g) The remedies set forth in this Chapter are cumulative and additional to any and all  
12 other legal remedies available whether set forth elsewhere in the Colton Municipal Code, or in  
13 state or federal laws, regulations, or case law.

14 **9.23.070 Summary abatement.**

15 Because the use of synthetic drugs has been documented to cause hallucinations, agitation,  
16 psychosis, aggression, suicidal and homicidal ideations, cannibalism and death, any violation of  
17 this Chapter presents a grave and imminent danger not only to the person consuming the synthetic  
18 drug, but also to the public at large. If the code enforcement officer, based on the facts then  
19 known, determines that a violation of this division presents an imminent danger or hazard or is  
20 imminently injurious to the public health or safety, then that violation is punishable by the  
21 summary abatement procedures set forth in Section 8.04.150 of this Municipal Code.

22 **9.23.080 Revocation of business license.**

23 No person holding a city business license and owning or operating a business in the city  
24 may use that business to store, provide, distribute or sell any synthetic drug or any substance  
25 claimed or represented to be a synthetic drug. A violation of this section by the holder of a city  
26 business license, shall constitute grounds for modification, suspension, revocation, or any  
27 combination thereof, of said license.

28 **9.23.090 Penalties.**

(a) *Misdemeanor violation.* Failure to comply with any of the requirements of this  
Chapter is a misdemeanor punishable by imprisonment in the city or county jail for a period not  
exceeding six months or by fine not exceeding \$1,000.00, or by both, provided that where the city  
attorney determines that such action would be in the interest of justice, he/she may specify in the  
accusatory pleading that the offense shall be an infraction.

(b) *Infraction violation.* Where the City Attorney determines that, in the interest of  
justice, a violation of this Chapter is an infraction, such infraction is punishable by a fine not  
exceeding \$100.00 for a first violation, a fine not exceeding \$200.00 for a second violation of the  
same provision within one year, and a fine not exceeding \$500.00 for each additional infraction  
violation of the same provision within one year. An infraction is not punishable by imprisonment.  
A person charged with an infraction shall not be entitled to a trial by jury and shall not be entitled

1 to have the public defender or other counsel appointed at public expense to represent him/her,  
2 unless he/she is arrested and not released on his/her written promise to appear, his/her own  
3 recognizance or a deposit of bail. However, any person who has previously been convicted two or  
4 more times during any 12-month period for any violation of this division for a crime made  
punishable as an infraction shall be charged with a misdemeanor upon the third violation.

5 (c) *Separate Offense; Cumulative Remedies.* Each person committing, causing, or  
6 maintaining a violation of this Chapter or failing to comply with the requirements set forth herein  
7 shall be deemed guilty of a separate offense for each and every day during any portion of which  
8 any violation of any provision of this Chapter is committed, continued, maintained, or permitted  
by such person and shall be punishable accordingly. The remedies set forth in this Chapter are  
cumulative and additional to any and all other legal remedies available whether set forth  
elsewhere in the Colton Municipal Code, or in state or federal laws, regulations, or case law.

9 (d) *Administrative Citations.* In lieu of issuing a criminal citation, the city may issue  
10 an administrative citation pursuant to Chapters 8.02 and 8.04 of the Colton Municipal Code to  
any person responsible for committing, causing or maintaining a violation of this Chapter.

11 (e) *Additional Penalties; Costs of Abatement.* In any administrative, civil, or criminal  
12 proceeding involving the abatement of a public nuisance, the City shall also be entitled to recover  
13 its full reasonable costs of abatement, including, but not limited to, investigation, analysis, and  
14 prosecuting the enforcement against the responsible party. The prevailing party in any  
15 proceeding associated with the abatement of a public nuisance shall be entitled to recovery of  
attorneys' fees incurred in any such proceeding, where the City has elected at the initiation of that  
individual action or proceeding to seek recovery of its own attorneys' fees.

16 **9.23.100 Seizure of evidence.**

17 Any product(s) or substance(s) stored, possessed, provided, distributed or sold in violation  
18 of any provision of this Chapter shall be seized by the enforcing officers and removed, stored and  
disposed of in accordance with law.

19 **9.23.110 Exclusions.**

20 (a) This Chapter shall not apply to drugs or substances lawfully prescribed or to  
21 intoxicating chemical compounds that have been approved by the Federal Food and Drug  
22 Administration or which are specifically permitted by California law, including without  
23 limitation, intoxicating chemical compounds that are specifically excepted by the California  
Uniform Controlled Substances Act (Health and Safety Code § 11000 et seq.).

24 (b) This Chapter shall not apply to drugs or substances that are prohibited by state or  
25 federal law, including without limitation, California Health and Safety Code §§ 11357.5, 11375.5,  
11401 and the Federal Controlled Substances Act.

26 (c) This Chapter shall not be deemed to prohibit any act that is positively permitted,  
27 prohibited or preempted by any state or federal law or regulation.”

28 **SECTION 4. CEQA.** The City Council finds that this ordinance is not subject to the  
California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections

1 15060(c)(3) because this activity is not a project as defined by Section 15378 of the CEQA  
2 Guidelines, California Code of Regulations, Title 14, Chapter 3, and pursuant to CEQA  
3 Guidelines Section 15061(b)(3) because it can be seen with certainty that it will not have a  
significant effect or physical change to the environment.

4 **SECTION 5. Severability.** If any section, subsection, subdivision, sentence, clause,  
5 phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the  
6 decision of any court of competent jurisdiction, such decision shall not affect the validity of the  
7 remaining portions of this Ordinance. The City Council hereby declares that it would have  
8 adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or  
9 portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions,  
10 sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

11 **SECTION 6. Effective Date.** This Ordinance shall become effective thirty (30) days  
12 after its adoption.

13 PASSED, APPROVED AND ADOPTED this \_\_\_ day of \_\_\_\_\_, 2016

14 \_\_\_\_\_  
15 Richard De La Rosa, Mayor

16 ATTEST:

17 \_\_\_\_\_  
18 Carolina R. Padilla, City Clerk

19 APPROVED AS TO FORM:

20 \_\_\_\_\_  
21 Best Best & Krieger LLP  
22 City Attorney  
23  
24  
25  
26  
27  
28

# Drug Facts

www.drugabuse.gov

## Synthetic Cathinones ("Bath Salts")

### What are synthetic cathinones?

Synthetic cathinones, more commonly known as "bath salts," are synthetic (human-made) drugs chemically related to cathinone, a stimulant found in the khat plant. Khat is a shrub grown in East Africa and southern Arabia, and people sometimes chew its leaves for their mild stimulant effects. Synthetic variants of cathinone can be much stronger than the natural product and, in some cases, very dangerous (Baumann, 2014).

Synthetic cathinones are included in a group of drugs that concern public health officials called "new psychoactive substances" (NPS). NPS are unregulated psychoactive (mind-altering) substances that have become newly available on the market and are intended to copy the effects of illegal drugs. Some of these substances may have been around for years but have reentered the market in altered chemical forms or due to renewed popularity.

### In Name Only

Synthetic cathinone products marketed as "bath salts" should not be confused with products such as Epsom salts that people use during bathing. These bathing products have no mind-altering ingredients.

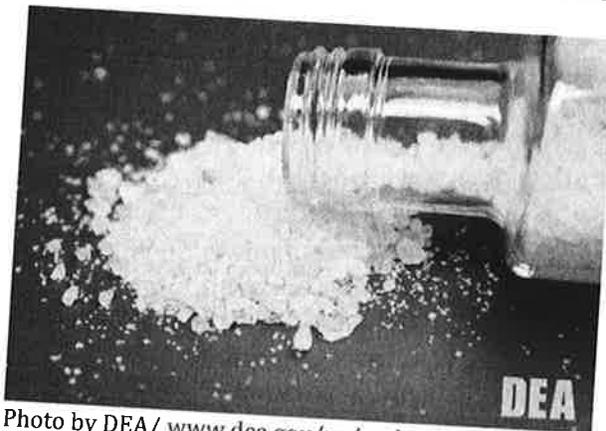


Photo by DEA/ [www.dea.gov/pr/multimedia-library/image-gallery/bath-salts/bath-salts04.jpg](http://www.dea.gov/pr/multimedia-library/image-gallery/bath-salts/bath-salts04.jpg)

Synthetic cathinones are marketed as cheap substitutes for other stimulants such as methamphetamine and cocaine, and products sold as Molly (MDMA) often contain synthetic cathinones instead (see "Synthetic Cathinones and Molly" on page 3).

Synthetic cathinones usually take the form of a white or brown crystal-like powder and are sold in small plastic or foil packages labeled "not for human consumption." Also sometimes labeled as "plant food," "jewelry cleaner," or

Synthetic cathinones can produce effects that include:

- *paranoia*—extreme and unreasonable distrust of others
- *hallucinations*—experiencing sensations and images that seem real though they are not
- increased sociability
- increased sex drive
- panic attacks
- *excited delirium*—extreme agitation and violent behavior

### Synthetic Cathinones and Molly

Molly—slang for "molecular," refers to the pure crystal powder form of *3,4-methylenedioxy-metamphetamine* (MDMA). Usually purchased in capsules, Molly has become more popular in the past few years. Users may be seeking out Molly to avoid the additives commonly found in MDMA pills sold as Ecstasy, such as caffeine, methamphetamine, and other harmful drugs. But those who take what they think is "pure" Molly may be exposing themselves to the same risks. News stories have reported Molly capsules containing harmful substances that include synthetic cathinones. For example, hundreds of Molly capsules tested in two South Florida crime labs in 2012 contained methylone, a dangerous synthetic cathinone.

### What are other health effects of synthetic cathinones?

Nosebleeds, sweating, and nausea are some other health effects of synthetic cathinones. People who experience excited delirium often suffer from dehydration, breakdown of skeletal muscle tissue, and kidney failure.

Intoxication from synthetic cathinones has resulted in death. The worst outcomes are associated with snorting or needle injection.

### Are synthetic cathinones addictive?

Yes, synthetic cathinones can be addictive. Animal studies show that rats will compulsively self-administer synthetic cathinones. Human users have reported that the drugs trigger intense cravings—uncontrollable urges to use the drug again. Taking synthetic cathinones often may cause strong withdrawal symptoms that include:

- depression
- anxiety
- tremors
- problems sleeping
- paranoia

### How can people get treatment for addiction to synthetic cathinones?

Behavioral therapy may be used to treat addiction to synthetic cathinones. Examples include:

- cognitive-behavioral therapy
- contingency management, or motivational incentives—providing rewards to patients who remain substance free
- motivational enhancement therapy

- behavioral treatments geared to teens

No medications are currently available to treat addiction to synthetic cathinones.

### Points to Remember

- Synthetic cathinones, more commonly known as "bath salts," are drugs that contain one or more synthetic (human-made) chemicals related to cathinone. Cathinone is a stimulant found in the khat plant.
- Synthetic cathinones are marketed as cheap substitutes for other stimulants such as methamphetamine and cocaine, and products sold as Molly (MDMA) often contain synthetic cathinones instead.
- People typically swallow, snort, smoke, or inject synthetic cathinones.
- Much is still unknown about how all of the chemicals in synthetic cathinones affect the human brain.
- Synthetic cathinones can cause:
  - nosebleeds
  - paranoia
  - increased sociability
  - increased sex drive
  - hallucinations
  - panic attacks
- Intoxication from synthetic cathinones has resulted in death.
- Synthetic cathinones can be addictive.
- Behavioral therapy may be used to treat addiction to synthetic cathinones.
- No medications are currently available to treat addiction to synthetic cathinones.

### Learn More

For more information about synthetic cathinones, visit:

[www.drugabuse.gov/drugs-abuse/commonly-abused-drugs-charts](http://www.drugabuse.gov/drugs-abuse/commonly-abused-drugs-charts)

[www.emcdda.europa.eu/publications/drug-profiles/synthetic-cathinones](http://www.emcdda.europa.eu/publications/drug-profiles/synthetic-cathinones)

[www.justice.gov/archive/ndic/pubs44/44571/44571p.pdf](http://www.justice.gov/archive/ndic/pubs44/44571/44571p.pdf)

For more information about treatment, visit:

[www.drugabuse.gov/publications/drugfacts/treatment-approaches-drug-addiction](http://www.drugabuse.gov/publications/drugfacts/treatment-approaches-drug-addiction)

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Source: National Institute on Drug Abuse; National Institutes of Health; U.S. Department of Health and Human Services.

Updated January 2016

### References

Baumann MH. Awash in a sea of 'bath salts': implications for biomedical research and public health. *Addiction*. 2014;109(10):1577-1579.

Baumann MH, Partilla JS, Lehner KR, et al. Powerful cocaine-like actions of 3,4-methylenedioxypyrovalerone (MDPV), a principal constituent of psychoactive 'bath salts' products. *Neuropsychopharmacology*. 2013;38(4):552-562.

# Drug Facts

[www.drugabuse.gov](http://www.drugabuse.gov)

## Synthetic Cannabinoids

### What are synthetic cannabinoids?

Synthetic cannabinoids refer to a growing number of man-made mind-altering chemicals that are either sprayed on dried, shredded plant material so they can be smoked (herbal incense) or sold as liquids to be vaporized and inhaled in e-cigarettes and other devices (liquid incense).

These chemicals are called *cannabinoids* because they are related to chemicals found in the marijuana plant. Because of this similarity, synthetic cannabinoids are sometimes misleadingly called "synthetic marijuana" (or "fake weed"), and they are often marketed as "safe," legal alternatives to that drug. In fact, they may affect the brain much more powerfully than marijuana; their actual effects can be unpredictable and, in some cases, severe or even life-threatening.

Synthetic cannabinoids are included in a group of drugs called "new psychoactive substances" (NPS). NPS are unregulated psychoactive (mind-altering) substances that have become newly available on the market and are intended to copy the effects of illegal drugs. Some of these substances may have been around for years but have reentered the market in altered chemical forms or due to renewed popularity.

### False Advertising

Synthetic cannabinoid products are often labeled "not for human consumption." Labels also often claim that they contain "natural" material taken from a variety of plants. However, the only parts of these products that are natural are the dried plant materials. Chemical tests show that the active, mind-altering ingredients are cannabinoid compounds made in laboratories.

Manufacturers sell these herbal incense products in colorful foil packages and sell similar liquid incense products, like other e-cigarette fluids, in plastic bottles. They market these products under a wide variety of specific brand names; in past years, K2 and Spice were common. Hundreds of other brand names now exist, such as Joker, Black Mamba, Kush, and Kronic.

For several years, synthetic cannabinoid mixtures have been easy to buy in drug paraphernalia shops, novelty stores, gas stations, and through the Internet. Because the chemicals used in them have a high potential for abuse and no medical benefit, authorities have made it illegal to sell, buy, or possess some of these chemicals. However, manufacturers try to sidestep these laws by changing the chemical formulas in their mixtures.

Easy access and the belief that synthetic cannabinoid products are "natural" and therefore harmless have likely contributed to their use among young people. Another reason for their use is that standard drug tests cannot easily detect many of the chemicals used in these products.

### How do people use synthetic cannabinoids?



Users usually smoke the dried plant material sprayed with synthetic cannabinoids. Sometimes they mix the sprayed plant material with marijuana, or they brew it as tea. Other users buy synthetic cannabinoid products as liquids to vaporize them in e-cigarettes.

### How do synthetic cannabinoids affect the brain?

Synthetic cannabinoids act on the same brain cell receptors as *delta-9-tetrahydrocannabinol* (THC), the mind-altering ingredient in marijuana.

So far, there have been few scientific studies of the effects of synthetic cannabinoids on the human brain, but researchers do know that some of them bind more strongly than marijuana to the cell receptors affected by THC, and may produce much stronger effects. The resulting health effects can be unpredictable.

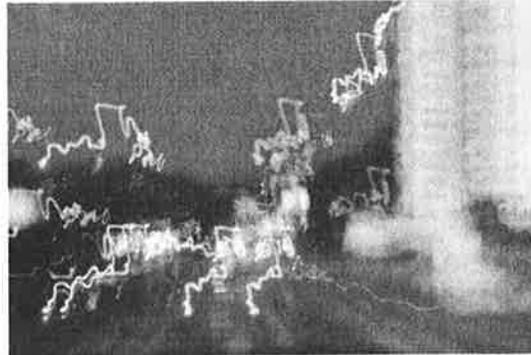
Because the chemical composition of many synthetic cannabinoid products is unknown and may change from batch to batch, these products are likely to contain substances that cause dramatically different effects than the user might expect.

Synthetic cannabinoid users report some effects similar to those produced by marijuana:

- elevated mood
- relaxation
- altered *perception*—awareness of surrounding objects and conditions
- symptoms of *psychosis*—delusional or disordered thinking detached from reality

Psychotic effects include:

- extreme anxiety
- confusion
- *paranoia*—extreme and unreasonable distrust of others
- *hallucinations*—sensations and images that seem real though they are not



iStock.com/trendobjects

### **What are some other health effects of synthetic cannabinoids?**

People who have used synthetic cannabinoids and have been taken to emergency rooms have shown severe effects including:

- rapid heart rate
- vomiting
- violent behavior
- suicidal thoughts

Synthetic cannabinoids can also raise blood pressure and cause reduced blood supply to the heart, as well as kidney damage and seizures. Use of these drugs is associated with a rising number of deaths.

### **Are synthetic cannabinoids addictive?**



Humannet/Shutterstock

Yes, synthetic cannabinoids can be addictive. Regular users trying to quit may have the following withdrawal symptoms:

- headaches
- anxiety
- depression
- irritability

Behavioral therapies and medications have not specifically been tested for treatment of addiction to these products.

### Points to Remember

- Synthetic cannabinoids refer to a growing number of man-made mind-altering chemicals sprayed on dried, shredded plant material or vaporized to get high.
- Synthetic cannabinoids are sometimes misleadingly called "synthetic marijuana" (or "fake weed") because they act on the same brain cell receptors as *delta-9-tetrahydrocannabinol*, the mind-altering ingredient in marijuana.
- The effects of synthetic cannabinoids can be unpredictable and severe or even life-threatening.
- The only parts of synthetic cannabinoid products that are "natural" are the dried plant materials. Chemical tests show that their active ingredients are man-made cannabinoid compounds.
- Synthetic cannabinoid users report some effects similar to those produced by marijuana:
  - elevated mood
  - relaxation
  - altered perception
  - symptoms of psychosis
- Synthetic cannabinoids can also cause serious mental and physical health problems including:
  - rapid heart rate
  - vomiting
  - violent behavior
  - suicidal thoughts
- Synthetic cannabinoids can be addictive.
- Behavioral therapies and medications have not specifically been tested for treatment of addiction to these products.

### Learn More

For more information about synthetic cannabinoids, visit:

[www.dea.gov/druginfo/drug\\_data\\_sheets/K2\\_Spice.pdf](http://www.dea.gov/druginfo/drug_data_sheets/K2_Spice.pdf)

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Source: National Institute on Drug Abuse; National Institutes of Health; U.S. Department of Health and Human Services.

Updated November 2015



# Drug Fact Sheet

## K2 or Spice

### Overview

K2 or "Spice" is a mixture of herbs and spices that is typically sprayed with a synthetic compound chemically similar to THC, the psychoactive ingredients in marijuana. The chemical compounds typically include HU-210, HU-211, JWH-018, and JWH-073. K2 is commonly purchased in head shops, tobacco shops, various retail outlets, and over the Internet. It is often marketed as incense or "fake weed." Purchasing over the Internet can be dangerous because it is not usually known where the products come from or what amount of chemical is on the organic material.



### Street names

Bilss, Black Mamba, Bombay Blue, Fake Weed, Genie, Spice, Zohai

### Looks like

K2 is typically sold in small, silvery plastic bags of dried leaves and marketed as incense that can be smoked. It is said to resemble potpourri.

### Methods of abuse

K2 products are usually smoked in joints or pipes, but some users make it into a tea.

### Affect on mind

Psychological effects are similar to those of marijuana and include paranoia, panic attacks, and giddiness.

### Affect on body

Physiological effects of K2 include increased heart rate and increase of blood pressure. It appears to be stored in the body for long periods of time, and therefore the long-term effects on humans are not fully known.

### Drugs causing similar effects

Marijuana

### Overdose effects

There have been no reported deaths by overdose.

### Legal status in the United States

On Tuesday, March 1, 2011, DEA published a final order in the Federal Register temporarily placing five synthetic cannabinoids into Schedule I of the CSA. The order became effective on March 1, 2011. The substances placed into



## Drug Fact Sheet

### K2 or Spice – cont'd.

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Schedule I are 1-pentyl-3-(1-naphthoyl) indole (JWH-018), 1-butyl-3-(1-naphthoyl) indole (JWH-073), 1-[2-(4-morpholinyl) ethyl]-3-(1-naphthoyl)indole (JWH-200), 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP-47,497), and 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (cannabicyclohexanol; CP-47,497 C8 homologue). This action is based on a finding by the Administrator that the placement of these synthetic cannabinoids into Schedule I of the CSA is necessary to avoid an imminent hazard to the public safety. As a result of this order, the full effect of the CSA and its implementing regulations including criminal, civil and administrative penalties, sanctions, and regulatory controls of Schedule I substances will be imposed on the manufacture, distribution, possession, importation, and exportation of these synthetic cannabinoids.

#### Common places of origin

Manufacturers of this product are not regulated and are often unknown since these products are purchased via the Internet whether wholesale or retail. Several websites that sell the product are based in China. Some products may contain an herb called damiana, which is native to Central America, Mexico, and the Caribbean.



**American Association of Poison Control Centers**

**Bath Salts Data**  
*January 31, 2016*

These numbers reflect the closed human exposures to bath salts reported to poison centers as of January 31, 2016. The numbers may change as cases are closed and additional information is received.

| <b>Year</b>                         | <b>Number of Cases</b> |
|-------------------------------------|------------------------|
| 2011                                | 6,137                  |
| 2012                                | 2,691                  |
| 2013                                | 995                    |
| 2014                                | 582                    |
| 2015                                | 522                    |
| 2016<br>Through January 31,<br>2016 | 35                     |

| <b>2016 by Month</b> | <b>Number of Cases</b> |
|----------------------|------------------------|
| January 2016         | 35                     |
| February 2016        |                        |
| March 2016           |                        |
| April 2016           |                        |
| May 2016             |                        |
| June 2016            |                        |
| July 2016            |                        |
| August 2016          |                        |
| September 2016       |                        |
| October 2016         |                        |
| November 2016        |                        |
| December 2016        |                        |
| <b>Total</b>         | <b>35</b>              |

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| 2015 by Month  | Number of Cases |
|----------------|-----------------|
| January 2015   | 29              |
| February 2015  | 36              |
| March 2015     | 41              |
| April 2015     | 55              |
| May 2015       | 71              |
| June 2015      | 37              |
| July 2015      | 49              |
| August 2015    | 60              |
| September 2015 | 43              |
| October 2015   | 33              |
| November 2015  | 41              |
| December 2015  | 27              |
| <b>Total</b>   | <b>522</b>      |

| 2014 by Month  | Number of Cases |
|----------------|-----------------|
| January 2014   | 46              |
| February 2014  | 57              |
| March 2014     | 72              |
| April 2014     | 61              |
| May 2014       | 45              |
| June 2014      | 37              |
| July 2014      | 48              |
| August 2014    | 54              |
| September 2014 | 37              |
| October 2014   | 51              |
| November 2014  | 40              |
| December 2014  | 39              |
| <b>Total</b>   | <b>587</b>      |

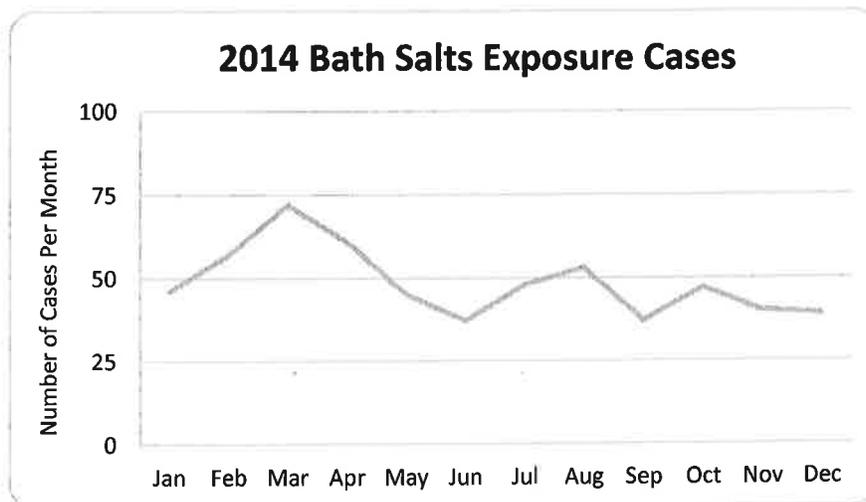
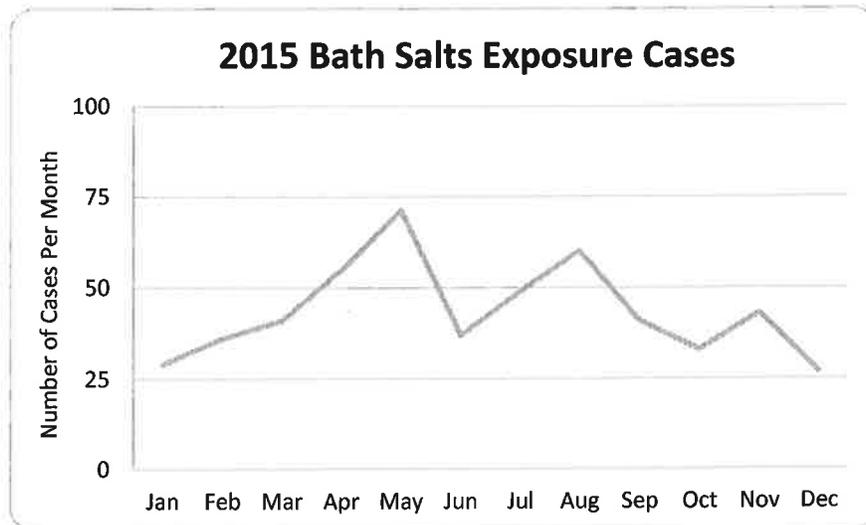
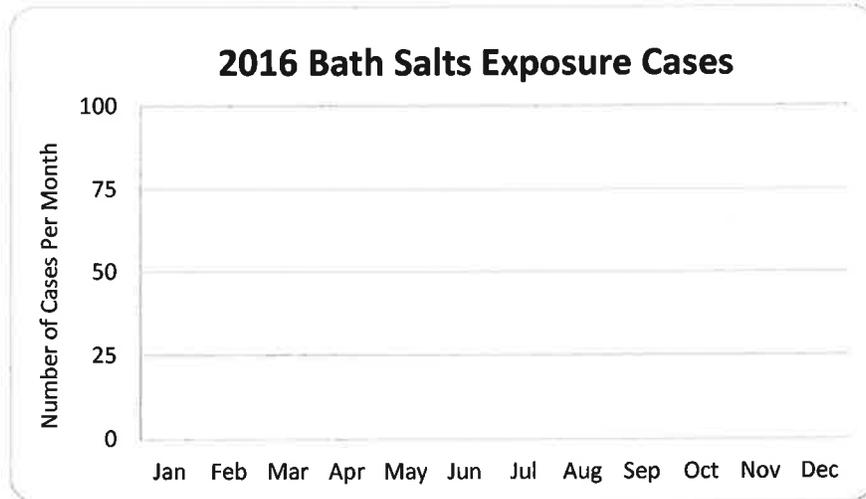
| 2013 by Month  | Number of Cases |
|----------------|-----------------|
| January 2013   | 96              |
| February 2013  | 86              |
| March 2013     | 78              |
| April 2013     | 102             |
| May 2013       | 97              |
| June 2013      | 80              |
| July 2013      | 84              |
| August 2013    | 83              |
| September 2013 | 75              |
| October 2013   | 63              |
| November 2013  | 75              |
| December 2013  | 79              |
| <b>Total</b>   | <b>998</b>      |

| 2012 by Month  | Number of Cases |
|----------------|-----------------|
| January 2012   | 234             |
| February 2012  | 232             |
| March 2012     | 267             |
| April 2012     | 289             |
| May 2012       | 294             |
| June 2012      | 425             |
| July 2012      | 374             |
| August 2012    | 181             |
| September 2012 | 123             |
| October 2012   | 105             |
| November 2012  | 89              |
| December 2012  | 84              |
| <b>Total</b>   | <b>2,697</b>    |

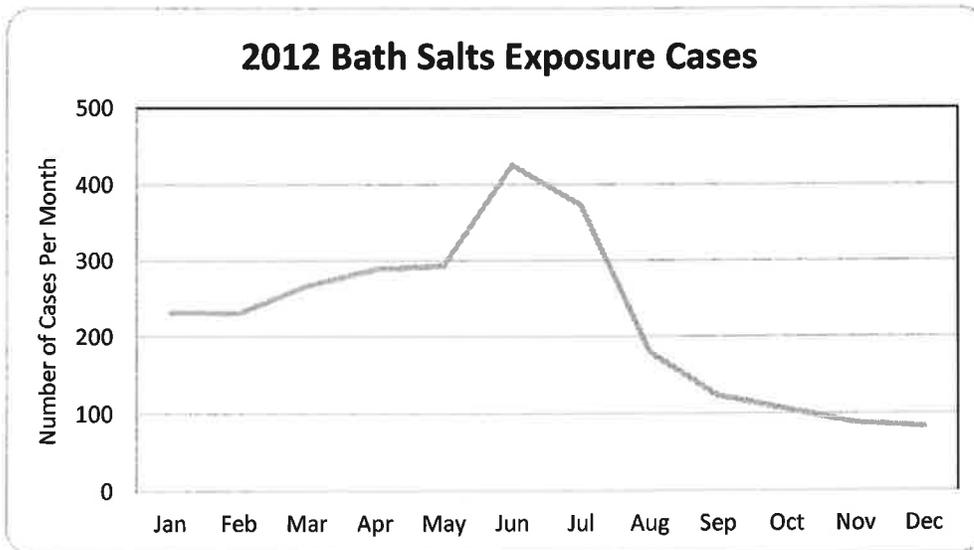
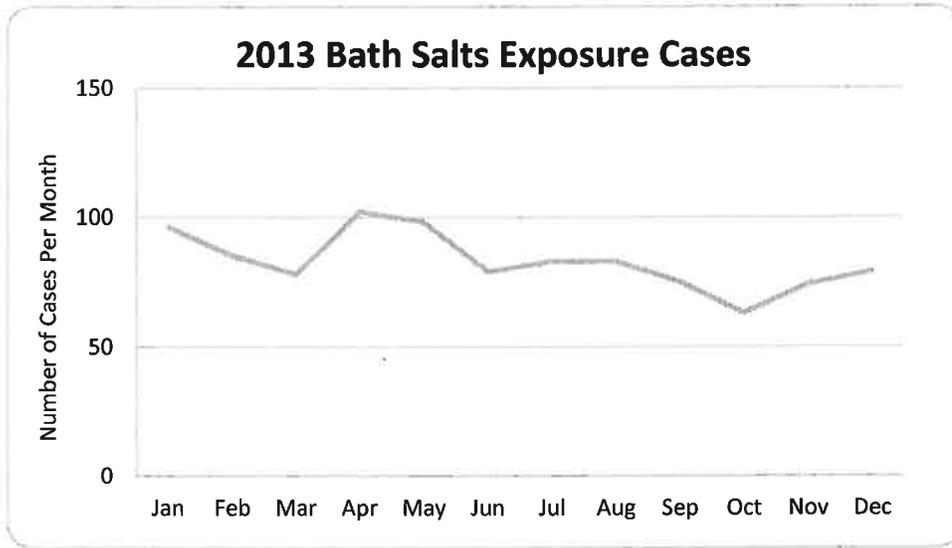
**Please note:** American Association of Poison Control Center data for this year and last is considered preliminary because it is possible that a poison center may update a case anytime during the year if new information is obtained. In the fall of each year, the data for the previous year is locked, and no additional changes are made.

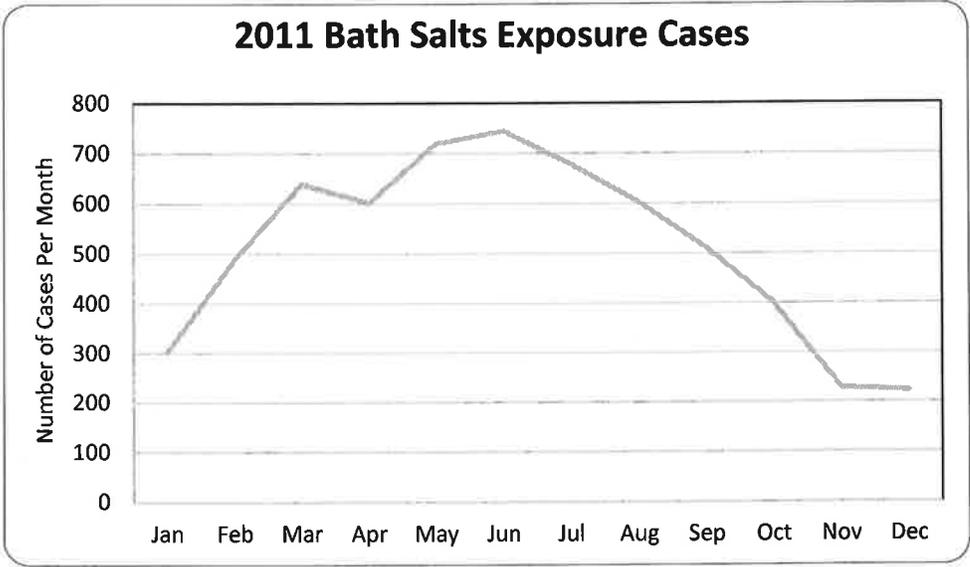
The term “exposure” means someone has had contact with the substance in some way; for example, ingested, inhaled, absorbed by the skin or eyes, etc. Not all exposures are poisonings or overdoses.

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**American Association of Poison Control Centers**

**Synthetic Cannabinoid Data**  
*January 31, 2016*

These numbers reflect the closed human exposures to synthetic cannabinoid (THC homologs) reported to poison centers as of January 31, 2016. The numbers may change as cases are closed and additional information is received.

| Year                                | Number of Cases |
|-------------------------------------|-----------------|
| 2011                                | 6,968           |
| 2012                                | 5,230           |
| 2013                                | 2,668           |
| 2014                                | 3,682           |
| 2015                                | 7,779           |
| <b>2016,<br/>Through January 31</b> | <b>287</b>      |

| 2016 by Month       | Number of Cases |
|---------------------|-----------------|
| <b>January 2016</b> | <b>287</b>      |
| February 2016       |                 |
| March 2016          |                 |
| April 2016          |                 |
| May 2016            |                 |
| June 2016           |                 |
| July 2016           |                 |
| August 2016         |                 |
| September 2016      |                 |
| October 2016        |                 |
| November 2016       |                 |
| December 2016       |                 |
| <b>Total</b>        | <b>287</b>      |

*Information continues on next page.*

| 2015 by Month  | Number of Cases |
|----------------|-----------------|
| January 2015   | 358             |
| February 2015  | 273             |
| March 2015     | 270             |
| April 2015     | 1,512           |
| May 2015       | 1,205           |
| June 2015      | 656             |
| July 2015      | 741             |
| August 2015    | 720             |
| September 2015 | 629             |
| October 2015   | 613             |
| November 2015  | 453             |
| December 2015  | 364             |
| <b>Total</b>   | <b>7,794</b>    |

| 2014 by Month  | Number of Cases |
|----------------|-----------------|
| January 2014   | 181             |
| February 2014  | 167             |
| March 2014     | 205             |
| April 2014     | 250             |
| May 2014       | 312             |
| June 2014      | 337             |
| July 2014      | 280             |
| August 2014    | 442             |
| September 2014 | 395             |
| October 2014   | 439             |
| November 2014  | 357             |
| December 2014  | 315             |
| <b>Total</b>   | <b>3,682</b>    |

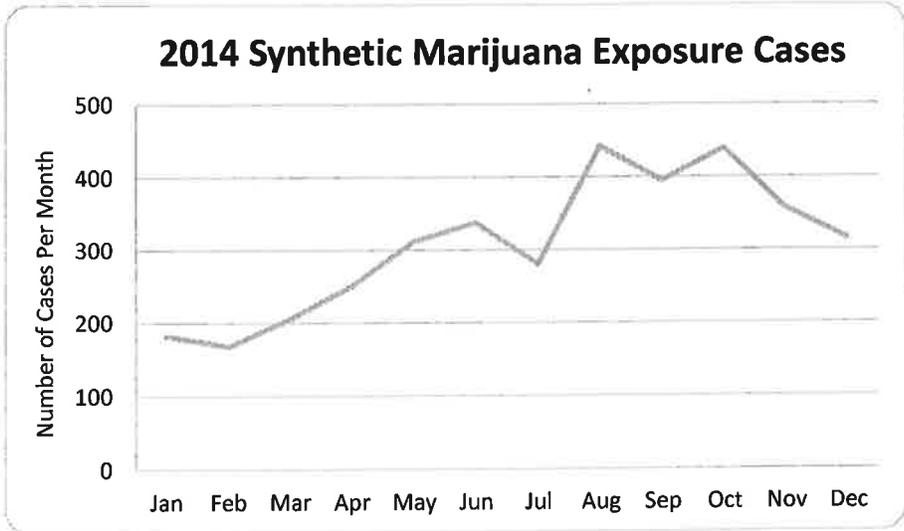
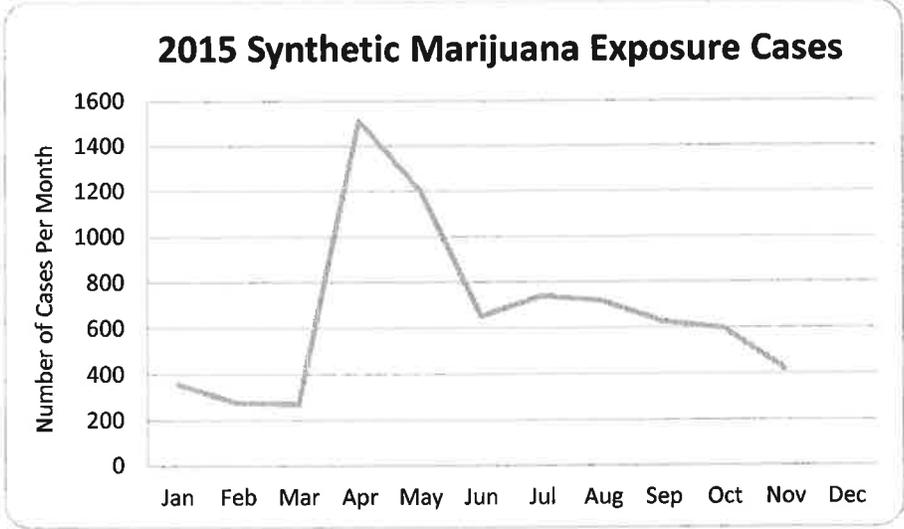
| 2013 by Month  | Number of Cases |
|----------------|-----------------|
| January 2013   | 177             |
| February 2013  | 252             |
| March 2013     | 253             |
| April 2013     | 267             |
| May 2013       | 277             |
| June 2013      | 230             |
| July 2013      | 186             |
| August 2013    | 204             |
| September 2013 | 213             |
| October 2013   | 200             |
| November 2013  | 209             |
| December 2013  | 200             |
| <b>Total</b>   | <b>2,668</b>    |

| 2012 by Month  | Number of Cases |
|----------------|-----------------|
| January 2012   | 657             |
| February 2012  | 634             |
| March 2012     | 644             |
| April 2012     | 498             |
| May 2012       | 507             |
| June 2012      | 497             |
| July 2012      | 459             |
| August 2012    | 346             |
| September 2012 | 315             |
| October 2012   | 252             |
| November 2012  | 202             |
| December 2012  | 219             |
| <b>Total</b>   | <b>5,230</b>    |

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The term “exposure” means someone has had contact with the substance in some way; for example, ingested, inhaled, absorbed by the skin or eyes, etc. Not all exposures are poisonings or overdoses.

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