



A G E N D A



**CITY OF IMPERIAL BEACH
CITY COUNCIL
PLANNING COMMISSION
PUBLIC FINANCING AUTHORITY
HOUSING AUTHORITY**

IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

MAY 4, 2016

**Council Chambers
825 Imperial Beach Boulevard
Imperial Beach, CA 91932**

REGULAR MEETING– 6:00 P.M.

THE CITY COUNCIL ALSO SITS AS THE CITY OF IMPERIAL BEACH PLANNING COMMISSION, PUBLIC FINANCING AUTHORITY, HOUSING AUTHORITY AND IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

The City of Imperial Beach is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at City Council meetings, please contact the City Clerk's Office at (619) 628-2347, as far in advance of the meeting as possible.

REGULAR MEETING CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

AGENDA CHANGES

MAYOR/COUNCIL REIMBURSEMENT DISCLOSURE/COMMUNITY ANNOUNCEMENTS/REPORTS ON ASSIGNMENTS AND COMMITTEES

COMMUNICATIONS FROM CITY STAFF

PUBLIC COMMENT- *Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.*

PRESENTATIONS (1.1-1.3)

- 1.1* PRESENTATION OF PROCLAMATION RECOGNIZING THE MONTH OF MAY AS NEUROFIBROMATOSIS AWARENESS MONTH. (0410-30)**
- 1.2 * PRESENTATION OF PROCLAMATION IN RECOGNITION OF NATIONAL PUBLIC WORKS WEEK – MAY 15-21, 2016. (0410-30)**
- 1.3 * PRESENTATION ON NAVY MATTERS BY CAPTAIN MULVEHILL (NAVAL BASE CORONADO EXECUTIVE OFFICER). (0620-80)**

* No Staff Report

Any writings or documents provided to a majority of the City Council/Planning Commission/Public Financing Authority/Housing Authority/I.B. Redevelopment Agency Successor Agency regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.

CONSENT CALENDAR (2.1-2.4)-All matters listed under Consent Calendar are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items, unless a Councilmember or member of the public requests that particular item(s) be removed from the Consent Calendar and considered separately. Those items removed from the Consent Calendar will be discussed at the end of the Agenda.

2.1 RATIFICATION OF WARRANT REGISTER. (0300-25)

Recommendation: It is respectfully requested that the City Council ratifies the warrant register.

2.2 ADOPT RESOLUTION NO. 2016-7700 AMENDING ARTICLES VI – COMPENSATION, SECTION 8 OVERTIME; VII – LEAVE OF ABSENCE, SECTION 3 HOLIDAY PAY, SECTION 4 VACATION ACCRUAL AND SECTION 5 SICK LEAVE; XII – RE-EMPLOYMENT, SECTION 2 SAFER OF THE CITY OF IMPERIAL BEACH PERSONNEL RULES. (0500-95)

Recommendation: Adopt resolution.

2.3 RESOLUTION NO. 2016-7702 APPROVING A PRICE ADJUSTMENT TO THE WEST COAST ARBORIST, INC. TREE MAINTENANCE SERVICES CONTRACT. (0940-60)

Recommendation: Adopt resolution.

2.4 ADOPTION OF RESOLUTION NO. 2016-7704 AUTHORIZING THE CITY MANAGER VIA HIS DESIGNEE TO ACCEPT THE SOUTHWESTERN COMMUNITY COLLEGE DISTRICT LIFEGUARD IN-SERVICE TRAINING REIMBURSEMENT IN THE AMOUNT OF \$5,990.60, AND THE CITY OF SAN DIEGO OFFICE OF HOMELAND SECURITY URBAN AREA SECURITY INITIATIVE (UASI) PRND EXERCISE PARTICIPATION AWARD IN THE AMOUNT OF \$4,785.00 FOR TRAINING REIMBURSEMENT. (0220-05 & 0390-84)

Recommendation: Adopt resolution.

ORDINANCES – INTRODUCTION/FIRST READING/PUBLIC HEARING (3.1)

3.1 PUBLIC HEARING TO CONSIDER ORDINANCE 2016-1156 ADOPTING THE 5-YEAR (FY17 THRU FY21) SEWER SERVICE CHARGE. (0830-90)

Recommendation:

1. Declare the public hearing open;
2. Receive the report and public testimony;
3. Last call for written protests;
4. Motion to close the public hearing;
5. If necessary due to volume of written protests, take a break or call next agenda item to give staff time to make the final tabulation of written protests;
6. Once staff tabulation is complete, continue on with agenda item (or recall agenda item if necessary) and make announcement regarding final tabulation of written protests. (Per Council Policy No. 614, members of the public shall be permitted to observe the tabulation process, but shall not be entitled to actively participate in the tabulation process.);
 - a. If no majority protest, City Council has authority to adopt the proposed rates. City Council can discuss and deliberate on the proposed rate increases and take a vote. See steps 7 through 9 below;
 - b. If there is a majority protest, City Council does not have authority to adopt the proposed rates, and no further action should be taken;
7. If City Council chooses to adopt the proposed increase, Mayor calls for introduction of Ordinance No. 2016-1156;
8. City Clerk reads the title of Ordinance No. 2016-1156 – An Ordinance of the City Council of the City of Imperial Beach, California, adopting revised sewer service rates for sanitary sewer service and amending sections of Chapter 13.06 of the Imperial Beach Municipal Code pertaining to sewer service charges; and
9. Motion to dispense first reading of Ordinance No. 2016-1156 by title only and set the matter of adoption at the next regularly scheduled City Council meeting.

PUBLIC HEARINGS (4.1-4.2)

4.1 PUBLIC HEARING TO CONSIDER ADOPTION OF RESOLUTION 2016-7703 SETTING THE SEWER CAPACITY FEE AT \$5,373. (0830-90)

Recommendation:

1. Declare the public hearing open;
2. Receive the report and any oral or written public presentations;
3. Close the public hearing;
4. If City Council chooses to adopt the proposed increase, Mayor calls for adoption of Resolution No. 2016-7703; and
5. Adopt Resolution No. 2016-7703.

4.2 PUBLIC HEARING ON RESOLUTION NO. 2016-7701 OF THE CITY OF IMPERIAL BEACH, CALIFORNIA ADJUSTING A REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN (RTCIP) FEE FOR FISCAL YEAR 2016-2017. (0680-95)

Recommendation: Adopt Resolution 2016-7701 approving the increase in the RTCIP transportation mitigation fee charged to each new residential dwelling unit constructed in Imperial Beach during FY 2016 from \$2,310 to \$2,357.

REPORTS

None.

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (6)

None.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

ADJOURN REGULAR MEETING

The Imperial Beach City Council welcomes you and encourages your continued interest and involvement in the City's decision-making process.

FOR YOUR CONVENIENCE, A COPY OF THE AGENDA AND COUNCIL MEETING PACKET MAY BE VIEWED IN THE OFFICE OF THE CITY CLERK AT CITY HALL OR ON OUR WEBSITE AT www.ImperialBeachCA.gov

_____/s/
Sunem Carballo
Deputy City Clerk



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: MAY 4, 2016
ORIGINATING DEPT.: DOUG BRADLEY, ADMINISTRATIVE SERVICES DEPARTMENT *DB*
SUBJECT: RATIFICATION OF WARRANT REGISTER

EXECUTIVE SUMMARY:

Approval of the warrant register in the amount of \$ 2,082,129.34.

FISCAL ANALYSIS: Warrants are issued from budgeted funds and there is no additional impact on reserves.

RECOMMENDATION:

It is respectfully requested that the City Council ratify the warrant register.

OPTIONS:

- Receive and file the report from the City Manager
- Provide direction to the City Manager to take a specific action
- Request additional information and an additional report

BACKGROUND/ANALYSIS:

As of April 7, 2004 all large warrants above \$100,000 will be separately highlighted and explained on the staff report.

<u>Vendor:</u>	<u>Check:</u>	<u>Amount:</u>	<u>Description:</u>
County of San Diego	88463	\$525,265.90	Jan 2016 Law Enf Services
USGS National Center	88470	\$130,918.80	Climate Ready Grant
Bikeway Village LLC	88476	\$320,029.63	Dec-Mar 2016 svcs
Charles King Co Inc	88478	\$147,768.25	Emergency Sewer Main Line
County of San Diego	88498	\$526,927.77	Feb 2016 Law Enf Services

The following registers are submitted for Council ratification:

Accounts Payable

DATE	CHECK #	EFT #	AMOUNT (\$)
04/14/2016	88431-88472		792,995.85
04/22/2016	88473-88512	181-186	1,140,061.29
	<i>Sub-total</i>		1,933,057.14

Payroll Checks/Direct Deposit

DATE	CHECK #		AMOUNT (\$)
PPE 4/14/16	47016-47038		149,072.20
	<i>Sub-total</i>		

TOTAL \$ 2,082,129.34

Note: check numbers not in sequence have been voided.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

Attachments:

1. Warrant Register
2. Warrant Register as Budgeted FY2016

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount
2016-04-14						
2016-04-14 88431	ACACIA LANDSCAPE, CO.	MAR 2016 PARKS LAND MAINT	101-6020-452.21-04	5419	160093	\$ 3,275.00
88432	AGRICULTURAL PEST CONTROL	MAR 2016	101-6020-452.21-04	384179	160086	\$ 95.00
88433	AMEC FOSTER WHEELER ENVIROMENT	NOV 2015 WQIP	101-5050-540.20-06	S37970257	160549	\$ 7,647.10
		JAN 2016 WQIP	101-5050-540.20-06	S37970336	160549	\$ 23,945.55
88434	AMERICAN MESSAGING	APR-JUN 2016 SEWER PAGER	601-5060-436.27-04	L1252241QD	160165	\$ 47.51
88435	ATKINS NORTH AMERICA, INC.	AUG/SEP 2015 DEVLMPY REVI	402-5000-532.20-06	1823927	160652	\$ 2,136.38
88436	BAY CITY ELECTRIC WORKS	FEB 2016 GENERATOR SVC	601-5060-436.21-04	W154706	160073	\$ 823.35
		FEB 2016 PORT GEN SVC	601-5060-436.21-04	W154720	160073	\$ 823.35
88437	BOB HOFFMAN VIDEO PRODUCTION	UPGRADE CHAMBER CONSULT	101-1920-419.21-04	SQ 1125325	F16111	\$ 95.00
88438	CALIFORNIA AMERICAN WATER	1015-210019027905 MAR 16	101-1910-419.27-02	05-02-2016	(blank)	\$ 127.01
		1015-210019276868 MAR 16	101-1910-419.27-02	05-02-2016	(blank)	\$ 105.87
		1015-210019482014 MAR 16	101-1910-419.27-02	05-02-2016	(blank)	\$ 170.74
		1015-210020153385 MAR 16	101-1910-419.27-02	05-02-2016	(blank)	\$ 29.02
		1015-210019278093 MAR 16	101-6020-452.27-02	05-02-2016	(blank)	\$ 25.78
		1015-210019357057 MAR 16	101-6020-452.27-02	05-02-2016	(blank)	\$ 50.77
		1015-210019360534 MAR 16	101-6020-452.27-02	05-02-2016	(blank)	\$ 25.78
		1015-210021114451 FEB 16	303-1250-413.29-04	04-21-2016	(blank)	\$ 10.93
		1015-210018820255 MAR 16	601-5060-436.27-02	05-02-2016	(blank)	\$ 15.21
		1015-210019512885 MAR 16	601-5060-436.27-02	05-02-2016	(blank)	\$ 185.19
88439	CHARLES KING CO INC	EMERGENCY SEWER MAIN	601-5060-536.20-06	1316-1	(blank)	\$ (138,562.25)
		EMERGENCY SEWER MAIN	601-5060-536.20-06		160544	\$ 138,562.25
		MAR 2016 PS EMERGENCY	601-5060-436.21-04	2116-1	(blank)	\$ (9,206.00)
		MAR 2016 PS EMERGENCY	601-5060-436.21-04		160649	\$ 9,206.00
88440	MISCELLANEOUS REFUNDS	REFUND BL OVERPYMNT	101-0000-321.72-10	CR 5104	(blank)	\$ 165.00
88441	COUNTY OF SAN DIEGO RCS	MAR 2016	101-3010-421.21-25	16CTOFIBN09	160354	\$ 2,090.00
		MAR 2016	101-3020-422.21-25	16CTOFIBN09	160354	\$ 577.50
		MAR 2016	101-3030-423.21-25	16CTOFIBN09	160354	\$ 797.50
88442	COX COMMUNICATIONS	04/01-04/30 3110015533201	503-1923-419.21-04	04-22-2016	160166	\$ 37.62
		04/04-05/03 3110097787001	503-1923-419.21-04	04-25-2016	160287	\$ 230.00
88443	CRAMER COMPUTER SUPPLIES INC	FORM W2,W3, 1095C AND ENV	101-1210-413.28-11	20956	F16113	\$ 220.91
88444	D.A.R. CONTRACTORS	MAR 2016	101-3050-425.20-06	031601229	160247	\$ 347.00
88445	EL TAPATIO INC	CATERING FOR ADHOC ZONING	101-1010-411.28-04	12100	F16107	\$ 53.73
88446	ENVIRO MATRIX ANALYTICAL INC	STORMWATER MONITORING	101-5050-435.21-04	6031051	160659	\$ 454.50
88447	ERGOZEIT	ERGONOMIC FOOTREST/DESK C	502-1922-419.28-04	1927	F16106	\$ 128.19
88448	FLYERS ENERGY LLC	1090.5 GAL REG FUEL	501-1921-419.28-15	16-230272	160657	\$ 2,967.82
		1000.9 GAL REG FUEL	501-1921-419.28-15	16-233304	160657	\$ 2,718.11
		794.9 GAL REG FUEL	501-1921-419.28-15	16-237615	160657	\$ 1,953.10
88449	G & G BACKFLOW AND PLUMBING	TEST 41 BACKFLOWS /8 REPA	101-6020-452.21-04	8176	F16119	\$ 2,552.49
88450	GO-STAFF, INC.	W/E 04/01/16 HOLGUIN,N	601-5060-436.21-01	162162	160290	\$ 460.08
		W/E 03/27/16 FERGUSON,N	101-1210-413.21-01	161816	160167	\$ 666.90

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount
88450	GO-STAFF, INC.	W/E 04/02/16 FERGUSON,N	101-1210-413.21-01	162163	160167	\$ 400.14
		W/E 04/10/16 FERGUSON,N	101-1210-413.21-01	162472	160167	\$ 666.90
		W/E 03/17/16 HOLGUIN,N	601-5060-436.21-01	161815	160290	\$ 581.49
		W/E 04/10/16 GARCIA,G	601-5060-436.21-01	162471	160290	\$ 817.92
88451	GREEN DE BORTNOWSKY, LLP	ATTORNEY SERVICES	502-1922-419.20-01	44344	(blank)	\$ 7,036.15
88452	MISCELLANEOUS "DEVELOPERS"	BOND REFUND 1014 7TH ST	101-0000-221.01-05	TEP 16-29	(blank)	\$ 206.00
88453	KANE, BALLMER & BERKMAN	ATTORNEY SERVICES	303-1250-413.20-01	22189	160653	\$ 21,906.36
88454	KIWANIS INTERNATIONAL	CITY AD KIWANIS CALENDAR	101-1010-411.28-04	2016	F16108	\$ 350.00
88455	LESLIE SEIFERT	REIMBURSE TRNG REFRESHMNT	101-3070-427.28-04	450064	(blank)	\$ 15.99
88456	LLOYD PEST CONTROL	MAR 2016 CITY HALL	101-1910-419.20-22	5126211	160094	\$ 36.00
		MAR 2016 FD	101-1910-419.20-22	5126214	160094	\$ 36.00
		MAR 2016 SHERIFF DEPT	101-1910-419.20-22	5126215	160094	\$ 36.00
		MAR 2016 SPORTS PARK	101-1910-419.20-22	5126208	160094	\$ 51.00
		MAR 2016 PUBLIC WORKS	101-1910-419.20-22	5126209	160094	\$ 53.00
		MAR 2016 DEMPSEY CTR	101-1910-419.20-22	5126210	160094	\$ 60.00
		MAR 2016 MV CENTER	101-1910-419.20-22	5126217	160094	\$ 53.00
88457	OFFICE DEPOT, INC	FOLDERS	101-1230-413.30-01	829082446001	160000	\$ 45.74
		LABELS	101-3040-424.30-01	829082446001	160000	\$ 19.05
		NAME BADGES	101-3070-427.28-04	829082446001	160000	\$ 5.82
		BATTERIES, MARKERS	101-1210-413.30-01	830187020001	160000	\$ 57.24
		BUSINESS CARDS-NOWAK,D	101-3040-424.30-01	832959249001	160000	\$ 44.09
		BUSINESS CRDS-MOSHIRIAN,T	101-1230-413.30-02	828974596001	160000	\$ 44.09
		USB HARD DRIVE	101-3030-423.30-02	829699201001	160000	\$ 93.30
		DIGITAL VOICE RECORDER	101-3030-423.30-02	829699209001	160000	\$ 61.55
		MEMORY CARDS	101-3030-423.30-02	831106603001	160000	\$ 162.41
		BUSINESS ENVELOPES	101-1110-412.30-01	827751368001	160000	\$ 75.59
		GLOSSY PAPER	101-1110-412.30-01	830794957001	160000	\$ 123.08
		2" BINDERS	101-1010-411.30-01	830796480001	160000	\$ 40.45
		PENS/MARKERS	101-1020-411.30-01	831847356001	160000	\$ 10.45
		SHEET/SIGN HOLDER	101-1010-411.30-02	830795350001	160000	\$ 54.52
88458	PITNEY BOWES INC(INVOICE PAYMENT	POSTAGE MACHINE TAPE	101-1210-413.30-02	5502928335	F16120	\$ 76.18
88459	PRAXAIR DISTRIBUTION INC	ALUM TIG ROD	101-6040-454.30-02	55047610	160001	\$ 18.35
		WELDING GAS/SHOP SUPPLY	501-1921-419.30-02	54926394	160001	\$ 124.92
		WELDING HELMET	501-1921-419.30-22	55047609	160001	\$ 242.85
88460	PRISCILLA SUNEM CARBALLO	MILEAGE REIMBURSEMENT	101-1020-411.28-04	03-18-2016	(blank)	\$ 53.76
88461	RICOH USA, INC.	APR 2016	101-1210-413.20-17	96605161	160170	\$ 1,382.38
		APR 2016	101-3020-422.20-17	96605161	160170	\$ 276.48
		APR 2016	101-3030-423.20-17	96605161	160170	\$ 276.48
88462	SAN DIEGO GAS & ELECTRIC	1008 786 9371 03/01-03/30	101-1910-419.27-01	04-23-2016	(blank)	\$ 217.24
		1008 860 4389 02/26-03/28	101-1910-419.27-01	04-23-2016	(blank)	\$ 406.33
		1980 769 7764 02/29-03/29	101-1910-419.27-01	04-23-2016	(blank)	\$ 2,681.68

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount
88462	SAN DIEGO GAS & ELECTRIC	8507 517 8464 03/01-03/30	101-1910-419.27-01	04-23-2016	(blank)	\$ 114.83
		8507 517 8464 03/01-03/30	101-6020-452.27-01	04-23-2016	(blank)	\$ 1,105.09
		8507 517 8464 03/01-03/30	601-5060-436.27-01	04-23-2016	(blank)	\$ 63.19
		9169 299 2261 02/25-03/27	101-1910-419.27-01	04-23-2016	(blank)	\$ 1,121.87
		5649 771 4749 03/01-03/30	101-5010-431.27-01	04-23-2016	(blank)	\$ 8,493.82
		5649 771 4749 03/01-03/30	101-6020-452.27-01	04-23-2016	(blank)	\$ 7.20
		5263 521 9238 02/26-03/28	601-5060-436.27-01	04-23-2016	(blank)	\$ 10.00
		8541 770 1270 03/01-03/30	601-5060-436.27-01	04-23-2016	(blank)	\$ 4,004.66
88463	SAN DIEGO COUNTY SHERIFF	JAN 2016 LAW ENF SERVICES	101-3010-421.20-06	03-17-2016	(blank)	\$ 517,459.67
		JAN 2016 COPPS PRG	212-3036-421.20-06	03-17-2016	(blank)	\$ 8,333.33
		JAN 2016 TOW FEE CREDIT	101-0000-338.60-03	03-17-2016	(blank)	\$ (527.10)
88464	SDGE	2741 969 9359 02/29-03/31	101-5010-431.27-01	04-16-2016	(blank)	\$ 172.10
		0824 329 2041 03/01-03/30	101-5010-431.27-01	04-19-2016	(blank)	\$ 196.16
		7706 795 7872 03/01-03/30	101-5010-431.27-01	04-19-2016	(blank)	\$ 9.79
		2081 692 3399 03/02-03/31	101-6010-451.27-01	04-19-2016	(blank)	\$ 12.32
		3206 700 9265 03/02-03/31	101-6010-451.27-01	04-19-2016	(blank)	\$ 12.00
		9956 693 6272 03/02-03/31	101-6010-451.27-01	04-19-2016	(blank)	\$ 145.49
		0175 275 3776 03/02-03/31	101-6020-452.27-01	04-19-2016	(blank)	\$ 381.39
		2083 847 9032 03/01-03/30	101-6020-452.27-01	04-19-2016	(blank)	\$ 63.12
		5456 692 8951 03/01-03/30	101-6020-452.27-01	04-19-2016	(blank)	\$ 21.88
		6921 003 2109 03/02-03/31	101-6020-452.27-01	04-19-2016	(blank)	\$ 429.83
		2819 871 6315 02/29-03/31	215-6026-452.27-01	04-16-2016	(blank)	\$ 2,086.98
88465	SITEONE LANDSCAPE SUPPLY, LLC	2 CYCLE OIL	101-6020-452.30-02	75089646	160024	\$ 63.77
		CONTROLLER/ANGLE VALVE	101-6020-452.28-01	74921666	160024	\$ 171.35
88466	SOUTHERN CALIFORNIA SHREDDING, II	MAR 2015	101-1020-411.21-04	54195	160285	\$ 12.00
88467	SPARKLETTS	MAR 2016	101-1210-413.30-01	10552239 040216	160169	\$ 23.88
88468	THYSSENKRUPP ELEVATOR CORPORATI	APR-JUN 2016 ELEVATOR MAI	101-3030-423.20-06	3002448302	160168	\$ 855.63
88469	TRISTAR RISK MANAGEMENT	MAR 2016 W/C	502-0000-106.03-00	98057	(blank)	\$ 12,104.46
88470	USGS NATIONAL CENTER MS 270	01/14/16-03/23/16	101-1230-513.20-06	90427769	160650	\$ 130,918.80
88471	VPLS SOLUTIONS, LLC	FORTICARE/FORTIGUARD SVC	503-1923-419.28-13	1483	160648	\$ 1,065.35
		48 PORT GBE SWITCH BUNDLE	503-1923-419.30-22	1410	160541	\$ 8,936.08
88472	3-T EQUIPMENT CO.	MANHOLE HOOKS	601-5060-436.30-02	65462	160485	\$ 171.94
2016-04-14 Total						\$ 792,995.85
2016-04-22						
2016-04-22	181	CALIFORNIA STATE DISBURSEMENT UN	PAYROLL AP PPE 4/14/16	101-0000-209.01-07	20160421	\$ 355.84
	182	FRANCHISE TAX BOARD	PAYROLL AP PPE 4/14/16	101-0000-209.01-07	20160421	\$ 133.07
	183	I B FIREFIGHTERS ASSOCIATION	PAYROLL AP PPE 4/14/16	101-0000-209.01-08	20160421	\$ 360.00
	184	ICMA RETIREMENT TRUST 457	PAYROLL AP PPE 4/14/16	101-0000-209.01-10	20160421	\$ 6,453.03
	185	SEIU LOCAL 221	PAYROLL AP PPE 4/14/16	101-0000-209.01-08	20160421	\$ 1,385.86
	186	US BANK	PAYROLL AP PPE 4/14/16	101-0000-209.01-20	20160421	\$ 1,544.30
	88473	ADAM WRAIGHT	CSLSA MEETING REIMBURSMNT	101-3030-423.28-04	970340	\$ 50.00

City of Imperial Beach

Warrant Register by Check/EFT Number

Check /EFT #	Vendor	Description	Account #	Invoice #	PO #	Amount	
2016-04-22	88474	AK & COMPANY	STATE MANDATED COST CLAIM	101-1210-413.20-06	I BEACH-16-2	(blank)	\$ 2,400.00
	88475	AVENET, LLC	WEB ANNUAL SVC PACKAGE	503-1923-419.21-04	38493	160654	\$ 3,025.00
	88476	BIKEWAY VILLAGE, LLC	DEC 2015 BIKEWAY VILLAGE	401-5020-532.20-06	000 REVISION	(blank)	\$ 6,315.25
			DEC 2015 BIKEWAY VILLAGE	402-5000-532.20-06	000 REVISION	(blank)	\$ 2,999.75
			JAN 2016 BIKEWAY VILLAGE	401-5020-532.20-06	001 REVISION	(blank)	\$ 51,596.85
			JAN 2016 BIKEWAY VILLAGE	402-5000-532.20-06	001 REVISION	(blank)	\$ 24,508.50
			FEB 2016 BIKEWAY VILLAGE	401-5020-532.20-06	002 REVISION	(blank)	\$ 62,720.73
			FEB 2016 BIKEWAY VILLAGE	402-5000-532.20-06	002 REVISION	(blank)	\$ 29,792.34
			MAR 2016 BIKEWAY VILLAGE	401-5020-532.20-06	003 REVISION	(blank)	\$ 96,336.41
			MAR 2016 BIKEWAY VILLAGE	402-5000-532.20-06	003 REVISION	(blank)	\$ 45,759.80
	88477	CALIFORNIA BUILDING STANDARDS CO	JAN-MAR 2016 STATE GREEN	101-0000-221.01-07	03-30-2016	(blank)	\$ 273.90
	88478	CHARLES KING CO INC	EMERGENCY SEWER MAIN	601-5060-536.20-06	1316-1	(blank)	\$ 138,562.25
			MAR 2016 PS EMERGENCY	601-5060-436.21-04	2116-1	(blank)	\$ 9,206.00
	88479	CLEAN HARBORS	MAR 2016 HHW	101-5040-434.21-04	1001329611	160022	\$ 747.50
	88480	MISCELLANEOUS VENDOR	POSTPONEMENT REQUEST FEE	502-1922-419.29-04	04-19-2016	(blank)	\$ 10.00
	88481	CORELOGIC SOLUTIONS	MAR 2016	101-1210-413.21-04	81672841	160171	\$ 12.00
			MAR 2016	101-3020-422.21-04	81672841	160171	\$ 18.00
			MAR 2016	101-3040-424.21-04	81672841	160171	\$ 81.00
			MAR 2016	101-3070-427.21-04	81672841	160171	\$ 220.00
			MAR 2016	101-5050-435.21-04	81672841	160171	\$ 34.50
	88482	CSAC EXCESS INSURANCE AUTHORITY	2016-2018 POLLUTION PREMI	502-1922-419.28-02	16401366	(blank)	\$ 1,424.00
			2016-2018 POLLUTION PREMI	502-0000-142.00-00	16401366	(blank)	\$ 2,847.00
	88483	DEPT. OF CONSERVATION	JAN-MAR 2016 SMIPS FEES	101-0000-211.01-01	03-30-2016	(blank)	\$ 166.35
	88484	GRAINGER	DISPOSABLE GLOVES	501-1921-419.30-02	9063877428	160007	\$ 140.62
			FLUORESCENT LAMP	101-1910-419.30-02	9064829824	160007	\$ 4.99
			METAL HALIDE LAMP	101-1910-419.30-02	9074982480	160007	\$ 40.51
			CABLES, PADLOCKS, SCREWDR	101-6040-454.30-02	9058452294	160007	\$ 176.98
			SEWAGE PUMP	601-5060-436.30-02	9063877410	160007	\$ 573.97
			HOLE SAW	101-1910-419.30-02	9074982498	160007	\$ 14.84
			SOIL PROBE	101-5010-431.30-22	9080089106	160007	\$ 45.58
	88486	LINCOLN FINANCIAL GROUP	PR AP PPE 1/07/16	101-0000-209.01-14	20160114	(blank)	\$ 716.06
			PAYROLL AP PPE 1/07/16	101-0000-209.01-21	20160114	(blank)	\$ 623.52
			PR AP PPE 1/07/16 LIFE IN	101-0000-209.01-16	20160114	(blank)	\$ 784.64
			PR AP PPE 1/07/16-LINCOLN	101-0000-209.01-16	20160114	(blank)	\$ 6.31
			PR AP PPE 1/21/16 LIFE IN	101-0000-209.01-16	20160128	(blank)	\$ 790.95
			PR AP PPE 1/21/16 LTD JAN	101-0000-209.01-14	20160128	(blank)	\$ 716.45
			PR AP PPE 1/07/16 VOL IFE	101-0000-209.01-13	20160114	(blank)	\$ 560.66
			PR AP PPE 1/21/16 VOL LIF	101-0000-209.01-13	20160128	(blank)	\$ 560.66
			PR AP PPE 1/21/16 STD	101-0000-209.01-21	20160128	(blank)	\$ 623.86
			PAYROLL AP PPE 2/18/16	101-0000-209.01-13	20160225	(blank)	\$ 560.66
			PAYROLL AP PPE 2/18/16	101-0000-209.01-14	20160225	(blank)	\$ 722.35

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		PAYROLL AP PPE 2/18/16	101-0000-209.01-16	20160225	(blank)	\$ 790.95
		PAYROLL AP PPE 2/18/16	101-0000-209.01-21	20160225	(blank)	\$ 629.01
		PR AP PPE 2/04/16 LIFE IN	101-0000-209.01-16	FEB2016	(blank)	\$ 790.95
		PR AP PPE 2/04/16 LTD	101-0000-209.01-14	FEB2016	(blank)	\$ 722.13
		PR AP PPE 2/04/16 VOLUNTA	101-0000-209.01-13	FEB2016	(blank)	\$ 560.66
		PR AP PPE 2/04/16 STD	101-0000-209.01-21	FEB 2016	(blank)	\$ 628.81
		PR AP PPE 3/03/16 LIFE IN	101-0000-209.01-16	20160310	(blank)	\$ 786.07
		PR AP PPE 3/17/16 LIFE IN	101-0000-209.01-16	20160324	(blank)	\$ 786.07
		PR AP PPE 3/03/16 LTD MAR	101-0000-209.01-14	20160310	(blank)	\$ 715.03
		PR AP PPE 3/17/16 LTD	101-0000-209.01-14	20160324	(blank)	\$ 714.52
		PR AP PPE 3/03/16 VOL LIF	101-0000-209.01-13	20160310	(blank)	\$ 560.66
		PR AP PPE 3/17/16 VOLUNTA	101-0000-209.01-13	20160324	(blank)	\$ 560.66
		PR AP PPE 3/03/16 STD MAR	101-0000-209.01-21	20160310	(blank)	\$ 622.64
		PR AP PPE 3/17/16 STD	101-0000-209.01-21	20160324	(blank)	\$ 622.20
		PAYROLL AP PPE 4/14/16	101-0000-209.01-13	20160421	(blank)	\$ 889.78
		PAYROLL AP PPE 4/14/16	101-0000-209.01-16	20160421	(blank)	\$ 824.47
		APR 2016 LIFE INS	101-0000-209.01-13	APR 2016	(blank)	\$ 439.87
		APR 2016 LIFE INS	101-0000-209.01-14	APR 2016	(blank)	\$ 767.14
		APR 2016 LIFE INS	101-0000-209.01-16	APR 2016	(blank)	\$ 780.44
		APR 2016 LIFE INS	101-0000-209.01-21	APR 2016	(blank)	\$ 800.20
		JAN 2016 LIFE INSURANCE	101-0000-209.01-16	JAN 2016	(blank)	\$ 6.31
		PR AP PE 4/14/16 LTD	101-0000-209.01-14	20160421	(blank)	\$ 628.73
		PR AP PR 4/14/16 STD	101-0000-209.01-21	20160421	(blank)	\$ 362.37
88487	MANAGED HEALTH NETWORK	MAY 2016	101-1130-412.20-06	3200079010	160100	\$ 420.00
88488	MICHELLE MCDONALD	CSLSA MEETING REIMBURSMNT	101-3030-423.28-04	970339	(blank)	\$ 50.00
88489	MUNICIPAL EMERGENCY SERVICES, INC	FIT TESTING MASK	101-3020-422.30-02	00704231_SNV/00	160361	\$ 1,050.00
		FIT TESTING MASK	101-3020-422.50-04	00704231_SNV/00	160361	\$ (1,000.00)
		SHIPPING FEE SENSOR	101-3020-422.30-02	IN1008955	160361	\$ 8.64
		SHIPPING FEES-RTN SENSOR	101-3020-422.30-02	IN1010832	160361	\$ 8.64
88490	NEXT DAY PRINTED TEES	PW SWEATSHIRTS	101-5020-432.25-03	72403	(blank)	\$ 489.56
88491	PADRE JANITORIAL SUPPLIES	JANITORIAL SUPPLIES	101-1910-419.30-02	381671	160019	\$ 328.11
		JANITORIAL SUPPLIES	101-1910-419.30-02	382368	160019	\$ 215.20
		JANITORIAL SUPPLIES	101-6040-454.30-02	381874	160019	\$ 230.10
		JANITORIAL SUPPLIES	101-6040-454.30-02	381874-1	160019	\$ 169.81
88492	PAL GENERAL ENGINEERING INC.	MAR 2016 13ST ST BIKEWAY	402-5000-532.20-06	10201-3	160536	\$ 44,886.70
88493	PARS	FEB 2016	101-3030-423.20-06	34121	160156	\$ 187.27
		FEB 2016	101-6030-453.20-06	34121	160156	\$ 41.62
		FEB 2016	101-6040-454.20-06	34121	160156	\$ 187.27
88494	PITNEY BOWES(PURCHASE POWER)	POSTAGE MACHINE REFILL	101-1210-413.28-09	05-03-2016	160177	\$ 2,519.99
88495	PRO LINE PAINT COMPANY	COLOR CAST PAINT RED/YELL	101-6040-454.30-02	6798-6	160016	\$ 215.70
88496	PYRO SPECTACULARS, INC	2016, 7/4 FIREWORKS SHOW	101-1110-412.28-08	6671	F16122	\$ 12,750.00

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88497	SAN DIEGO COUNTY - ASSESSOR, PO B	JAN-MAR 2016 MAR EXTRACT	101-1210-413.29-04	201600247	F16121	\$ 125.00
88498	SAN DIEGO COUNTY SHERIFF	FEB 2016 LAW ENF SERVICES	101-3010-421.20-06	03-17-2016	(blank)	\$ 519,701.35
		FEB 2016 COPPS PRG	212-3036-421.20-06	03-17-2016	(blank)	\$ 8,333.33
		FEB 2016 TOW FEE CREDIT	101-0000-338.60-03	03-17-2016	(blank)	\$ (1,106.91)
88499	SOUTHWEST SIGNAL	MAR 2016 MAINTENANCE	101-5010-431.21-04	52184	160031	\$ 160.00
		MAR 2016 SVC TECH	101-5010-431.21-23	52192	160031	\$ 793.75
88500	SPARKLETTS	MAR 2016	101-3020-422.30-02	12529930 040816	160245	\$ 134.90
88501	STATE CHEMICAL MFTG. CO.	SCRUB SKIN CLEANER	601-5060-436.30-02	97750572	160158	\$ 379.71
88502	VALLEY INDUSTRIAL SPECIALTIES, INC	ACORN HYDRANT STEM ASSY	101-6040-454.30-02	A227365	160026	\$ 71.23
88503	VERIZON WIRELESS	03/09/2016-04/08/2016	101-3020-422.27-05	9763412038	(blank)	\$ 71.25
		03/09/2016-04/08/2016	101-3030-423.27-05	9763412038	(blank)	\$ 222.28
		03/09/2016-04/08/2016	101-3040-424.27-05	9763412038	(blank)	\$ 87.58
		03/09/2016-04/08/2016	101-3070-427.27-05	9763412038	(blank)	\$ 74.72
		03/09/2016-04/08/2016	101-5010-431.30-02	9763412038	(blank)	\$ 25.21
		03/09/2016-04/08/2016	101-5020-432.27-05	9763412038	(blank)	\$ 669.00
		03/09/2016-04/08/2016	101-6020-452.30-02	9763412038	(blank)	\$ 25.21
		03/09/2016-04/08/2016	503-1923-419.27-05	9763412038	(blank)	\$ 320.82
88504	WAGeworks INC.	APR 2016 FSA FEES	101-1210-413.29-04	125A10457368	160172	\$ 155.00
88505	WEST COAST ARBORISTS	TREE AND STUMP REMOVAL @	101-6020-452.21-04	114577	F16124	\$ 6,000.00
88506	WIDLUND BRYAN	MILEAGE REIMBURSEMENT	101-3030-423.28-04	03-30-2016	(blank)	\$ 461.44
88507	ZUMAR INDUSTRIES INC.	STREET NAME SIGNS	101-5010-431.21-23	0164329	160012	\$ 11,627.28
88512	U.S. BANK CORPORATE PAYMENT SYST	BATTERIES	101-3030-423.30-02	006706/8193597	160628	\$ 31.28
		IRRIGATION SUPPLIES	101-6020-452.30-02	2853505-A-1	160645	\$ 112.68
		LATEX GLOVES	101-6040-454.30-02	2293754	160638	\$ 125.60
		LUMBER	101-6020-452.30-02	075587/3193175	160645	\$ 26.22
		PAINT SUPPLIES	101-1910-419.30-02	022995/7590779	160633	\$ 62.20
		PAINT SUPPLIES	101-1910-419.30-02	081888/4573121	160633	\$ 45.42
		SHOP SUPPLIES	501-1921-419.30-02	011190/7013432	160644	\$ 34.13
		SR CENTER SUPPLIES	101-6030-453.30-02	019639	160618	\$ 57.94
		STATION SUPPLIES	101-3020-422.30-02	060630/1565014	160623	\$ 99.26
		TIDEBOOKS	101-3030-423.30-02	8524	160628	\$ 214.65
		PROPANE TANK EXCHANGE	101-5010-431.30-02	006294/4265162	160632	\$ 43.14
		PROPANE TANK EXCHANGE	101-5010-431.30-02	073302/4265171	160632	\$ 43.14
		RESCUE EQUIPMENT	101-3020-422.30-02	081191	160621	\$ 156.01
		PLAZA FLAGS	101-6040-454.30-02	72716	160637	\$ 237.82
		CERT FRAMES	101-1230-413.30-01	037903	160611	\$ 10.15
		FLASH DIRVES/PENS	101-1230-413.30-01	107-8933706-105	160611	\$ 40.13
		PLOTTER INK	101-1230-413.30-01	123530	160611	\$ 146.83
		PLOTTER INK	101-1230-413.30-01	7256507	160611	\$ 82.66
		CREDIT FOR PLOTTER INK	101-1230-413.30-01	7256507	160611	\$ (82.66)
		PROPANE TANK EXCHANGES	101-5010-431.30-02	095746/2260689	160632	\$ 64.70

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		RECHARGEABLE BATTERIES	101-3040-424.30-02	116-4077636-918	160611	\$ 8.61
		CODE OFFICER CAMERA	101-3040-424.30-02	116-9913881-837	160611	\$ 95.48
		HRP SHIPPING	101-1230-413.30-02	1Z8E25810198278	160611	\$ 38.94
		TEST BREAKER/CHARGER	501-1921-419.28-01	S79572	160632	\$ 179.81
		EMP APPRECIATION FACILITY	101-1130-412.29-02	0499564	160617	\$ 25.00
		CITY MUSIC LICENSE	101-1020-411.28-13	9126692	160608	\$ 336.00
		COLOR COPY GLOSS PAPER	101-3020-422.30-01	7806306	160624	\$ 65.19
		BELT SANDER REPLACEMENT	101-6040-454.30-02	0000106333	160635	\$ 67.41
		MHN TRNG REFRESHMENTS	101-1130-412.30-02	00099221	160619	\$ 40.94
		CARTS/SUPPLIES	101-6040-454.30-02	001123/2194083	160636	\$ 143.88
		FD TEXTBOOK SHIPPING	101-3020-422.30-02	006640	160622	\$ 35.44
		GLOVES/RESIN/TRAY	101-6040-454.30-02	011294/8572862	160635	\$ 42.90
		MEASURING TAPE	101-5010-431.30-02	011495/9572184	160642	\$ 15.09
		PHILLIPS #3	101-5010-431.30-02	014059/6584788	160643	\$ 3.21
		GORILLA GLUE	101-5010-431.30-02	017437/3590413	160643	\$ 12.93
		LUMBER FOR DOOR	101-1910-419.30-02	017594/1014194	160633	\$ 7.79
		PLANTS/SCREWS/ SAND PAPER	101-6040-454.30-02	019728/9202248	160636	\$ 218.22
		FIBERGLASS CLOTH/RESIN	101-6040-454.30-02	022167/5563522	160635	\$ 25.86
		RESTROOM DOOR HARDWARE	101-6040-454.30-02	026619/4590958	160637	\$ 95.47
		BOSCH SPADE BIT	101-5010-431.30-02	027775/9584624	160643	\$ 9.15
		619 KEYS	101-6040-454.30-02	028254	160636	\$ 18.85
		RR DEADBOLT/PIER WOOD	101-6040-454.30-02	029291/3020839	160636	\$ 37.38
		ALUMINUM FLAT BAR/ROD	101-6040-454.30-02	03-02-2016	160635	\$ 53.74
		CPR CARD PROCESSING FEES	101-3020-422.30-02	03-06-2016	160622	\$ 20.00
		LG WORKOUT WEIGHTS	101-3030-423.30-02	033771	160627	\$ 19.40
		PINE CLEANER FOR RESTROOM	101-6040-454.30-02	033981/1193368	160636	\$ 27.77
		PAINT BRUSHES/CLOTH/WING	101-6040-454.30-02	035561/1564347	160635	\$ 46.83
		LIGHT BULBS/WOOD	101-6040-454.30-02	039797/1040567	160636	\$ 42.55
		DOOR HINGES/PULL	101-1910-419.30-02	040075/0580189	160633	\$ 16.77
		DIFFUSERS	101-1910-419.30-02	041289/1580074	160633	\$ 33.92
		IRRIGATION/LANDSCAPE SUPP	101-6020-452.30-02	044004/1194118	160645	\$ 51.36
		LANDSCAPE SUPPLIES	101-6020-452.30-02	046475/2194896	160645	\$ 45.74
		CELLPHONE WATERPROOF CASE	101-3030-423.30-02	05142055	160628	\$ 97.19
		FIRE MARSHAL BINDER	101-3020-422.30-02	052298	160624	\$ 36.17
		PROPANE TANK REFILL	101-5010-431.30-02	052477/5012256	160631	\$ 43.14
		DUCT WRAP	101-1910-419.30-02	053065/5580487	160633	\$ 12.94
		KEYS-DOG BAG CONTAINERS	101-6020-452.30-02	055100	160638	\$ 5.15
		HINGE TEMPLATE	101-6040-454.30-02	060467/4564193	160637	\$ 26.97
		REBAR	101-5010-431.30-02	060716/6272333	160643	\$ 82.30
		PAINT/IRRIGATION SUPPLIES	101-1910-419.30-02	061727/4021901	160633	\$ 10.84
		PAINT/IRRIGATION SUPPLIES	101-6020-452.30-02	061727/4021901	160633	\$ 4.36

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		CH WINDOW FILM	101-1910-419.30-02	062213/9572172	160633	\$ 32.34
		TOWELS/BRUSHES	101-6040-454.30-02	065904/7563406	160637	\$ 32.34
		FOLDING MACHINE FEES	101-3020-422.30-02	069445	160624	\$ 34.51
		27 GAL CONCRETE LINER	101-6040-454.30-02	070191260	160638	\$ 622.08
		PAINT-FIRE DEPT	101-1910-419.30-02	071253/3083250	160633	\$ 36.43
		REFLE GC	101-1130-412.30-02	072680	160619	\$ 10.00
		DOOR SET/PAINT	101-1910-419.30-02	075547/4564836	160633	\$ 95.80
		MICROWAVE	101-6040-454.30-02	085103/7580343	160637	\$ 102.02
		STEELSTIK/FIBERGLASS CLO	101-6040-454.30-02	088544/4564821	160635	\$ 59.54
		RAFFLE GC	101-1130-412.30-02	090398	160619	\$ 10.00
		SKATEPARK CLEANUP	101-6020-452.30-02	092596/0591809	160616	\$ 113.04
		GROUND WATER BOX LIDS	101-6040-454.30-02	09549031-00	160636	\$ 81.67
		SIZING CALCULATOR	101-3040-424.30-02	1011100	160610	\$ 33.83
		GALAVIZ,S -EARLOOP KIT	101-1010-411.30-02	1038099353	160620	\$ 16.45
		BASKETBALLS-PW	101-1130-412.30-02	103-8590028-050	160617	\$ 62.22
		BASKETBALL NET-PW	101-1130-412.30-02	105-0444805-894	160617	\$ 7.72
		MOISTURE METER TOOLS	101-3040-424.30-02	107-3524700-986	160613	\$ 95.44
		DUST BAG ASSEMBLY	101-6040-454.30-02	10739392	160635	\$ 9.30
		LG WORKOUT EQ	101-3030-423.30-02	109-5509654-005	160627	\$ 49.25
		PIER LIGHT SANDBLST/PAINT	101-6040-454.30-02	125919	160635	\$ 90.00
		PIER LIGHTS PAINT	101-6040-454.30-02	126001	160635	\$ 90.00
		PIER LIGHTS PAINT	101-6040-454.30-02	126087	160635	\$ 90.00
		PIER LIGHT PAINT	101-6040-454.30-02	126185	160635	\$ 90.00
		MOBI FENCE-DUNES PARK	101-6040-454.30-02	1549	160634	\$ 3,425.00
		LG PHOTO PRINTING/MOUNT	101-3030-423.30-02	19004	160626	\$ 275.40
		JOTFORM SUBSCRIPTION	101-1010-411.30-02	2950-5780	160616	\$ 159.00
		SHOVEL/POST POUNDER	101-6020-452.30-02	3006367-A-1	160645	\$ 139.43
		PROTRACTOR/COMPASS	101-5010-431.30-02	3752	160642	\$ 16.18
		STAINLESS STEEL BOLTS	101-6020-452.30-02	381221-1	160633	\$ 11.88
		BIRD DETERRENT	101-3030-423.30-02	4085	160626	\$ 39.94
		BLIND REPAIRS	101-1910-419.30-02	466805	160638	\$ 155.00
		FD PHARMACEUTICAL	101-3020-422.30-02	595690	160622	\$ 14.05
		FD PHARMACEUTICAL	101-3020-422.30-02	595696	160622	\$ 40.35
		SURF RACK	101-3020-422.30-02	60540	160624	\$ 322.92
		AUGER POST/HOLE BIT	101-6040-454.30-02	680188-4	160637	\$ 81.60
		RED REFLECTIVE TAPE	101-5010-431.30-02	7180	160642	\$ 323.68
		CR-RETURN BELT CLIP	101-3020-422.30-02	822049	160622	\$ (32.38)
		HAND CLEANER	101-1910-419.30-02	9049305585	160641	\$ 130.23
		STERLING ROPE-HEAT RESIST	101-3020-422.30-02	E1439758	160623	\$ 310.12
		MAR 2016 MONTHLY NEWSLTR	101-1110-412.29-04	1457769671611	160616	\$ 35.00
		OVERNIGHT POSTAGE FEES	101-1130-412.28-09	782625806032	160617	\$ 67.34

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		LG UNIFORM SHIRTS	101-3030-423.25-03	296014	160626	\$ 699.62
		03/07/16 COUNCIL BEVERAGE	101-1010-411.28-04	000618	160616	\$ 9.50
		MAR 2016 MTG REFRESHMENTS	101-1010-411.28-04	004018	160620	\$ 90.00
		CARBALLO,S TTC CONF MEAL	101-1020-411.28-04	017115	160609	\$ 16.95
		CARBALLO,S TTC CONF MEAL	101-1020-411.28-04	03-15-2016	160609	\$ 10.68
		CARBALLO,S TTC CONF MEAL	101-1020-411.28-04	120287	160609	\$ 15.95
		03/16/2016 COUNCIL DINNER	101-1010-411.28-04	03-16-2016	160619	\$ 52.65
		ATKINS,T CONGRATS FLOWERS	101-1010-411.28-04	03-18-2016	160616	\$ 54.00
		NAKAGAWA,J-SANDAG PRKNG	101-1230-413.28-04	061185	160612	\$ 7.00
		NAKAGAWA,J-USCD PRKNG FEE	101-1230-413.28-04	093234	160612	\$ 8.00
		WIDLUND-TRAINING FEES	101-3030-423.28-04	12054354	160625	\$ 81.00
		03/07/16 COUNCIL DINNER	101-1010-411.28-04	1-554	160616	\$ 57.89
		HALL,A APA CONF LODGING	101-1110-412.28-04	254119319	160614	\$ 1,166.49
		SPRIGGS,E-RETREAT MEALS	101-1010-411.28-04	3303-9634-8837-	160615	\$ 47.00
		LG SCUBA DIVE TRAINING	101-3030-423.28-04	347881	160625	\$ 378.57
		ARELLANO,W-SYMPOSIUM REG	101-5020-432.28-04	494265024	160646	\$ 50.00
		CPR TRAINING MANUALS	101-3030-423.28-04	53114614	160627	\$ 313.73
		HALL,A-APA CONF REGISTRAT	101-1110-412.28-04	54142	160614	\$ 785.00
		HALL,A-CONF TRANS DEPOSIT	101-1110-412.28-04	G86215030D3	160614	\$ 145.35
		#117 VEH DIAGNOSE	501-1921-419.28-01	SW22426	160644	\$ 386.40
		ROBBERIZED UNDERCOATING	501-1921-419.30-02	062620/8584684	160633	\$ 16.98
		CARBURETOR ADJ TOOL	501-1921-419.30-02	107-9146020-930	160644	\$ 18.99
		#694 AIR FILTER	501-1921-419.30-02	219610	160644	\$ 48.09
		BOBCAT LINE TOOL	501-1921-419.30-22	P66889	160642	\$ 54.79
		PUMP CYLINDER KEYS	501-1921-419.28-16	060331	160644	\$ 13.40
		OIL COOLER/HOSES/ELBOW	501-1921-419.28-16	P66890	160642	\$ 651.98
		PHONE CONF LINE ANNUAL PL	503-1923-419.28-13	70191022	160629	\$ 468.00
		SURFACE PEN	503-1923-419.30-02	112-5513505-345	160629	\$ 64.99
		VGA ADAPTER	503-1923-419.30-22	103-5983821-028	160629	\$ 7.99
		PS #8 ROOF PATCH MATERIAL	601-5060-436.30-02	057903/6584166	160640	\$ 47.94
		PS#8 ROOF REPAIR	601-5060-436.30-02	059649/8020413	160639	\$ 26.38
		BRICK PURCHASE TEST	101-0000-221.01-03	0596-3667-1176-	(blank)	\$ 52.00
2016-04-22 Total						\$ 1,140,061.29
Grand Total						\$ 1,933,057.14

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
 Current as of 04/24/2016

	Budget	Prior Registers	2016-04-14	2016-04-22	Remaining Budget
Expense					
101 GENERAL FUND					
ADVERTISING	\$ 7,000	\$ 1,580			\$ 5,420
ATTORNEY SERVICES	\$ 40,276	\$ 26,482			\$ 13,794
ATTORNEY SERVICES-OTHER	\$ 110,724	\$ 83,043			\$ 27,681
AUTO ALLOWANCE	\$ 48,075	\$ 34,931			\$ 13,144
BANKING/FIN SRVCS CHARGES	\$ 38,000	\$ 35,062			\$ 2,938
CELL PHONE ALLOWANCE	\$ 14,040	\$ 8,571			\$ 5,469
COMMUNITY PROGRAMS	\$ 91,800	\$ 34,318		\$ 12,750	\$ 44,732
CONTRACTS-ELECTIONS	\$ 9,000	\$ 643			\$ 8,358
COPIER LEASES	\$ 28,050	\$ 23,025	\$ 1,935		\$ 3,089
COUNCIL/RDA BOARD PAY	\$ 41,999	\$ 33,341			\$ 8,658
EMPLOYEE RECOGNITION AWRD	\$ 2,650	\$ 799		\$ 25	\$ 1,826
EQUIPMENT	\$ 37,999	\$ 37,660		\$ (1,000)	\$ 1,339
FEES & LICENSES	\$ 16,085	\$ 11,848		\$ 336	\$ 3,901
FICA	\$ 374,104	\$ 299,709			\$ 74,395
FIRE EXTINGUISHER SERVICE	\$ 550				\$ 550
FLSA WAGES	\$ 27,528	\$ 20,756			\$ 6,772
GAS & ELECTRIC (SDG&E)	\$ 247,000	\$ 164,768	\$ 15,592		\$ 66,639
HOUSING ALLOWANCE	\$ 3,840	\$ 3,840			\$ -
LIFE INSURANCE	\$ 14,265	\$ 12,015			\$ 2,250
MAINTENANCE & REPAIR	\$ 66,300	\$ 17,869	\$ 171		\$ 48,259
MEMBERSHIP DUES	\$ 43,686	\$ 40,510			\$ 3,176
MGT MEDICAL REIMBURSEMENT	\$ 3,150	\$ 1,761			\$ 1,389
MILEAGE REIMBURSEMENT	\$ 550	\$ 150			\$ 400
NUISANCE ABATEMENT CHARGE	\$ 1,000	\$ 128			\$ 872
OFFICE SUPPLIES	\$ 16,350	\$ 13,861	\$ 440	\$ 262	\$ 1,787
OPERATING SUPPLIES	\$ 294,345	\$ 183,863	\$ 574	\$ 12,911	\$ 96,997
OTHER SERVICES & CHARGES	\$ 28,606	\$ 18,082		\$ 315	\$ 10,209
OVERTIME	\$ 123,500	\$ 145,625			\$ (22,125)
PARS CITY CONTRIBUTION	\$ 25,216	\$ 17,502			\$ 7,714
PERS-CITY PORTION	\$ 841,374	\$ 737,544			\$ 103,830
PEST CONTROL SERVICE	\$ 4,300	\$ 2,761	\$ 325		\$ 1,214
PLAN CHECK SVCICIES	\$ 7,702				\$ 7,702
POSTAGE & FREIGHT	\$ 11,450	\$ 8,201		\$ 2,587	\$ 661
PRINTING SERVICES	\$ 9,368	\$ 2,206	\$ 221		\$ 6,941
PROFESSIONAL SERVICES	\$ 8,070,549	\$ 3,652,211	\$ 681,174	\$ 522,938	\$ 3,214,227
RCS PROGRAM	\$ 46,000	\$ 28,662	\$ 3,465		\$ 13,873
RENT-EQUIPMENT	\$ 3,400	\$ 352			\$ 3,048
RENT-UNIFORMS	\$ 31,612	\$ 18,956		\$ 1,189	\$ 11,467
SALARIES FULL-TIME	\$ 4,362,279	\$ 3,557,280			\$ 804,999
SALARIES PART-TIME	\$ 684,776	\$ 515,199			\$ 169,577
SECTION 125 CAFETERIA	\$ 768,889	\$ 600,533			\$ 168,356
SECURITY & ALARM	\$ 5,460	\$ 1,850			\$ 3,610
SMALL TOOLS/NON-CAPITAL	\$ 18,750	\$ 3,273		\$ 46	\$ 15,431
STAND-BY PAY		\$ 532			\$ (532)
SUBSCRIBE & PUBLICATIONS	\$ 4,175	\$ 603			\$ 3,572

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
Current as of 04/24/2016

	Budget	Prior Registers	2016-04-14	2016-04-22	
TECHNICAL SERVICES	\$ 602,793	\$ 348,191	\$ 6,484	\$ 7,273	\$ 240,845
TEMPORARY STAFFING	\$ 51,180	\$ 37,642	\$ 1,734		\$ 11,804
TRAFFIC CONTROL	\$ 51,000	\$ 20,154		\$ 12,421	\$ 18,425
TRAINING & EDUCATION-MOU	\$ 7,200	\$ 4,755			\$ 2,445
TRANSFER OUT	\$ 17,000	\$ 17,000			\$ -
TRAVEL, TRAINING, MEETING	\$ 68,196	\$ 47,652	\$ 479	\$ 3,851	\$ 16,213
UNEMPLOYMENT INSURANCE	\$ 41,956	\$ 47,524			\$ (5,568)
UTILITIES-CELL PHONES	\$ 17,000	\$ 11,467		\$ 1,125	\$ 4,408
UTILITIES-SEWER	\$ 10,332	\$ 10,672			\$ (340)
UTILITIES-TELEPHONE	\$ 200	\$ -			\$ 200
UTILITIES-WATER	\$ 172,916	\$ 68,965	\$ 535		\$ 103,416
WORKER'S COMP INSURANCE	\$ 71,209	\$ 71,209			\$ -
PERS-EMPLOYEE PORTION		\$ -			
TECHNICAL SERVICES		\$ -			
201 GAS TAX FUND					
AUTO ALLOWANCE	\$ 190	\$ 58			\$ 132
CELL PHONE ALLOWANCE	\$ 60	\$ 19			\$ 41
FICA	\$ 1,890	\$ 560			\$ 1,330
PERS-CITY PORTION	\$ 2,620	\$ 787			\$ 1,833
PROFESSIONAL SERVICES	\$ 663,550	\$ 355,826			\$ 307,724
RENT-UNIFORMS		\$ 9			\$ (9)
SALARIES FULL-TIME	\$ 23,050	\$ 6,761			\$ 16,289
SECTION 125 CAFETERIA	\$ 3,590	\$ 1,115			\$ 2,475
TRANSFER OUT	\$ 789,000	\$ 789,000			\$ -
UNEMPLOYMENT INSURANCE		\$ 12			\$ (12)
202 PROP "A" (TRANSNET) FUND					
AUTO ALLOWANCE	\$ 530	\$ 235			\$ 295
CELL PHONE ALLOWANCE	\$ 180	\$ 78			\$ 102
FICA	\$ 3,480	\$ 1,427			\$ 2,053
PERS-CITY PORTION	\$ 4,810	\$ 1,948			\$ 2,862
PROFESSIONAL SERVICES	\$ 1,235,000	\$ 366,139			\$ 868,861
SALARIES FULL-TIME	\$ 43,850	\$ 17,888			\$ 25,962
SECTION 125 CAFETERIA	\$ 7,150	\$ 2,376			\$ 4,774
TRANSFER OUT	\$ 209,100	\$ 209,100			\$ -
UNEMPLOYMENT INSURANCE		\$ 74			\$ (74)
212 SLESF (COPS) FUND					
PROFESSIONAL SERVICES	\$ 100,000	\$ 56,210	\$ 8,333	\$ 8,333	\$ 27,123
215 LLMD-ASSMT DIST #67 FUND					
GAS & ELECTRIC (SDG&E)	\$ 27,000	\$ 19,025	\$ 2,087		\$ 5,888
PROFESSIONAL SERVICES	\$ 2,000				\$ 2,000
216 HOUSING AUTHORITY					
ATTORNEY SERVICES	\$ 7,500	\$ 4,750			\$ 2,750
FICA	\$ 3,529	\$ 779			\$ 2,750
PERS-CITY PORTION	\$ 8,788	\$ 5,049			\$ 3,739
PROFESSIONAL SERVICES	\$ 24,100	\$ 22,204			\$ 1,896
SALARIES PART-TIME	\$ 18,633	\$ 10,185			\$ 8,448
UNEMPLOYMENT INSURANCE	\$ 434				\$ 434
301 SA DEBT SERVICE FUND					
BOND INTEREST (2010 TAB)	\$ 1,051,836	\$ 534,786			\$ 517,050
BOND PRINCIPAL (2010 TAB)	\$ 245,000	\$ (245,000)			
INTEREST BOND (2013 TAB)	\$ 762,957	\$ 367,800			\$ 395,157
303 REDEV OBLIG RETIRE FUND					

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
 Current as of 04/24/2016

	Budget	Prior Registers	2016-04-14	2016-04-22	
ATTORNEY SERVICES	\$ 90,000	\$ 90,813	\$ 21,906		\$ (22,719)
AUTO ALLOWANCE		\$ 42			\$ (42)
CELL PHONE ALLOWANCE		\$ 7			\$ (7)
FICA		\$ 119			\$ (119)
OTHER SERVICES & CHARGES	\$ 9,000	\$ 7,331	\$ 11		\$ 1,658
PERS-CITY PORTION		\$ 161			\$ (161)
PROFESSIONAL SERVICES	\$ 200,000	\$ 68,163			\$ 131,837
SALARIES FULL-TIME	\$ 250,000	\$ 104,731			\$ 145,269
SECTION 125 CAFETERIA		\$ 146			\$ (146)
TRANSFER OUT	\$ 2,059,793	\$ 912,163			\$ 1,147,630
UNEMPLOYMENT INSURANCE		\$ 0			\$ (0)
401 CAPITAL IMPROVEMENT FUND					
AUTO ALLOWANCE	\$ 2,690	\$ -			\$ 2,690
CELL PHONE ALLOWANCE	\$ 900	\$ -			\$ 900
FICA	\$ 11,200	\$ 0			\$ 11,200
PERS-CITY PORTION	\$ 15,190	\$ (0)			\$ 15,190
PROFESSIONAL SERVICES	\$ 3,681,250	\$ 437,906		\$ 216,969	\$ 3,026,375
SALARIES FULL-TIME	\$ 138,590	\$ 0			\$ 138,590
SECTION 125 CAFETERIA	\$ 25,180	\$ 0			\$ 25,180
402 C.I.P. 2010 BOND					
AUTO ALLOWANCE	\$ 700	\$ 403			\$ 297
CELL PHONE ALLOWANCE	\$ 240	\$ 134			\$ 106
FICA	\$ 13,950	\$ 2,869			\$ 11,081
PERS-CITY PORTION	\$ 18,980	\$ 4,048			\$ 14,932
PROFESSIONAL SERVICES	\$ 5,225,002	\$ 1,437,110	\$ 2,136	\$ 147,947	\$ 3,637,809
RENT-UNIFORMS		\$ 62			\$ (62)
SALARIES FULL-TIME	\$ 173,070	\$ 37,632			\$ 135,438
SECTION 125 CAFETERIA	\$ 12,510	\$ 4,663			\$ 7,847
UNEMPLOYMENT INSURANCE		\$ 138			\$ (138)
420 PARKS MAJOR MAINTENAN CIP					
AUTO ALLOWANCE		\$ 45			\$ (45)
CELL PHONE ALLOWANCE		\$ 10			\$ (10)
FICA		\$ 107			\$ (107)
PERS-CITY PORTION		\$ 144			\$ (144)
PROFESSIONAL SERVICES	\$ 300,000	\$ 11,650			\$ 288,350
SALARIES FULL-TIME		\$ 1,312			\$ (1,312)
SECTION 125 CAFETERIA		\$ 210			\$ (210)
UNEMPLOYMENT INSURANCE		\$ 3			\$ (3)
501 VEHICLE REPLACEMENT/MAINT					
FEES & LICENSES	\$ 3,150	\$ 2,921			\$ 229
FICA	\$ 9,373	\$ 6,467			\$ 2,906
FIRE EXTINGUISHER SERVICE	\$ 400				\$ 400
LIFE INSURANCE	\$ 265	\$ 116			\$ 149
MAINTENANCE & REPAIR	\$ 26,329	\$ 24,546		\$ 566	\$ 1,217
OPERATING SUPPLIES	\$ 4,100	\$ 2,108	\$ 125	\$ 259	\$ 1,609
OTHER SERVICES & CHARGES	\$ 2,400	\$ 1,261			\$ 1,139
OVERTIME	\$ 300	\$ 45			\$ 255
PERS-CITY PORTION	\$ 23,762	\$ 18,207			\$ 5,555
RENT-EQUIPMENT	\$ 13,460	\$ 13,460			\$ -
SALARIES FULL-TIME	\$ 89,734	\$ 80,874			\$ 8,860
SECTION 125 CAFETERIA	\$ 25,760	\$ 11,106			\$ 14,654
SMALL TOOLS/NON-CAPITAL	\$ 12,000	\$ 9,434	\$ 243	\$ 55	\$ 2,268

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
 Current as of 04/24/2016

	Budget	Prior Registers	2016-04-14	2016-04-22	
TEMPORARY STAFFING	\$ 35,000	\$ 32,801			\$ 2,199
UNEMPLOYMENT INSURANCE	\$ 868	\$ 717			\$ 151
VEHICLE OPERATE-FUEL/OIL	\$ 211,511	\$ 127,225	\$ 7,639		\$ 76,647
VEHICLE OPERATE-PARTS M&O	\$ 25,000	\$ 21,376		\$ 665	\$ 2,959
WORKER'S COMP INSURANCE	\$ 3,266	\$ 3,266			\$ -
502 RISK MANAGEMENT FUND					
ATTORNEY SERVICES	\$ 77,300	\$ 126,563	\$ 7,036		\$ (56,299)
AUTO ALLOWANCE	\$ 1,980	\$ 1,370			\$ 610
CELL PHONE ALLOWANCE	\$ 600	\$ 214			\$ 386
FICA	\$ 5,911	\$ 4,377			\$ 1,534
INSURANCE PREMIUM/DEPOSIT	\$ 158,143	\$ 155,622		\$ 1,424	\$ 1,097
INSURANCE PREMIUM/WK COMP	\$ 84,144	\$ 84,185			\$ (41)
LIFE INSURANCE	\$ 269	\$ 229			\$ 40
MGT MEDICAL REIMBURSEMENT	\$ 126	\$ 84			\$ 42
OPERATING SUPPLIES	\$ 1,000				\$ 1,000
OTHER SERVICES & CHARGES		\$ 0		\$ 10	\$ (10)
OVERTIME		\$ 21			\$ (21)
PAYMENT OF CLAIMS	\$ 45,179	\$ 133,807			\$ (88,628)
PERS-CITY PORTION	\$ 9,080	\$ 4,698			\$ 4,382
PYMT OF WORK COMP CLAIMS	\$ 150,000	\$ 174,735			\$ (24,735)
SALARIES FULL-TIME	\$ 70,512	\$ 58,566			\$ 11,946
SECTION 125 CAFETERIA	\$ 9,947	\$ 7,479			\$ 2,468
TECHNICAL SERVICES	\$ 1,000	\$ 27			\$ 973
THIRD PARTY ADMIN (W/C)	\$ 25,970	\$ 31,618			\$ (5,648)
TRAVEL, TRAINING, MEETING		\$ -	\$ 128		\$ (128)
UNEMPLOYMENT INSURANCE	\$ 347	\$ 347			\$ (0)
WORKER'S COMP INSURANCE	\$ 1,025	\$ 1,025			\$ -
503 TECHNOLOGY/COMMUNICATIONS					
AUTO ALLOWANCE	\$ 4,800	\$ 3,054			\$ 1,746
CELL PHONE ALLOWANCE	\$ 960	\$ 465			\$ 495
EQUIPMENT	\$ 21,408	\$ 9,201			\$ 12,207
FEES & LICENSES	\$ 7,601	\$ 6,210	\$ 1,065	\$ 468	\$ (142)
FICA	\$ 13,516	\$ 9,161			\$ 4,355
H.T.E. MAINTENANCE	\$ 49,092	\$ 49,092			\$ 0
LIFE INSURANCE	\$ 571	\$ 456			\$ 115
MAINTENANCE & REPAIR	\$ -				
MEMBERSHIP DUES	\$ 640	\$ 267			\$ 373
MGT MEDICAL REIMBURSEMENT	\$ 84	\$ 84			\$ -
OFFICE SUPPLIES	\$ 500	\$ 127			\$ 373
OPERATING SUPPLIES	\$ 5,822	\$ 2,752		\$ 65	\$ 3,005
OTHER SERVICES & CHARGES	\$ 49	\$ 49			\$ (0)
OVERTIME		\$ 663			\$ (663)
PARS CITY CONTRIBUTION	\$ 883	\$ 510			\$ 373
PERS-CITY PORTION	\$ 19,271	\$ 15,782			\$ 3,489
POSTAGE & FREIGHT	\$ 200	\$ 16			\$ 184
PROFESSIONAL SERVICES	\$ 9,364	\$ 2,781			\$ 6,583
QUESYST	\$ 8,000	\$ 6,600			\$ 1,400
SALARIES FULL-TIME	\$ 130,702	\$ 110,645			\$ 20,057
SALARIES PART-TIME	\$ 23,559	\$ 13,446			\$ 10,113
SECTION 125 CAFETERIA	\$ 26,001	\$ 13,476			\$ 12,525
SMALL TOOLS/NON-CAPITAL	\$ 24,600	\$ 12,582	\$ 8,936	\$ 8	\$ 3,074
TECHNICAL SERVICES	\$ 46,130	\$ 30,800	\$ 268	\$ 3,025	\$ 12,037

City of Imperial Beach
Warrant Register as Budgeted (FY2016)
Current as of 04/24/2016

	Budget	Prior Registers	2016-04-14	2016-04-22	
TRAVEL, TRAINING, MEETING	\$ 2,250	\$ 31			\$ 2,219
UNEMPLOYMENT INSURANCE	\$ 1,389	\$ 1,394			\$ (5)
UTILITIES-CELL PHONES	\$ 4,000	\$ 2,561		\$ 321	\$ 1,118
UTILITIES-TELEPHONE	\$ 18,168	\$ 18,168			\$ (0)
504 FACILITY MAINT/REPLACMNT					
AUTO ALLOWANCE		\$ 28			\$ (28)
CELL PHONE ALLOWANCE		\$ 9			\$ (9)
FICA		\$ 94			\$ (94)
PERS-CITY PORTION		\$ 124			\$ (124)
PROFESSIONAL SERVICES	\$ 100,000	\$ 16,485			\$ 83,515
SALARIES FULL-TIME		\$ 1,133			\$ (1,133)
SECTION 125 CAFETERIA		\$ 179			\$ (179)
TECHNICAL SERVICES	\$ 58,600	\$ 13,056			\$ 45,544
601 SEWER ENTERPRISE FUND					
AUTO ALLOWANCE		\$ 739			\$ (739)
CELL PHONE ALLOWANCE		\$ 145			\$ (145)
EQUIPMENT	\$ 40,400	\$ -			\$ 40,400
FEES & LICENSES	\$ 2,950	\$ 1,247			\$ 1,703
FICA	\$ 20,686	\$ 20,317			\$ 369
GAS & ELECTRIC (SDG&E)	\$ 68,000	\$ 53,957	\$ 4,078		\$ 9,965
LIFE INSURANCE	\$ 664	\$ 483			\$ 181
MAINTENANCE & REPAIR	\$ 40,800	\$ 39,292			\$ 1,508
MEMBERSHIP DUES	\$ 900	\$ 565			\$ 335
OPERATING SUPPLIES	\$ 13,895	\$ 10,782	\$ 172	\$ 1,028	\$ 1,913
OTHER SERVICES & CHARGES	\$ 8,400	\$ 3,800			\$ 4,600
OVERTIME	\$ 12,200	\$ 14,167			\$ (1,967)
PERS-CITY PORTION	\$ 48,138	\$ 49,616			\$ (1,478)
PROFESSIONAL SERVICES	\$ 2,484,360	\$ 281,286	\$ -	\$ 138,562	\$ 2,064,512
RENT-EQUIPMENT	\$ 1,000				\$ 1,000
RENT-UNIFORMS		\$ 22			\$ (22)
SALARIES FULL-TIME	\$ 252,693	\$ 225,775			\$ 26,918
SECTION 125 CAFETERIA	\$ 57,094	\$ 39,251			\$ 17,843
SECURITY & ALARM	\$ 4,000	\$ 3,086			\$ 914
SMALL TOOLS/NON-CAPITAL	\$ 3,000	\$ 2,717			\$ 283
STAND-BY PAY	\$ 21,000	\$ 14,157			\$ 6,843
TECHNICAL SERVICES	\$ 2,681,200	\$ 1,742,457	\$ 1,647	\$ 9,206	\$ 927,890
TEMPORARY STAFFING	\$ 30,000	\$ 15,939	\$ 1,859		\$ 12,202
TRAVEL, TRAINING, MEETING	\$ 5,200	\$ 915			\$ 4,285
UNEMPLOYMENT INSURANCE	\$ 2,170	\$ 2,713			\$ (543)
UTILITIES-TELEPHONE	\$ 2,500	\$ 150	\$ 48		\$ 2,303
UTILITIES-WATER	\$ 6,700	\$ 1,046	\$ 200		\$ 5,454
WORKER'S COMP INSURANCE	\$ 6,532	\$ 6,532			\$ -
Revenue					
Asset					
Liability					
Fund Balance					
Grand Total			\$ 792,996	\$ 1,140,061	



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: MAY 4, 2016
ORIGINATING DEPT.: ERIKA N. CORTEZ, HUMAN RESOURCES MANAGER *EC*
SUBJECT: ADOPT RESOLUTION NO. 2016-7700 AMENDING ARTICLES VI – COMPENSATION, SECTION 8 OVERTIME; VII – LEAVE OF ABSENCE, SECTION 3 HOLIDAY PAY, SECTION 4 VACATION ACCRUAL AND SECTION 5 SICK LEAVE; XII – RE-EMPLOYMENT, SECTION 2 SAFER OF THE CITY OF IMPERIAL BEACH PERSONNEL RULES

EXECUTIVE SUMMARY:

Staff is seeking adoption of Resolution No. 2016-7700 which would amend various Articles of the City's Personnel Rules to be consistent with established Memorandums of Understanding (MOU) with the Service Employees International Union (SEIU) and the Imperial Beach Firefighter's Association (IBFA.)

FISCAL ANALYSIS:

No fiscal impact.

RECOMMENDATION:

That the City Council adopt Resolution No. 2016-7700 amending the City's Personnel Rules to reflect the cited changes to Articles VI Section 8, VII Sections 3, 4 & 5, and XII Section 2.

OPTIONS:

- Adopt Resolution No. 2016-7700 which will approve the recommendation.
- Provide direction to the City Manager to take a specific action.

BACKGROUND/ANALYSIS:

As a result of the meet and confer process with SEIU and IBFA in 2015, various sections of the City's Personnel Rules must be amended to make it consistent with MOU agreements.

The following Articles will be updated from the City's Personnel Rules:

ARTICLE VI – COMPENSATION, SECTION 8 – OVERTIME

This section clarifies the method of compensation for overtime.

ARTICLE VII – LEAVE OF ABSENCE, SECTION 3 – HOLIDAY PAY

This section modifies the method of compensation for working on a recognized holiday for miscellaneous and lifeguard employees.

ARTICLE VII – LEAVE OF ABSENCE, SECTION 4 – VACATION ACCRUAL

This section modifies the vacation accrual for classified Fire Department employees.

ARTICLE VII – LEAVE OF ABSENCE, SECTION 5 – SICK LEAVE

This section adds language in accordance with the Healthy Workplace/Healthy Families Act of 2014 requirements.

ARTICLE XII – RE-EMPLOYMENT, SECTION 2

The language will be a new section to the Personnel Rules Article XII and it only applies to temporary employees under the Staffing for Adequate Fire & Emergency Response Grants (SAFER) for re-employment after lay-off.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

Attachments:

1. Resolution No. 2016-7700
2. City of Imperial Beach Personnel Rules - Final

RESOLUTION NO. 2016-7700

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AMENDING ARTICLES VI – COMPENSATION, SECTION 8 OVERTIME; VII – LEAVE OF ABSENCE, SECTION 3 HOLIDAY PAY, SECTION 4 VACATION ACCRUAL, AND SECTION 5 SICK LEAVE; XII – RE-EMPLOYMENT SECTION 2 SAFER OF THE CITY OF IMPERIAL BEACH PERSONNEL RULES

WHEREAS, as a result of the meet and confer process with Service Employees International Union and Imperial Beach Fire Association in 2015, various sections of the City's Personnel Rules must be amended to make it consistent with the Memorandum of Understanding with each bargaining group; and

WHEREAS, Articles VI Section 8, VII Sections 3, 4 & 5, and XII Section 2 of the Personnel Rules will be updated to be consistent with the agreed-upon MOUs; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct.
2. The City Council hereby approves revisions and amendments to Article VI – Compensation, Section 8 Overtime; VII – Leave of Absence, Section 3 Holiday Pay, Section 4 Vacation Accrual, and Section 5 Sick Leave; Article XII Section 2.1 SAFER of the City's Personnel Rules.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 4th day of May 2016, by the following vote:

**AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:**

SERGE DEDINA, MAYOR

ATTEST:

**JACQUELINE M. HALD, MMC
CITY CLERK**



City of Imperial Beach

Personnel Rules

May 2016

Amended by:

Resolution No. 2016-7700

- Article VI Compensation
 - Section 8 Overtime
- Article VII Leave of Absence
 - Section 3 Holiday Pay
 - Section 4 Vacation
 - Section 5 Sick Leave

**CITY OF IMPERIAL BEACH
PERSONNEL RULES**

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ARTICLE I: DEFINITION OF TERMS

Each respective employee bargaining units' "Memorandums of Understanding" (MOU) agreements with the City of Imperial Beach or "Contracts of Employment" with non-protected employees may have additional agreed upon work-related service requirements, benefits, or working conditions that supercede specific sections or language in these Personnel Rules. All other provisions and language shall still be valid.

Terms used in the Personnel Rules are defined as set forth in this Article unless the context in which they are used indicates another meaning.

Section 1 – General Reference

The singular shall include the plural, and the plural the singular. The word "shall" will be construed as mandatory, and the word "may" as permissive or discretionary.

Section 2 – Specific Terms

- a. **Active Service:** Actual time worked, holidays with pay, leaves of absence with pay, leaves of absence without pay not to exceed one year for which Workers' Compensation is paid. It shall also include Saturdays and Sundays, or other regular days off which are immediately preceded or immediately followed by other time worked.
- b. **Advancement:** A salary increase within a range of compensation conditioned upon meritorious service for a set time and made without examination.
- c. **Administrative/Executive Leave:** Designated management personnel receive "administrative/executive leave" in addition to "vacation and sick leave". Administrative/executive leave must be used during the fiscal year granted and any unused administrative/executive leave cannot be carried over into the next fiscal year.
- d. **Allocation:** The assignment of a position to its appropriate classification based upon duties performed.
- e. **Anniversary Date:** The date that the employee begins service. If promoted, the date the employee begins service in the promoted position.
- f. **Appeal:** An application for review by the Personnel Board of a disciplinary action
- g. **Applicant:** A candidate for City employment who has filed an employment application to fill a vacant position.
- h. **Appointing Authority:** The City Manager or any other person to whom the power to appoint, remove, or discipline personnel has been delegated. The appointing authority for the City Manager and City Attorney is the City Council.

- i. **Appointment:** The employment of a person to a position in the City service.
- j. **Certification:** Providing to an appointing authority the names of persons who have met all qualifying requirements for appointment to a vacant position.
- k. **City:** The City Of Imperial Beach.
- l. **Class:** A position or a group of positions sufficiently similar in respect to duties and responsibilities that same title may be used to designate each position allocated to the class, the same minimum qualifications may be required, and the same salary range be made to apply.
- m. **Classification Specification:** A written description of a classification consisting of a classification title, a general statement of the work, examples of typical duties, and the qualifications for the class.
- n. **Classification Plan:** The system of grouping positions into appropriate classes for all positions in the municipal service.
- o. **Closed Promotional Examination:** A competitive examination which is open only to permanent employees of the City who have passed their probation
- p. **Compensation:** Any salary, wage, fee, allowance or other consideration paid to an employee for performing the duties and exercising the responsibilities of a position.
- q. **Compensation Plan:** The official schedule of pay approved by the City Council.
- r. **Compensatory Leave:** Time off from work in lieu of monetary payment for overtime worked.
- s. **Competitive Service:** Shall mean all positions of employment except those excluded by Article II, Section 5 and/or Municipal Code Section 2.40.070. The Competitive Service is synonymous with the Miscellaneous Classified Service.
- t. **Continuous Examination:** A competitive examination which is open for filing for an indefinite period of time and which is administered on a periodic basis as a result of which names are placed on an eligible list, in order of final scores, for a period of not more than one (1) year.
- u. **Continuous Service:** Time a person has been employed in a permanent position, without any break in service.
- v. **Days:** Calendar days unless otherwise stated.

- w. **Demotion:** The voluntary or involuntary movement of an employee holding a position in one classification to a position in another classification having a lower maximum salary rate.
- x. **Dismissal:** Disciplinary termination of employment. Discharge is synonymous with dismissal.
- y. **Eligible:** An applicant who has attained an overall passing grade in a civil service examination and whose name appears on a current employment list.
- z. **Employment List:** A list of names of persons who have qualified by examination to be considered for employment with the City. Employment list is sometimes referred to as an eligible list.
- aa. **Examination :** Any procedure used to measure the ability, skill, knowledge and/or fitness of an applicant for employment.
- bb. **Exempt Employee:** An employee who is exempted or who occupies a position exempted from the Competitive Service or Classified Service and Personnel Rules.
- cc. **Immediate Family:** The husband or wife; mother, father, and grandparents of both husband and wife; son, daughter, brother, sister, and foster child of the employee; or any relative by blood or marriage residing in the same household.
- dd. **Interim Appointment:** A short term appointment made from an employment list.
- ee. **Lay-off:** The involuntary, nondisciplinary separation of an employee from a position resulting from lack of work, lack of funds, or abolishment of a position.
- ff. **Leave:** An approved absence from work as provided for by these Rules.
- gg. **Open Competitive Examination:** A competitive examination open to all persons, who meet the qualifications
- hh. **Peace or Public Safety Officer:** Any person who comes within the provision of Chapter 4.5 of the California State Penal Code and who otherwise meets all standards imposed by law.
- ii. **Performance Test:** A test consisting of a standard task or series of tasks used to measure the relative skill or abilities of candidates.
- jj. **Personnel Board:** Shall mean the Personnel Board established pursuant to the provisions of Imperial Beach Municipal Code § 2.40.040, which establishes the Personnel Board.
- kk. **Personnel Officer:** The City Manager or designee.

- ll. **Position:** Any specific office or classification, whether occupied or vacant, carrying certain responsibilities and calling for the performance of certain duties by one individual, either on a full-time basis or part-time basis.
- mm. **Probationary Period:** The working test period during which an employee is required to demonstrate fitness by the actual performance of the duties and responsibilities of the position and during which time the employee may be terminated without cause and without right of appeal.
- nn. **Probationer:** An employee in the Competitive Service who is serving a probationary period.
- oo. **Promotion:** Movement of an employee from a position in one classification to a position in another classification having a higher maximum salary rate.
- pp. **Provisional Employee:** The temporary appointment of a person who possesses the minimum qualifications established for a particular classification and who has been appointed to a position in that classification in the absence of available eligibles; an appointment, is not made from a re-employment list or an employment list. Provisional employees are not part of the Competitive Service.
- qq. **Permanent Employee:** An employee in the Competitive Service who has successfully completed the probationary period and has been retained. The term permanent employee is synonymous with permanent employee.
- rr. **Reinstatement:** The re-employment without examination of a former permanent employee.
- ss. **Resignation:** The voluntary separation, other than by retirement, of an employee from a position.
- tt. **Reversion:** The change of an employee from one classification to another classification in which the formerly had a permanent appointment.
- uu. **Salaried Employee:** An employee serving in a salaried position which requires half time or more. This does not include employees paid on an hourly or daily basis.
- vv. **Seasonal Employee:** A employee in any position in the Competitive Service which requires or is likely to require the services of an incumbent during certain parts of each year, which may recur annually.
- ww. **Separation:** Voluntary or involuntary termination of employment in the Competitive Service.
- xx. **Suspension:** A temporary leave of absence without pay for disciplinary reasons.

- yy. **Temporary Appointment:** An employee appointed to a position of a non-permanent nature. A temporary appointment may be interim, provisional, seasonal, emergency, and/or hourly.
- zz. **Termination:** The separation of an employee from City service by death, discharge, lay-off, resignation or retirement,
- aaa. **Transfer:** Placement of a City employee from one position to another position in the same class; or in a comparable class.
- bbb. **Work day:** Shall mean the schedule number of hours an employee is required to work per day as determined by the department head.
- ccc. **Work Week:** Defined as a fixed period of time which is established by the employer for the employee to be on-duty for hours worked at a designated place of employment. Eight hours per day for not more than five (5) days per week for a maximum of forty (40) hours shall constitute a normal workweek for employees of the City. This schedule can be altered by mutual agreement between management and the affected employee bargaining unit or by unrepresented employees as long as the employees work a 40-hour scheduled work week. Fire protection personnel are designated a longer workweek for purposes of calculation of overtime compensation in accordance with Fair Labor Standards Act regulations.

ARTICLE II: CLASSIFICATION

Section 1 - The Classification Plan

The Classification Plan shall consist of a list of titles of the classes to which all positions in the Competitive Service are to be allocated, and a written classification specification describing each class. Each classification specification shall outline the main characteristics and qualifications required of positions allocated to the classification and shall give examples of duties which employees holding such positions may properly be required to perform.

The classification specification is descriptive and explanatory, but not restrictive or inclusive of all duties performed. The listing of particular example of duties does not preclude the assignment of other tasks and duties of related kind or character, or of lesser skills.

Qualifications may include requirements of education, experience, training, occupational certificates, licenses, skills, abilities, or personal aptitudes required to assure reasonable work performance in the classification or position. The statement of qualifications in a classification specification is intended to be used as a guide in selecting candidates for employment, as an aid in the preparation of competitive examinations, and for use in determining the relative value of a position in one classification with positions in other classes.

The City Manager or designee shall be the final authority in the interpretation of such specifications.

Section 2 - Basis for Classes of Positions

All positions in the Competitive Service shall be grouped into classes, and each classification shall include those positions sufficiently similar in respect to their duties and responsibilities so that similar requirements as to training, education, experience, knowledge, skill, personal qualities and the same salary range may be made to apply with equity to all positions in the same class.

Section 3 – Allocation of Position to Classes

The City Manager or designee shall allocate to a class, or re-allocate as necessary, every position in the Competitive Service in accordance with the classification specifications.

Section 4 - Classification Titles

Official classification titles approved by the City Manager or designee are to be used. No person will be appointed to or employed in a position in the Competitive Service under a title not included in the Classification Plan.

Other job or working titles may be used in the course of departmental routine to indicate authority, status in the organization, or rank.

Section 5 - Exempt Positions

The provisions of the Personnel Rules shall apply to all appointive officers and employees in the Competitive Service with the following exceptions as set forth in Section 2.40.070 of the Municipal Code. These positions are exempt from the Competitive Service, unless provision is made to the contrary by the City Council. The Personnel Rules do not apply to employees holding exempt positions, unless expressly indicated.

1. City Manager.
2. Assistant City Manager.
3. City Attorney
4. Department Heads
5. Administrative Assistant.
6. Elected Officers
7. Members of appointed boards, commissions and committees.
8. All management positions added to the classification plan and designated exempt by the City Council.
9. Persons engaged under contract to supply expert, professional, technical or other services for a limited period of time.
10. Emergency employees who are hired to meet the immediate requirements of an emergency condition, such as an extraordinary fire, flood, or earthquake which threatens life or property.
11. Employees who are not regularly employed in permanent positions. Such employees include seasonal, provisional, emergency, hourly and full-time and part-time temporary employees.

Section 6 - Administration of the Classification Plan

The City Manager or designee shall periodically review the duties and responsibilities of all positions in order to assure proper allocation of positions to classes. The City Manager may also review the specifications for any classification or allocation of any position upon request of the incumbent or the department head.

Classification specifications are subject to modification due to changes in duties or responsibility level, the departmental organization, physical requirements, expertise and knowledge of the incumbent and administrative direction. Consequently, classification specifications should be reviewed and updated annually.

ARTICLE III – RECRUITMENT

Section 1 - Examination Announcement

The City Manager or designee shall call for open or promotional competitive examination to fill vacancies in the Competitive Service or to provide employment lists for classes of positions where vacancies are likely to occur in the future.

The City Manager shall issue an examination announcement which shall include:

- (a) The title, classification description, and rate of pay; and,
- (b) The period during which applications may be officially received by the City, such period to be for at least five (5) calendar days in the case of both open and promotional examinations; and,
- (c) A statement of the type of examination to be given and the relative weights of the major portions of the examination; and,
- (d) Any special medical or physical requirements or any specific qualifications as to education, training and experience or any licenses, certificates or other evidence of training or competency which may be required of applicants; and,
- (e) The restrictions as to previous service in the case of promotional examinations and any other special qualifications if there be such; and
- (f) Whether the position is within or outside the competitive service

Such examination announcement shall be publicly posted during the entire period that applications for the examination are being accepted.

Section 2 - Filing of Applications

No person shall be admitted to an open or promotional competitive examination unless an application has been filed on the prescribed form. The applicant shall certify the correctness of all statements made in the application. Applications must be filed with the City Manager or designee not later than the final filing date stated in the public notice.

The names of applicants shall not be disclosed to the public without the express permission of the City Manager. No application, whether accepted or rejected, shall be returned. Minor defects or omissions in an application on file may be corrected after permission from the City Manager or designee.

Recruitment for qualified applicants may be a continuing process in order that, the City will have available applications of interested, qualified persons for possible employment.

Section 3 – Competition

All persons who have filed proper application forms and who meet the minimum requirements as set forth in the examination announcement shall be allowed to compete in any open or promotional competitive examination, unless otherwise barred by these Rules.

No person, after having once failed a portion of an examination, will be permitted to be an applicant for the same position within a six (6) month period after the date of failure, unless otherwise authorized by the City Manager or designee.

No residence requirement shall be adopted as a qualification for competing in any open or promotional competitive examination

A minimum age requirement for City employment is 18 years of age.

Section 4 - Disqualification

The City Manager may refuse to examine an applicant, or may, after examination, refuse to certify an eligible who:

- (a) Is found to lack any of the requirements for the position; or
- (b) Is physically or mentally disabled and cannot be reasonably accommodated; or
- (c) Is addicted to the habitual or excessive use of illegal drugs; or
- (d) Has been previously dismissed for cause from any military or public service; or,
- (e) Has used or attempted to use any personal or political influence to further eligibility or appointment; or
- (f) Has failed to notify the City Manager of a change of address and cannot be located with reasonable effort after filing an application; or
- (g) Has been convicted of a felony which affects the job to be performed; or
- (h) If employed would violate the City's nepotism policy, or
- (i) Has intentionally made a false statement of any material fact, or has practiced or attempted to practice any deception or fraud in the application or examination or in securing eligibility or appointment.

Any of the foregoing disqualifications shall be deemed sufficient cause to exclude such applicant from examination, or to remove such eligible from any employment list or re-employment list.

Section 5 - Examination Content

Examinations shall relate to the requirements of the position to be filled. An examination may be in any one of the following forms or any combination thereof:

- (a) Written examinations.
- (b) Oral examinations.
- (c) Performance tests.
- (d) Physical agility tests.
- (e) Personal interview.
- (f) Appraisal of qualifications.

No question relating to race, sex, color, national origin, age, ancestry, disability, medical condition, marital status, sexual orientation or pertaining to political affiliation or religious faith shall be asked of any applicant.

In rating and evaluating experience in any closed promotional examinations, no more consideration shall be given to the experience which any applicant may have obtained while holding a provisional appointment to any position in the Competitive Service, than is allowed to persons who have had equally valuable experience in some like employment elsewhere.

Section 6 - Promotional Examinations

The City Manager will encourage the advancement of personnel within the organization and promotional examinations for vacancies will be conducted as the needs of the City require.

Promotional examinations shall be open only to employees in the Competitive Service who have successfully passed their probationary period and have permanent status. Promotional opportunities will be posted on each City department's main bulletin board at least five (5) working days before the selection is made. All applicants for promotional examinations shall be required to file an application. The application shall contain the same information as that required of applicants for open competitive examinations.

Promotional examinations shall be competitive; but this requirement shall not be construed to require that there be more than one person eligible to take the examination.

Section 7 - Series Examinations

A series of open examinations for the same classification of positions may be announced by a single notice. Such examinations may be administered from time to time as applicants are available or as appointments are necessary.

The names of all applicants who qualify in any examination of the series shall be placed on one employment list in the order of their final grades regardless of the examination dates. Each name shall be removed from the list after one year on the list.

Section 8 - Oral Examination Boards

Board members shall be selected on the basis of their impartiality and their knowledge of the position for which the examination is conducted. Ratings of the candidates by the oral board members shall be on the prescribed forms.

Employees of the City may be appointed to serve on such board, provided that said employees shall not constitute the sole membership of any such board. No member of the City Council shall be appointed to serve upon such examining board.

Section 9 - Examination Grades

Unless otherwise provided in notices published prior to the holding of the examination, applicants shall be graded on a scale in which 100 represents the highest score and 70 represents a passing score.

The City Manager or designee shall determine and set forth in the examination notice how individual tests will be graded and how the grade on individual tests relates to the overall score of the exam. Examination papers for applicants may be destroyed two (2) years after the examination.

Section 10 - Notice of Results of Examinations

When the grading of an examination has been completed and the employment list established, each applicant shall be notified by mail of the result of the examination including the final grade. All successful applicants will also be notified of their relative position upon the employment list, except in the case of series examinations.

Section 11 - Employment Lists

Candidates who have qualified in the examination process shall have their names placed on the employment list in the order of their relative final grades, the candidate having the highest final grade being placed first on the list. Promulgation of eligible lists shall be made by the City Manager or designee.

- (a) Order of names: When two or more candidates have the same final average score in an examination, preference shall be given as follows:
- (1) If all candidates having tied scores are employed by the City the one having the greatest seniority recognized for the examination shall be given preference.
 - (2) If one of the candidates is employed by the City and the others are not, the City employee shall be given preference.
 - (3) If the candidates are not employed by the City, preference shall be given by the score obtained in the subject of the greatest weight; if a tie still exists, by the score obtained in the subject with the next value in weight, and so on until the tie is broken, is possible.
 - (4) If a tie still exists, the preference shall be given to the candidate who first filed application for the examination as shown on the application.
 - (5) If a tie still exists, the preference shall be determined by the draw of the lot.
- (b) Duration of List: An employment list shall be in effect from the date on which it is promulgated for twelve (12) months and may be extended prior to expiration by the City Manager, for up to an additional twelve (12) months.
- (c) Removal of Name from List: The City Manager may remove a name from an employment list or re-employment list for any reason set forth in Article 3, Section 4, or for failure to respond to notice of certification mailed to the last known address. The reason shall be set forth in writing. Upon resignation or discharge of an employee, the employee's name shall be removed from any promotional eligible list on which it may appear. Eligible may be removed from an employment list if they waive appointment three times.
- (d) Change of Address: Applicants whose names are placed upon an employment list shall notify the City Manager or designee of any change of address. Failure on the part of an eligible to notify the City Manager or designee of any change in address may result in the name being removed from the employment list. The City Manager may reinstate an eligible.
- (e) Series Examination: The names of all applicants who qualify in any examination of a series of open examinations for the same classification of positions shall be placed on one eligible list in order of their final grades, regardless of examination dates. Each name shall be removed from such eligible list after twelve (12) months on the list.
- (f) Appointment: Upon completion of the selection process, and upon recommendation of the head of the department in which the employee is to be assigned, the City Manager shall make appointments from those candidates on the employment list who are most qualified for the position under consideration. The appointment shall not become effective until the applicant has successfully passed a

pre-employment medical and/or psychological examination which may include a drug and alcohol test.

- (g) Merging of Lists: Two (2) or more employment lists for a classification may be merged by placing the names on such lists in the order of their final grades. In the event of identical grades, the name of the eligible on the oldest list shall have priority. Eligibles, other than those who attained eligibility in a series examination, shall be notified of their standing on the merged list.

Section 12 - Review and Appeal

Except in the situation where a commercial standardized test is used or an examination booklet obtained from some other personnel agency, candidates shall be notified at the time of taking a written test that they may appear at the Personnel Office during a period of two (2) work weeks after the examination for the purpose of reviewing the answer key which will be used to score their performance. They may, at that time, register objections to any questions or answers they believe to be unfair or incorrect. The City Manager or designee may remove such questions or make such alterations in the key as the City Manager or designee deems justified.

Section 13 – Physical and Psychological Examinations

The City Manager or designee may condition employment on the applicant's successful completion of a pre-employment medical and/or psychological examination. Such an examination may include a drug and/or alcohol test. The test shall be administered after the applicant has received a conditional offer of employment.

Section 14 - Criminal History

The City may obtain summary criminal history from the State.

ARTICLE IV - EMPLOYMENT

Section 1 - Request for Certification

Whenever an appointment is to be made, the concerned department head shall request certification of eligibles.

Section 2 - Certification Procedures

The City Manager or designee shall certify eligibles by submitting their names to the department head. The order of names certified shall be determined first by their place on the re-employment list then the employment list. Eligibles by score shall be listed.

- (a) Certification from Re-employment Lists: The City Manager or designee shall first certify the names of persons on the re-employment list, if any, for the class..
- (b) Certification from Examination Employment List: In the absence of a re-employment list for the class, the City Manager or designee shall certify the top three (3) names on the employment list for the class. In the event the department head does not make an appointment from the highest three (3) names, then the City Manager shall certify the next successive highest three (3) names until an appointment is made or the list is exhausted. Whenever there are fewer than three (3) names the department head may make an appointment from such eligibles or may request the City Manager to establish a new list. If the applicant selected is not among the highest three (3) eligibles, the department head's written explanation must accompany the appointment and be kept on file by the City Manager.
- (c) More Than One Vacancy: Whenever there is more than one vacancy in the same class, the department head shall fill the first vacancy by the selection of one of the highest three (3) eligibles so certified. The second, and any succeeding vacancy, shall be filled in a like manner by selection in turn from the highest three (3) remaining names.
- (d) Reinstatement List: Reinstatement list will contain names of those employees who have voluntarily resigned and have formally requested to be re-employed. In order to be placed on the reinstatement list, such request must be approved by the City Manager at the time of separation. The City may reinstate an employee, at any time if a vacancy in the classification exists.
- (e) Veterans Preference: When eligibles are identically qualified the eligible who is a veteran shall be selected. (Government Code 5088)

Section 3 - Notifying Eligibles of Certification

Whenever the name of an eligible is certified to a department head, the City Manager or designee shall notify each person whose name is certified by sending a notice to the address as it appears on the application. The eligible must respond to the Human Resource Department within (3) three business days after receipt of such notice, or the eligible will be considered as having declined the position in which the vacancy exists.

Section 4 - Waivers

Eligibles may waive their right to certification or appointment within three (3) days from date of notification without detrimentally affecting their status on the employment list. However, after the third such waiver, the City Manager or designee will remove the name of the eligible from the employment list. Eligibles may become inactive on a re-employment list or examination eligible list by submitting a written request to the City Manager not to certify their names for a specified period of time.

Section 5 - Acceptance of Positions in Lower Class

An eligible on an employment list may, with the approval of the City Manager, accept certification to a classification lower than that for which the examination was given, provided there is no existing employment list for the lower class.

Section 6 - Appointments

Employment in the municipal service is divided into two categories. All appointments shall be defined and identified with one of the following:

(a) **Competitive Service:**

- (1) **Permanent:** A permanent appointment may be made to any permanent position after the employee has satisfactorily completed the probationary period. Permanent employees may be full-time or part-time. Part-time permanent employees must work at least 20 hours per week.
- (2) **Probationary:** A probationary appointment may be made from an appropriate employment list to any permanent position which is vacant. An employee serves a probationary period of twelve (12) months. Probationary employees may be full-time or part-time. Probationary part-time employees must work at least 20 hours per week.
- (3) **Interim:** An interim appointment from the appropriate employment list may be made to a position which is temporary or which has been vacated temporarily.

(b) **Non-Competitive Service:**

Appointments may be made by the department head with the approval of the City Manager and shall not be subject to the Personnel Rules unless expressly indicated herein. The appointment shall be designated as one of the following five (5) types:

- (1) **Provisional:** A provisional appointment for a period not to exceed ninety (90) days in any twelve (12) month period may be made to a position for which no eligible list is in existence. No employee shall serve in the same classification for more than ninety (90) days. A provisional appointment may be extended for an additional ninety (90) day period with the approval of the City Manager.
- (2) **Seasonal:** A seasonal appointment may be made for a specific duration of time, not to exceed a thousand (1000) hours in any twelve (12) months period on an hourly or monthly basis as determined by the City Manager. A seasonal appointment may be extended for an additional ninety (90) day period with the approval of the City Manager.
- (3) **Part-time Temporary:** A part-time appointment may be made when the employee works less than the standard forty (40) hour work week on a temporary basis or is paid on an hourly basis. Such an appointment may be seasonal.
- (4) **Emergency:** An emergency appointment may be made for a period not to exceed thirty (30) days when necessary to preserve the public health, or safety, or to prevent the stoppage of public business.
- (5) **Hourly or Temporary:** An hourly or temporary appointment may be made to a position which is paid on an hourly basis and for which the work requirements are either part-time or full-time.

Section 7 - Transfers

No person shall be transferred to a position, either on a temporary or permanent basis, for which the person does not possess the minimum qualifications. Transfers shall not be used to effectuate a promotion, demotion, advancement, or reduction, each of which may be accomplished only as provided in these rules.

The City Manager may transfer any employee from one department to another department in the same class.

Section 8 - Voluntary Demotion

Upon request of the employee and with the consent of the department head, demotion may be made to a vacant position. Such demotion request must be made in writing. No employees shall be demoted to positions for which they do not possess the minimum qualifications.

ARTICLE V – PROBATION

Section 1 - Probationary Period

Upon an initial appointment to any classification in the Competitive Service, an employee shall serve a probationary period of twelve (12) continuous months.

No period of absence for any purpose exceeding a total of (5) working days shall be credited toward the completion of the probationary period.

The probationary period shall be regarded as a part of the testing process and shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to his/her position, and for rejecting any probationary employee whose performance does not meet the acceptable standards of work.

The probationary period may be extended with the approval of the City Manager for a period not to exceed six (6) additional months where the department head finds that conditions justify such extension. Any such conditions shall be committed to written form by the department head, and a copy shall be provided to the employee.

Section 2 - Probationary Employee Performance

If the performance of the probationer is found to be unsatisfactory by the department head, it shall be the duty of the department head to recommend dismissal of the probationer from City employment. If, after a thorough investigation during the probationary period, the department head shall find the probationer to be fully qualified for permanent status, the department head shall so notify the City Manager.

An Employee Performance Report form will be filed by the department head upon the completion of the employee's third, sixth, ninth, and twelfth months of service with the City.

Section 3 - Rejection During Probation

During probationary period, a probationer may be dismissed upon the recommendation of the department head at any time, subject to the approval of the City Manager, with cause, and without a hearing or the right of appeal.

Section 4 - Rejection Following Promotion

Any employee rejected during the probationary period following a promotional appointment shall be reinstated to the position from which promoted, unless charges are filed and the employee is discharged for cause.

Employees who elect a voluntary reinstatement during the probationary period following a promotional appointment may be reinstated to the position from which promoted or to a comparable position if a vacancy is available at that time.

**City of Imperial Beach – Personnel Rules
(Amended November 20, 2013)**

ARTICLE VI - COMPENSATION

Section 1 - The Compensation Plan

An employee compensation plan shall be established. Each classification in the city's classification plan shall be assigned a salary range. All persons employed by the City shall be compensated in accordance with the compensation plan.

The compensation plan has the following characteristics:

1. Each salary range normally consists of six (6) steps (A through F)
2. The increase from one step to the next step in each salary range is five percent.
3. A difference of five percent (5%) exists between each salary range.

Salary advancement for each employee shall not be automatic, but shall depend upon a rating of competent or better, as reflected in the performance evaluation. Steps A through F are merit adjustments: Advancement from one step to another shall be approved by the City Manager, as described below, if the employee receives a competent or better work performance rating. If the employee receives less than a competent rating, only the City Manager can approve a salary advancement, if one is recommended by the department head

1. STEP "A": The first salary step; Appointment may be made to other than step A upon the recommendation of the department head and approval of the City Manager.
2. STEP "B": The second salary step; Six (6) months of competent or better service normally shall make an employee eligible for salary advancement. This salary advancement shall be made only if recommended by the department head and approved by the City Manager.
3. STEP "C": The third salary step; Twelve (12) months of competent or better service at the second salary step normally shall make an employee eligible for salary advancement. This salary advancement shall be made only if recommended by the department head and approved by the City Manager.
4. STEP "D": The fourth salary step; Twelve (12) months competent or better service at the third step normally shall make an employee eligible for salary advancement. This salary advancement shall be made only if recommended by the department head and approved by the City Manager.
5. STEP "E": The fifth salary step; Twelve (12) months of competent or better service at the fourth step normally shall make an employee eligible for salary advancement. This salary advancement shall be made only if recommended by the department head and approved by the City Manager.
6. Step "F": The sixth salary step; Twelve (12) months of competent or better service at the fifth step normally shall make an employee eligible for salary advancement. This

salary advancement shall be made only if recommended by the department head and approved by the City Manager.

Employees employed for less than full-time shall be paid pro rata salaries, or an hourly rate of pay.

Section 2 - Salary Range Revision

The following method shall be followed in determining the step at which each employee shall be paid:

- (a) If the salary range is raised, the step at which the employee will be paid shall not be changed.
- (b) If the salary range is lowered, the employee shall be paid at the step in the new range which is closest, but not lower than, the rate he/she was paid in the former range. If the maximum rate of the new range is lower than the employee's salary in the former range, the employee will be "y" rated under Section 3.

Section 3 - "Y" Rate

With the approval of the City Council, an incumbent employee who is reclassified or reassigned to a classification with a lower rate of pay may retain his or her current rate of pay until the assigned classification has a maximum salary rate which is equal to or higher than the "Y" rate.

Section 4 - New Appointment

All new appointments shall be made at Step A of the salary range, with the following exceptions:

- (a) Step A: The City Manager may authorize appointments to be made to other than Step A within the prescribed salary range upon the written recommendation of the department head when it is decided that such action is in the best interest of the City.
- (b) Promotion: If the entrance salary of a classification to which an employee is promoted does not represent a raise in salary, the employee shall be paid at the salary rate next above that at which he/she would have been paid if he/she had remained in his former class. The salary of a person who is receiving compensation at a "Y" rate immediately prior to such promotion may not be reduced by reason of the appointment to the new class.
- (c) From Re-employment List: An employee who is appointed from a re-employment list after having been laid off shall be paid at the step at which the employee was paid at the end of the previous employment.
- (d) Demotion: In all cases of demotion, whether voluntary, disciplinary, or in lieu of layoff, the City Manager shall set the salary rate to be paid. Normally, the salary will be in the range to which the employee was demoted.
- (e) Former Non-Permanent or Interim Employees: The salary step for any person newly appointed from an employment list, who has within the immediately preceding (2) two-year period served in the same or equivalent classification under any appointment other than a permanent appointment, may be paid at the step at which the person was most recently paid, subject to approval by the City Manager.

- (f) Transfer: A transfer within the same classification from one department to another department shall not affect an employee's salary level.

Section 5 – Salary Adjustments

Every employee who holds a permanent appointment to a full-time position, upon a written recommendation of the department head and approval of the City Manager, and who receives a competent or better evaluation, shall advance to the next step within the salary range for the class. The advancement will become effective on the first day of the succeeding pay period after completing 2,080 hours at the previous step with the exception of Step A. A non-lifeguard employee in a temporary part-time position would be eligible for a step increase effective on the first day of the succeeding pay period after their hire date anniversary if they have completed 780 hours in the previous 12 months. Part-time temporary employees will automatically be eligible for a step increase on their anniversary date every 24 months, if they have not otherwise been eligible due to the annual 780-hour requirement.

A Lifeguard employee in a temporary part-time would be eligible for a step increase on July 1 of each year if they have completed 600 hours in the previous 12 months.

- (a) Time Increase: Step A - six (6) Months (1,040 hours). If Step A, 1,040 hours or completion of probationary period (whichever occurs later).

Hours shall include active service, periods of any paid leaves of absence for which Workers' Compensation is paid. Periods of absence in excess of ten (10) days shall not count toward completion of the probationary period.

The following periods of time, in regards to salary adjustments, shall be disregarded and not counted: all leaves of absence without pay and layoffs in excess of 30 calendar days; and all periods of service performed with a service rating equivalent of less than competent.

- (b) Merit Increase: Twelve (12) months (2080 hours). Advancement to Steps "B," "C," "D," "E," and "F" in a salary range shall be granted for a performance rating of competent or better. Such merit advancements shall be made only upon the recommendation of the department head, and with the approval of the City Manager, and shall become effective on the first day following the approval.

Nothing herein prohibits the granting of a merit salary advancement prior to the normal time intervals set forth above.

- (c) Promotion/Demotion: Salary adjustments resulting from an employee's promotion or demotion shall become effective on the first day of the employee's promotion or demotion.
- (d) Below Competent Service Ratings: An employee who has received a performance rating below standard/competent shall receive a quarterly evaluation until at which time the employee receives a standard/competent or better rating. The employee shall not receive a salary step advancement until a standard/competent rating is achieved.

Section 6 - Step Placement of Temporary Appointee

Upon request of the department head, the City Manager may authorize the payment of a temporary or interim appointee at any step within the salary range for the class. If the temporary opening is in the existing City's miscellaneous or firefighter represented job classifications, the temporary or interim appointment shall be first be made available to qualified existing employees prior to offering the position to a non-city employee. The lowest level opening not filled, after any temporary or interim appointments can then be offered to non-city employees. Employees wishing to temporarily fill a vacant position must meet the minimum job qualifications for the position qualification as listed in the position's current job description. The Human Resource Department shall verify the employee's job qualifications for the position.

Section 7 - Work Periods

All compensation is based on the full-time month, with a normal work week of (40) hours for general service employees and fifty-six (56) hours for firefighting personnel. The department head may require employees to work special hours or a split shift to meet departmental operating requirements as long as the number of hours worked do not exceed the normal work week.

The workday for part-time employees shall be established and directed by the department head.

A schedule other than eight (8) hours per day, five days per week may be established with mutual agreement by both the affected employees and management

In an emergency, as described in the Imperial Beach Emergency Plan, the City Manager may designate other work periods and working hours for employees when, in the City Manager's opinion, the best interest of the City will be served by such adjustment of the standard work periods and hours. The employee shall return to the standard work periods and hours at the conclusion of the declared emergency.

**City of Imperial Beach – Personnel Rules
(Amended May 4, 2016)**

ARTICLE VI - COMPENSATION

Section 8 - Overtime

It is the policy of the City that overtime work is to be kept to the minimum amount necessary to accomplish the task.

The overtime must be for work specifically ordered or approved by the department head or designated representative. The department head shall provide the City Manager with a record showing instances of authorized overtime worked, stating the reason therefore and by whom authorized; and the date and duration of each instance when overtime or compensating time off is allowed. The time when compensating time off is taken shall be at the discretion of the department head or designee.

An employee may request that overtime worked may be compensated for, either by a cash payment or compensatory time at one and one-half (1-1/2) the employee's regular rate of pay. Method of compensation (overtime or compensatory time) shall be determined by the department head.

In the event compensatory time off is used as the method of compensating for overtime, the employee may use this leave under the same rules as vacation leave. However, an employee may not "bank" more than 240 hours of compensatory leave at any time. If an employee has saved the maximum compensatory leave allowed, 240 hours, than any overtime worked must be paid to the employee on the following payroll check the overtime was worked.

Overtime shall commence at the time an employee reaches the place where he is directed to report and shall continue until he is released or the work is completed, whichever is the earlier. All overtime shall be logged to the nearest one-quarter (1/4) hour. No compensatory time off or paid compensation of any sort shall be made for incidental overtime work of less than five (5) minutes duration which is performed immediately following the permanent hours of work. All overtime shall be logged and rounded up to the nearest one-quarter (1/4) hour.

Overtime compensation provisions shall not apply to employees who are exempt under the Fair Labor Standards Act.

Exception to these procedures will be made only upon written authorization of the City Manager.

Section 9 – Pay Periods

The pay period for all employees shall be bi-weekly. When the permanent pay day coincides with a holiday, pay checks will be issued on the work day immediately preceding such holiday.

Except for employees being terminated, salaries will be paid only on permanent pay days unless early payment is approved by the City Manager. Employees leaving City employment will normally be paid on the regular pay day following the date of termination.

The method of distributing payroll checks shall be established by the City Manager.

Section 10 - Standby Compensation

Compensation for permanently established emergency standby service shall be in the amount set forth in the Annual Salary Resolution approved and adopted by the City Council or, upon the recommendation of the department head and the approval of the City Manager, or by compensatory time off at the discretion of the employee in accordance with the governing rules for compensatory time off.

Section 11 – Payroll Deductions

Deductions from an employee's pay shall be made in accordance with prevailing laws, contract and administrative rules and procedures established by the City Manager.

ARTICLE VII – LEAVES OF ABSENCE

Section 1 - Leave Eligibility and Procedure

All requests for leaves of absence, whether with or without pay, with the exception of leave authorized by the City for an employee due to a personnel investigation, and shall be submitted in writing on prescribed forms. Except for sick leave, emergency leave, or jury duty, the time during which a leave of absence shall be taken shall be designated by the department head or designee. Request for leave should be signed by the employee and by the department head or designee, at least one (5) work days in advance of the beginning date of the leave requested. Each leave of absence shall be granted for a specific period of time and a specific cause; and if such cause shall cease to exist prior to the expiration of the period for which the leave is granted, the balance of such leave shall thereafter be invalid.

Leaves of absence must contain a time certain for termination of the leave. Failure of an employee to report for work at the expiration of leave shall be considered a resignation. The department head may rescind the resignation upon written recommendation to the City Manager for approval.

Absence without leave shall be considered to be without pay, and reductions in the employee's pay shall be made accordingly. Absence without leave for more than three (3) consecutive days shall be considered a resignation and shall result in termination of employment. Such termination shall not be subject to appeal. However, if extraordinary circumstances were involved, the City Manager or designee may consider these circumstances and rescind the termination of employment if the circumstances warrant that.

Section 2 – Evidence of Cause of Absence: An employee, with cause, may be required at any time to furnish satisfactory evidence substantiating the facts justifying such leave. Such evidence could include a doctor's certificate. Failure to furnish such evidence upon request shall be sufficient reason for denying leave of absence with pay.

A doctor's certificate may be required for a return to work for absences exceeding three (3) days for doctor or dentist's visits or if the employee has been exposed to a contagious disease and may still be contagious.

**City of Imperial Beach – Personnel Rules
(Amended May 4, 2016)**

ARTICLE VII - LEAVES OF ABSENCE

Section 3 - Holidays With Pay

An eligible employee shall be entitled to the holidays set forth in the current Memorandum of Understanding.

Employees may request time off to attend religious services or other religious activities on recognized religious holidays during the year. Such time off shall be charged to the employee's accumulated vacation leave, or compensatory time off. If the employee has no accumulated vacation leave, or compensatory time off, such time off shall be without pay.

Miscellaneous employees will be paid eight (8) hours of holiday pay at the employee's hourly rate of pay in the payperiod the holiday occurred for all recognized City holidays listed in the SEIU MOU Article 12.0. Lifeguard employees will be paid ten (10) hours of holiday pay at the employee's hourly rate of pay in the payperiod the holiday occurred for all recognized City holidays listed in the SEIU MOU Article 12.0. Holiday pay shall not be considered time worked for the purposes of calculating overtime.

Effective July 1, 2015, an employee required to work on a recognized City holiday shall be compensated as follows:

1. For the first six (6) holidays in a fiscal year (July 1 - June 30) that an employee is required to work, the employee will be compensated at a rate of two one and one half (1-1 /2) times the regular rate of pay for every hour worked. Pay for working on a recognized City holiday is in addition to the Holiday Pay described above.
2. After an employee has worked six (6) holidays in a fiscal year, if an employee is required to work any additional holidays in that fiscal year, the employee will be compensated at a rate of one and one half (1 ½) times the regular rate of pay for every hour worked on the additional holiday(s). Pay for working on a recognized City holiday is in addition to the Holiday Pay described above.

Effective June 30, 2017, employees required to work on any and all recognized City holidays shall be compensated at a rate of one and one half (1 ½) times the regular rate of pay for every hour worked on all holidays worked. Pay for working on a recognized City holiday is in addition to the Holiday Pay listed in the SEIU MOU Article 12.0 Section 4.

Holiday Pay and pay for working on a recognized City holiday as stated above shall not apply to fire suppression employees.

When an employee is absent on vacation leave, sick leave or compensatory time off, a holiday immediately preceding, following, or wholly within such leave period shall be recorded as a holiday and not as a day of leave.

If a holiday falls on Saturday, the preceding Friday will be observed as a holiday. If the holiday falls on Sunday, the following Monday will be observed as a holiday.

Section 4 - Vacation Leave

The purpose of annual vacation leave is to enable each eligible employee to return to work mentally refreshed.

- (a) **Waiting Period:** All employees in the Competitive Service shall be entitled to use annual vacation leave with pay following the successful completion of his/her probationary period. However, an employee who is still in their probationary status may, after at least six months of service and with at least a satisfactory job performance rating, request vacation leave or compensatory leave if the employee has accrued compensatory leave, with the approval of the department head or designee. Additionally, a new employee who has not successfully completed his/her probationary period will be allowed to take, with the approval of the department head or designee, any Floating Holiday time off that they have accrued during their probationary period.
- (b) **Vacation Accrual:** Vacation will be accrued and credited on a bi-weekly basis when an employee is in pay status for fifty percent (50%) or more of the work days in a given month. Each eligible employee shall accrue vacation at the following rate for continuous service performed in a pay status unless a Memorandum of Understanding applicable to them provides otherwise:

Vacation Accrual for Miscellaneous Classified Employees:

- (1) For employees completing five (5) years or less of continuous service (i.e. First day through 5th anniversary), one (1) working day for each month of service completed, for a maximum of twelve (12) days per year.
- (2) For employees with greater than five (5) years of continuous service up to the completion of ten (10) years of continuing service (i.e. 5 years + 1 day through 10th anniversary), one and one-fourth (1 1/4) working days for each month of service completed, for a maximum of 15 days per year.
- (3) For employees with greater than ten (10) years of continuous service up to the completion of fifteen (15) years of continuing service (i.e. 10

years + 1 day through 15th anniversary), one and two-thirds (1 2/3) working days for each month of service completed, for a maximum of 20 days per year.

- (4) For employees with greater than fifteen (15) years of continuous service or more (i.e. 15 years + 1 day and above), two and one-twelve (2.0833) working days for each month of service completed, for a maximum of 25 days per year.

Vacation Accrual for Classified Fire Department Employees:

- (1) For employees completing five (5) years or less of continuous service (i.e. First day through 5th anniversary) will accrue a maximum of 268.8 hours per year.
 - (2) For employees with greater than five (5) years of continuous service up to the completion of fifteen (15) years of continuing service (i.e. 5 years + 1 day through 15th anniversary) will accrue a maximum of 302.4 hours per year.
 - (3) For employees with greater than fifteen (15) years of continuous service or more (i.e. 15 years + 1 day and above) will accrue a maximum of 358.4 hours per year.
- (c) When to be Taken: Vacation schedules shall be set by the department head or designee with regard to the needs of the service and, as far as possible, with the wishes of the employee. Vacation shall not be deemed authorized until the employee's eligibility is verified by the City Manager or designee. If the employee cannot take part or all of his/her annual vacation in a calendar year, vacation shall be taken during the following calendar year.
- (d) How it May Be Taken: An eligible employee may take earned vacation leave in any increment of one (1) hour or more with the consent of the department head and the approval of the City Manager or designee.
- (e) Vacation Accumulation: As of January 1st of each year, the maximum vacation balance of an employee shall be no more than twice his/her annual vacation accrual. If an employee has accumulated two years worth of vacation leave during the calendar year, the maximum amount of leave can be no more than two years worth on January 1st, or the employee will cease to accrue any additional vacation leave until the amount of vacation leave is brought to the (two) 2 year maximum of vacation leave. Exception: If an employee was administratively precluded from taking excess vacation by management cancellation of an approved scheduled vacation or the employee was administratively precluded from

taking excess vacation by denial of a primary and at least two (2) alternate requests for vacation leave requested by the employee at least ninety (90) days prior to January 1, there will be a grace period provided to the employee as follows: The employee shall continue to accrue their vacation leave and will not lose any excess vacation accrual and will be allowed to use the excess leave during the next three (3) month period, January 1 - March 31. If for any reason, management does not allow the employee to use their excess vacation accrual during this three (3) month period of time, the employee will be granted additional three (3) month period(s) of time, until at which time, the employee is allowed to utilize his/her excess vacation leave accrual.

- (f) **Vacation Pay at Termination:** Upon separation from services for any cause, an eligible employee who has completed at least one (1) year of active service shall be entitled to pay for the number of accumulated vacation days. A lump sum payment will be made as part of final paycheck. Vacation pay shall be at the employee's current rate of pay.
- (g) **Part-Time Employees:** Temporary part-time employees shall not be eligible for vacation leave.
- (h) **Military Leave:** An employee who interrupts City employment because of extended military leave shall be compensated for accrued vacation at the time the leave becomes effective, if requested by the employee. This is governed by all applicable state and federal laws.
- (i) **Double Compensation Prohibited:** Employees shall not work for the City during their vacations.

Section 5 - Sick Leave

Sick leave is not a right, it is a privilege. If the City has cause to doubt the validity of an employee's use of sick leave, the City may require a doctor's certificate.

Sick leave benefits are subject to the Healthy Workplaces/Healthy Families Act of 2014, and any subsequently adopted state regulations. If there is a conflict between these Personnel Rules and the requirements of the Healthy Workplaces/Healthy Families Act of 2014 or any duly adopted state regulations, the Healthy Workplaces/Healthy Families Act and/or state regulations shall prevail.

If there is a conflict between this Section of the Personnel Rules regarding sick leave and any Memorandum of Understanding ("MOU") that applies to an employee, the terms of the MOU shall prevail.

- (a) **Sick Leave Definition:** Sick leave is defined as a necessary absence from work due to an employee's illness, injury, exposure to contagious disease, serious

disability while on a scheduled vacation, or an authorized absence for medical or dental care. Sick leave also included a necessary absence due to the illness or injury of a parent, child, or spouse or domestic partner. (Labor Code 2303).

(b) Sick Leave Permitted: Employees should refer to their applicable Memorandum of Understanding for permitted sick leave uses.

(c) In accordance with the Healthy Workplaces/Healthy Families Act of 2014, employees may use up to 3 days of paid time off for sick leave for the following purposes:

A) Diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or an employee's family member. Family member includes any of the following:

1. A child, including biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis, regard less of the child 's age or dependency status.
2. A biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.
3. A spouse.
4. A registered domestic partner.
5. A grandparent
6. A grandchild
7. A sibling

B) For an employee who is a victim of domestic violence, sexual assault, or stalking:

1. To obtain or attempt to obtain any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the employee or his or her child.
2. To seek medical attention for injuries caused by domestic violence, sexual assault, or stalking.

3. To obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking.
4. To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.
5. To participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

Implementation of the Healthy Workplaces/Healthy Families Act of 2014, as stated above, does not impact the applicability of the Kin Care law (as reflected in Section 6 below) that allows employees to use up to one-half (1/2) of the sick leave that they accrue annually to take time off to care for a sick family member.

(d) Sick Leave Usage for Family Bonding Time:

1. For Fire Service Employees:

Employees are permitted to use up to 132 hours of sick leave for bonding time after the birth or adoption of a child, in accordance with Federal or State laws, provided that the employee maintains a minimum sick leave balance of 60 sick leave hours after the use of the sick leave for bonding time.

2. For General and Confidential Employees:

Employees are permitted to use up to 132 hours of sick leave for bonding time after the birth or adoption of a child, in accordance with Federal or State laws, provided that the employee maintains a minimum sick leave balance of 44 sick leave hours after the use of the sick leave for bonding time.

An employee who is eligible for and claims State Disability Insurance for baby bonding will not be permitted to use any accrued sick leave for bonding time after the birth or adoption of a child.

(e) Sick Leave Accrual for "Full-Time" General and Confidential Employees:

Beginning with the first day of employment, sick leave shall be accrued per payperiod each full-time employee in the competitive service shall be entitled to accumulate sick leave with pay.

Sick leave shall be accrued per payperiod, beginning with the first day of employment, provided the employee has been in pay status for fifty percent (50%) or more of the first month or any month thereafter. Sick leave shall be accrued at the rate of 8.334 hours for each full month of service for a total of 100 hours for each full twelve (12) months of service. A maximum of 800 hours may be accumulated.

(f) Sick Leave Accrual for "Part-Time" General and Confidential Employees:

Pursuant to the Healthy Workplaces/Healthy Families Act of 2014, effective July 1, 2015, or upon hire, whichever is later, a part-time employee will receive 24 hours or 3 days of paid sick leave to be used during that fiscal year. Thereafter, on July 1st of each year, part-time employees will be provided with 24 hours or 3 days of paid sick leave that may be used during that fiscal year. Unused paid sick leave must be used during the fiscal year earned and does not rollover from fiscal year to fiscal year. Part-time employees are not entitled to cash out unused paid sick leave at any time nor upon separation from employment. Part-time employees may begin using paid sick leave upon their 90th day of employment.

(g) Sick Leave Accrual for "Full-Time" Fire Service Employees:

1. Employees hired prior to July 1 | 2011- Employees shall accrue sick leave with pay at the rate of 11.67 hours for each full month of service for a total of 140 for each full twelve months of service. A maximum of 1400 hours may be accumulated.
2. Employees hired on or after July 1 | 2011- Employees shall accrue sick leave with pay at the rate of 11.67 hours for each full month of service for a total of 140 for each full twelve months of service. A maximum of 1120 hours may be accumulated.

(h) Sick Leave Accrual for "Part-Time" Fire Service Employees:

Pursuant to the Healthy Workplaces/Healthy Families Act of 2014, effective July 1, 2015, or upon hire, whichever is later, a part-time employee will receive 72 hours (3 days) of paid sick leave to be used during that fiscal year. Thereafter, on July 1st of each year, part-time employees will be provided with 72 hours or 3 days of paid sick leave that may be used during that fiscal year. Unused paid sick leave must be used during the fiscal year earned and does not rollover from fiscal year to fiscal year. Part-time employees are not entitled to cash out unused paid sick leave at any time nor upon separation from employment. Part-time employees may begin using paid sick leave upon their 90th day of employment.

(i) Minimum Time Chargeable to Sick Leave: No person shall be entitled to sick leave with pay while absent from duty on account of any of the following causes:

1. Disability arising from any or injury purposely and willfully self-inflicted or willful misconduct for the purpose of an employee not to work his/her work schedule.
2. Sickness or disability sustained while on an unpaid leave of absence.

No paid sick leave shall be granted in excess of the employee's sick leave credit. An employee may be granted sick leave with pay only when incapacitated by illness, injury, or exposure to contagious disease, which incapacitates him/her for work.

- (j) Sick Leave Compensation: In order to receive compensation while on sick leave, the employee shall notify the immediate supervisor or the department head, or in the event of the unavailability of either, or designee, not later than the beginning of the work day in that department. The department head may waive the above requirement in an emergency or other exceptional circumstance.
- (k) Earned Vacation as Sick Leave: A permanent full-time employee who is absent from duty because of illness, and has used all sick leave, may make a written request to the department head and subject to the approval of the City Manager to use vacation time. The request is subject to the approval of both.
- (l) Separation From City Service: Sick leave with pay shall be canceled upon separation of the employee from the City service. If separation is by layoff, accumulated sick leave will be restored in whole by the City Manager upon re-employment unless employee had five (5) years of City service and was paid for 50 percent of their accumulated sick leave in which case only the 50 percent sick leave not compensated for will be restored.
- (m) Sick Leave Payoff for General and Confidential Employees:
 1. Employees hired prior to July 1, 2011: Employees may not cash out accrued sick leave in excess of 800 hours.
 - i. Upon retirement from City service, regular employees may choose between the following two options:
 1. Regular employees shall receive cash payment for fifty percent (50%) of up to 800 of their accrued hours of sick leave hours with a maximum cash payment for no more than 400 accrued sick leave hours. The remaining fifty percent (50%) of accrued sick leave hours will be reported to CalPERS for conversion to service credit.
 2. Regular employees may choose to report one hundred percent (100%) of accrued sick leave hours to CalPERS for conversion to service credit.

- ii. Upon separation in good standing after five (5) years of completed City service, regular employees shall receive a cash payment for fifty percent (50%) of up to 800 accrued sick leave hours, with a maximum cash payment for no more than 400 accrued sick leave hours.
- iii. Upon the death of a regular employee after five (5) years of completed CITY service:
 - 1. For a deceased employee who was eligible to retire at the time of death, the City will report one hundred percent (100%) of the employee's accrued sick leave at the time of death to CalPERS for conversion to service credit.
 - 2. For a deceased employee who was not eligible to retire at the time of death, the employee's beneficiary shall receive a cash payment for fifty percent (50%) of the accrued hours of sick leave to a maximum of no more than 400 accrued sick leave hours.

2. Employees hired on or after July 1, 2011:

- i. Employees will not be permitted to receive a cash payment for any accrued sick leave.
- ii. Upon retirement from City service, fifty percent (50%) of accrued sick leave hours will be reported to CalPERS for conversion to service credit.

(n) Sick Leave Payoff for Fire Service Employees:

- 1. Employees hired prior to July 1, 2011 - On June 30, each year, regular employees shall receive cash payment for accrued sick leave in excess of 1400 hours.
 - i. Upon separation in good standing after five (5) years of completed City service, regular employees shall receive a cash payment for 50% of up to 1400 accrued sick leave hours, with a maximum cash payment for no more than 700 accrued sick leave hours.
 - ii. Upon retirement from CITY service, regular employees may choose between the following two options:
 - 1. Regular employees shall receive cash payment for 50 percent (50%) of their accrued hours of sick leave to a

maximum of 700 hours. The remaining fifty percent (50%) of accrued sick leave hours will be reported to CalPERS for conversion to service credit.

2. Regular employees may choose to report one hundred percent (100%) of accrued sick leave hours to CalPERS for conversion to service credit.
- iii. Upon the death of a regular employee after five (5) years of completed CITY service:
 1. For a deceased employee who was eligible to retire at the time of death, the City will report one hundred percent (100%) of the employee's accrued sick leave at the time of death to CalPERS for conversion to service credit.
 2. For a deceased employee who was not eligible to retire at the time of death, the employee's beneficiary shall receive a sick leave cash payment for fifty percent (50%) of the accrued hours of sick leave to a maximum of 700 hours.
- (o) **Illness During Vacation Leave:** An employee who becomes incapacitated for work due to illness or injury while on paid vacation may substitute sick leave credits for vacation, provided a request for sick leave substitution is accompanied by a doctor's statement or other evidence satisfactory to the City Manager verifying the incapacity.
- (p) **Holiday During Sick Leave:** Paid holidays immediately preceding, immediately following, or within the period for which sick leave is granted shall not be regarded as part of such period of sick leave.
- (q) **Sick Leave Deductions:** Unless exceptions are approved by the City Manager, absences of less than a full day will be charged as sick leave at the rate of one (1) hour of sick leave for each hour absent.
- (r) **Medical Leave Without Pay:** Upon depletion of accumulated sick leave for an injury or illness and upon the recommendation of the employee's department head, an employee may be placed on medical leave of absence without pay for a period not to exceed sixty (60) days. If unable to return to work at the end of this period, the employee must request further medical leave each thirty (30) days. Each request is subject to the approval of the City Manager.
- (s) **Excessive Sick Leave Usage and Abuse:** Excessive use or abuse of sick leave by a City employee will constitute sufficient grounds for disciplinary actions up to and including dismissal as the City Manager or designee deems appropriate.

Section 6 - Family Sick Leave

An employee shall be entitled to use one-half (1/2) of the employee's annual accumulated sick leave for the illness or injury of a parent, child, spouse, or domestic partner.

Section 7 - Workers' Compensation

Those employees who are absent from duty because of a temporary disability which is defined as industrial under the Workers' Compensation Act may use sick leave. Any employee who receives temporary disability allowance, as provided under the Workers' Compensation Law, must reimburse the Finance Office in the amount of the authorized compensation. In that case, the employee will be only charged sick leave in an amount that equals the difference between the employee's full salary and the disability allowance authorized.

During the time an employee is in pay status while absent from work by reason of injury or illness covered by Workers' Compensation, the employee shall continue to accrue sick leave and vacation benefits as if they were not absent, but shall not receive credit for holidays.

When it appears the employee cannot return to work, disability retirement shall be requested by the City unless the employee applies for or consents to retirement as of an earlier date, at which time the employee will be compensated for accrued benefits at the permanent rate of pay. If the employee agrees that they can no longer fulfill their job position requirements, they may at their option, quit their employment with the City and not take the disability retirement.

No employee of the City shall be paid any disability indemnity under Worker's Compensation concurrently with wages or salary payments made by the City amounting to more than the employee's regular rate of pay at any time during the leave of absence.

Section 8 - Family Care and Medical Leave

I. STATEMENT OF POLICY

To the extent not already provided for under current leave policies and provisions, the City will provide family and medical care leave for eligible employees. The following provisions set forth the rights and obligations with respect to such leave. Rights and obligations which are not specifically set forth below are set forth in the Department of Labor regulations implementing the Federal Family and Medical Leave Act of 1993 ("FMLA"), and the regulations of the California Family Rights Act ("CFRA"). Unless otherwise provided by this article, "Leave" under this article shall mean leave pursuant to the FMLA and CFRA.

II. DEFINITIONS

- A. **"12-Month Period"** means a rolling 12-month period measured backward from the date leave is taken and continuous with each additional leave day taken.
- B. **"Child"** means a child under the age of eighteen (18) years of age, or eighteen (18) years of age or older who is incapable of self-care because of a mental or physical disability. An employee's child is one for whom the employee has actual day-to-day responsibility for care and includes a biological, adopted, foster or step child, legal ward, or a child of a person standing in loco parentis.

"Incapable of self care" means the child requires active assistance or supervision to provide daily self-care in three or more of the activities of daily living or instrumental activities of daily living, including, caring for grooming and hygiene, bathing, dressing, eating, cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, using telephones and directories, etc.

- C. **"Parent"** means the biological or adoptive parent of an employee or an individual who stands or stood in loco parentis (in place of a parent) to an employee when the employee was a child. This term does not include parents-in-law.
- D. **"Spouse"** means a husband or wife as defined or recognized under California State law for purposes of marriage.
- E. **"Serious health condition"** means an illness, injury, impairment, or physical or mental condition that involves:
- 1) **Inpatient care** (i.e. an overnight stay) in a hospital, hospice, or residential medical care facility; or
 - 2) **Continuing treatment** by a health care provider for one or more of the following:
 - a) A period of incapacity (i.e., inability to work or perform other regular daily activities due to serious health condition) of more than three (3) consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:
 - i) Treatment two (2) or more times by a health care provider, by a nurse or physician's assistant under direct supervision by a health care provider, or by a provider of health care services (e.g., a physical therapist) under orders of, or on referral by a health care provider; or

- ii) Treatment by a health care provider on at least one (1) occasion which results in a regimen of continuing treatment under the supervision of the health care provider. This includes, for example, a course of prescription medication or therapy requiring special equipment to resolve or alleviate the health condition. If the medication is over the counter, and can be initiated without a visit to a health care provider, it does not constitute a regimen of continuing treatment.
- b) Any period of incapacity due to pregnancy or for prenatal care. This entitles the employee to FMLA leave or CFRA leave.
- c) Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:
 - i) Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;
 - ii) Continues over an extended period of time (including recurring episodes of a single underlying condition); and
 - iii) May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.). Absences for such incapacity qualify for leave even if the absence lasts only one day.
- d) A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by a health care provider.
- e) Any period of absence to receive multiple treatments (including any period of recovery) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment.

F. "Health Care Provider" means:

- 1) A doctor of medicine or osteopathy who is authorized to practice medicine or surgery by the State of California;

- 2) Individuals duly licensed as a physician, surgeon, or osteopathic physician or surgeon in another state or jurisdiction, including another country, who directly treats or supervises treatment of a serious health condition;
- 3) Podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist) authorized to practice in California and performing within the scope of their practice as defined under California State law;
- 4) Nurse practitioners and nurse-midwives and clinical social workers who are authorized to practice under California State law and who are performing within the scope of their practice as defined under California State law;
- 5) Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts; and
- 6) Any health care provider from whom an employer or group health plan's benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits.

III. REASONS FOR LEAVE

Leave is only permitted for the following reasons:

1. To care for a newborn child of an employee within twelve (12) months of birth; or
2. To care for a newly adopted child or a child placed in foster care with the employee within twelve (12) months of the adoption or placement; or
3. To care for a child, parent, or a spouse of the employee who has a serious health condition; or
4. Because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

IV. EMPLOYEES ELIGIBLE FOR LEAVE

An employee is eligible for leave if the employee:

1. Has been employed for at least twelve (12) months; and

2. Has been employed for at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave.

V. AMOUNT OF LEAVE

Eligible employees are entitled to a total of twelve (12) workweeks of leave during any 12-month period.

A. Minimum Duration of Leave

If leave is requested for the birth, adoption or foster care placement of a child of the employee, leave must be concluded within one year of the birth or placement of the child. In addition, the basic minimum duration of such leave is two weeks. However, an employee may take leave for less than two weeks on any two occasions.

If leave is requested to care for a child, parent, spouse with a serious health condition or because the employee has a serious health condition, there is no minimum amount of leave that must be taken.

B. Spouses Both Employed By The City

In any case in which a husband and wife both employed by the City are entitled to leave, their combined leave may be limited to 12 workweeks during any 12-month period if leave is taken for the birth or placement for adoption or foster care of the employees' child. This limitation does not apply to any other type of leave under this policy.

VI. EMPLOYEE BENEFITS WHILE ON LEAVE

Leave under this policy is unpaid. While on leave, employees will continue to be covered by the group health insurance to the same extent that coverage is provided while the employee is on the job. However, employees will not continue to be covered under other insurance plans.

Employees may make the appropriate contributions for continued coverage under the preceding non-health benefit plans by direct payments made to these plans. Depending on the particular plan, the City will inform the employee whether the premiums should be paid to the carrier or to the City. An employee's coverage on a particular plan may be dropped if they are more than thirty (30) days late in making a premium payment. However, the employee will receive a notice at least fifteen (15) days before coverage is to cease, advising the employee that they will be dropped if their premium payment is not paid by a certain date. Employee contribution rates are subject to any change in rates that occurs while the employee is on leave.

VII. SUBSTITUTION OF PAID ACCRUED LEAVES

While on leave under this policy, an employee may elect to concurrently use paid accrued leaves. Similarly, the City may require an employee to concurrently use paid accrued leaves after requesting FMLA/CFRA leave, and may also require an employee to use Family and Medical Care Leave concurrently with a non-FMLA/CFRA leave which is FMLA/CFRA-qualifying.

A. Use of Paid Accrued Leaves Concurrently With Family Leave

Where an employee has earned or accrued paid vacation or administrative leave that paid leave may be used concurrently with FMLA/CFRA leave. However, the employee is not required to use compensatory time under FMLA/CFRA.

An employee may use sick leave concurrently with FMLA/CFRA leave if the leave is needed to care for a parent, spouse, or child with a serious health condition, and would be permitted as sick leave under the City's sick leave policy.

An employee must use sick leave concurrently with FMLA/CFRA leave if the leave is for the employee's own serious condition.

B. City's Right To Require An Employee To Use FMLA/CFRA Leave Concurrently With Other Leaves

If an employee takes a leave of absence for any reason which is FMLA/CFRA qualifying, the City may designate that non-FMLA/CFRA leave as running concurrently with the employee's 12-week FMLA/CFRA leave entitlement. The only exception is for public safety officers who are on leave pursuant to Labor Code § 4850.

C. City's and Employee's Rights If An Employee Requests Accrued Leave Without Mentioning Either the FMLA or CFRA

If an employee requests to utilize accrued vacation leave or other accrued paid time off without reference to a FMLA/CFRA qualifying purpose, the City may not ask the employee if the leave is for a FMLA/CFRA qualifying purpose. However, if the City denies the employee's request and the employee provides information that the requested time off is for a FMLA/CFRA qualifying purpose, the City may inquire further into the reason for the absence. If the reason is FMLA/CFRA qualifying, the City may require the employee to use accrued leave as described above.

VIII. MEDICAL CERTIFICATION

Employees who request leave for their own serious health conditions or to care for a child, parent, or spouse who has a serious health condition must provide written certification from the health care provider of the individual requiring care if requested by the City.

If the leave is requested because of the employee's own serious health condition, the certification must include a statement that the employee is unable to work at all or is unable to perform the essential functions of the position.

A. Time To Provide A Certification

When an employee's leave is foreseeable and at least thirty (30) days' notice has been provided, if a medical certification is requested, the employee must provide it before the leave begins. When this is not possible, the employee must provide the requested certification to the City within the time frame requested by the City (which must be at least fifteen (15) calendar days after the employer's request), unless it is not practicable under the particular circumstances to do so despite the employee's diligent, good faith efforts.

B. Consequences For Failure To Provide An Adequate Or Timely Certification

If an employee provides an incomplete medical certification, the employee will be given a reasonable opportunity to cure any such deficiency.

However, if an employee fails to provide a medical certification within the time frame established by this policy, the City may delay the taking of FMLA/CFRA leave until the required certification is provided.

C. Recertification

If the City has reason to doubt the validity of a certification, the City may require a medical opinion of a second health care provider chosen and paid for by the City. If the second opinion is different from the first, the City may require the opinion of a third provider jointly approved by the City and the employee, but paid for by the City. The opinion of the third provider will be binding. An employee may request a copy of the health care provider's opinions when there is a recertification.

D. Intermittent Leave Or Leave On A Reduced Leave Schedule

If an employee requests leave intermittently (a few days or hours at a time) or on a reduced work schedule to care for an immediate family member with a serious health condition, the employee must provide medical certification that such leave is medically necessary. "Medically necessary" means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule.

IX. EMPLOYEE NOTICE OF LEAVE

Although the City recognizes that emergencies arise which may require employees to request immediate leave, employees are required to give as much notice as possible of their need for

leave. If leave is foreseeable, at least ten (10) days notice is required. In addition, if an employee knows that leave will be required in the future, but does not know the exact dates (e.g., for the birth of a child or to take care of a newborn), the employee shall inform the supervisor as soon as possible that such leave will be needed. Such notice may be orally given.

If the City determines that an employee's notice is inadequate or the employee knew about the requested leave in advance of the request, the City may delay the granting of the leave until it can, in its discretion, adequately cover the position with a substitute.

X. REINSTATEMENT UPON RETURN FROM LEAVE

A. Right To Reinstatement

Upon expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Employees have no greater rights to reinstatement, benefits and other conditions of employment than if the employee had been continuously employed during the FMLA/CFRA period.

If a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated on the date agreed upon. If the reinstatement date differs from the original agreement of the employee and City, the employee will be reinstated within two (2) business days, where feasible, after the employee notifies the employer of his/her readiness to return.

B. Employee's Obligation To Periodically Report

Employees may be required to periodically report on their status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return.

C. Fitness For Duty Certification

As a condition of reinstatement of an employee whose leave was due to the employee's own serious health condition, which made the employee unable to perform his/her job, the employee must obtain and present a fitness-for-duty certification from the health care provider. Failure to provide such certification will result in denial of reinstatement.

D. Reinstatement Of "Key Employees"

The City may deny reinstatement to a "key" employee (i.e., an employee who is among the highest-paid 10 percent of all employed by the City within 75 miles of the work site) if such denial is necessary to prevent substantial and grievous economic injury to the operations of the City, and the employee is notified of the City's intent to deny reinstatement at the time the City determines that such injury would occur.

XI. REQUIRED FORMS

Employees must fill out the following applicable forms in connection with leave under this policy:

1. "Request For Family or Medical Leave Form;"
2. Medical certification—either for the employee's own serious health condition or for the serious health condition of a child, parent or spouse;
3. Authorization for payroll deductions for benefit plan coverage continuation; and
4. Fitness for duty to return from leave form.

Section 9 - Administrative Leave

Upon approval of the City Manager, any permanent or probationary employee may be placed on administrative leave pending some additional action or decision. Such administrative leave shall be with full pay and is not disciplinary.

Section 10 - Bereavement Leave

Up to five (5) days of bereavement leave may be granted to permanent employees by the department head in the event of death in the employee's immediate family. Requests for bereavement leave shall be subject to approval of both the department head and City Manager and will be charged to accumulated vacation, sick, or compensatory time off at the discretion of the employee as long as the employee has a sufficient amount of leave hours.

Section 11 - Special Leave Without Pay

A permanent employee who, for any reason considered valid by the department head and the City Manager, desires to secure leave, may be granted leave of absence without pay for a period not exceeding one (1) year. Such leave is not a right but a privilege.

An employee asking for leave without pay shall submit a request in writing stating the reasons for the leave. The department head must recommend whether the employee is entitled to leave and the City Manager may approve.

- (a) Physical Fitness: If the City Manager has a reasonable belief an employee is not fit for performance of duties, the City Manager shall direct the employee to undergo a physical/psychological examination by a physician provided and paid for by the City. If the examination concludes that the employee is unfit, the City Manager may demote or transfer the employee to a position for which the

employee is fit, place the employee on paid or unpaid leave, seek disability retirement for the employee, or terminate the employee. Note: If the employee agrees that they can no longer fulfill their job position requirements, they may at their option, quit their employment with the City and not take the disability retirement

- (b) Course of Study: An employee who desires to engage in a course of study that will increase his/her usefulness in the City service, or has other good reason, may be granted a special leave of absence without pay upon the recommendation of the department head and the approval of the City Manager. Leave in excess of six (6) months shall be approved by the City Manager and the City Council. In no case shall the leave of absence under this rule be for a period of more than one (1) year.
- (c) Personal Business: An employee may be granted leave without pay for personal reasons upon the recommendation of the department head and approval by the City Manager. No employee may have more than two (2) weeks of leave of absence without pay in any one (1) calendar year for personal business.

Section 12 - Jury Duty and Court Appearance Leave

Every permanent or probationary employee who is called or required to serve as a juror shall be entitled to be absent from work duties during the period of such service.

An employee who is subpoenaed to appear in court regarding an event or transaction perceived or investigated in the course of duty shall be allowed to do so without loss of compensation. An employee subpoenaed to appear in court in a matter unrelated to his or her official capacity as an employee shall be permitted time off without pay or, if the employee chooses, vacation time off.

Section 13 - Pregnancy Leave

A pregnant employee shall be entitled to a leave of absence without pay for up to four (4) months, so long as the employee's attending physician certifies that she is physically unable to work due to pregnancy, childbirth, or a related medical condition. During said leave of absence without pay, the employee has the option of using accumulated sick leave, compensatory time, and vacation credits.

Upon expiration of the approved leave, the employee shall be reinstated to her former position or to a comparable one if the former position is abolished during the period of leave and the employee would otherwise not have been laid off. The comparable position is one having similar terms of pay, location, job content, and promotional opportunities. Prior to the employee being reinstated, the department head may require a statement from the attending physician that the employee is physically capable of resuming the regular duties of her position.

An employee who plans to take such a leave should give reasonable notice of the date the leave shall commence and the estimated duration of the leave. An employee who fails to return to work after the end of the authorized leave forfeits her reinstatement rights.

Female employees shall be reasonably accommodated for conditions related to pregnancy, childbirth, and related medical conditions if the employee requests an accommodation on the advice of her healthcare provider.

The City will provide a reasonable amount of break-time to employees who are breast feeding to express milk. If possible, the break-time will be time already provided. If not, the break-time will be unpaid. The City will provide a private location close to the employees work area for this break. The break time may be denied if it would seriously disrupt the department's operations.

Section 14 - Military Leave

Military leave shall be granted in accordance with the provisions of state and federal law. An employee requesting leave for this purpose shall provide the department head, whenever possible, with a copy of the military orders specifying the dates, site and purpose of the activity or mission. Within the limits of such orders, the department head may determine when the leave is to be taken and may modify the employee's work schedule to accommodate the request for leave.

ARTICLE VIII - EMPLOYEE PERFORMANCE REPORTS

Section 1 - Performance Report Objectives

The purpose of performance reports is to help develop better City service and improve employees through periodic evaluation and recording of the employee's performance. The objective is to let management and the employee know how the employee is progressing, strong points as well as weak, to give recognition for good work, and to provide a guide for improvement.

A performance report may be used to help determine eligibility for promotion, as well as the order of layoff and reinstatement in the event where employees have the same hiring date. Performance ratings may also be taken into consideration in matters relating to transfer and disciplinary matters.

Section 2 - Submission of Performance Reports

Generally, probationary employees should be evaluated every three (3) months (quarterly).

For all employees who have passed their probationary period, performance reports should be done once a year and cover the previous twelve (12) months performance. These reports are to be completed by the department head or supervisor prior to the employee's anniversary date and transmitted to the City Manager for review and filing. All service ratings are to be retained in the personnel jackets of the employees.

Section 3 - Degrees of Performance

For the purpose of this Rule, the following definitions shall apply:

- Outstanding (5) = Exemplary performance greatly exceeding performance standards. Excellence in planning, directing, coordinating, organizing, and decision-making are apparent. Serves as a model. Performed a task or assignment in such a way as to indicate that there is absolutely no way to improve the quality of work associated with it.

- Commendable (4) = Performance which consistently exceeds the level the evaluator expects on performance standards. Completes tasks in a way that results in positive progress and desired outcomes. Demonstrate performance standards which exceed established standards for a person occupying that position.

- Competent (3) = Meets expectations and performs standards established for that position. Does not mean average. Has met all the expectations and standards established.

- Improvement
Needed (2) = Some erratic performance on standards or falls short of the typically expected standards. Requires some corrective action. Errors need to be reduced. May be doing some things correctly, however process and other decisions may be questionable. Performance is below standard expectations of a fully competent employee.
- Unsatisfactory (1) = Unsatisfactory performance which warrants immediate attention. Not doing sufficient work to gather information or using information in such a way that it results in reasonable decisions or actions. May have problems in knowledge, skill, organization, work, or compliance with rules, laws, policies, programs, specifications, etc. Performance is far below standard expectations.

Section 4 - Responsibility for Originating Performance Reports

The department head is responsible for originating performance reports, normally quarterly for probationers and annually for permanent employees. (See Section 2)

Special reports may be done by a department head or supervisor when changes in performance warrant it.

A supplemental follow-up shall be initiated by the department head within ninety (90) days of an unsatisfactory report.

Section 5 - Performance Rating Procedure

The first-line supervisor most directly familiar with the employee's service during the rated period should be charged with the rating responsibility. If the employee has had more than one (1) supervisor during the rating period, the other supervisors should be consulted by the rater before a rating.

Steps to be followed in the rating procedure:

- (a) Preliminary rating by the supervisor.
- (b) Review by department head.
- (c) Rating interview with the employee.
- (d) Review of rating by the Human Resource Department Director.
- (e) Filing of rating form with the Human Resource Department.

All performance reports shall be completed by the department head and filed with the Human Resource Department within fourteen (14) calendar days following the period covered by the report. Failure of the department head to complete and file the performance report within the fourteen (14) calendar days following the period covered by the report may result in disciplinary action per Article IX by the City Manager in an effort to insure timely completion of performance reports. If an employee is due a merit step salary increase, the salary increase shall not be delayed because a performance report has not been completed and turned in by the due date.

The employee shall be required to sign the performance report, such signature acknowledges notification and not either agreement or disagreement. In the event that the employee disagrees with the evaluation, the employee shall be informed that he/she may submit a written statement which shall accompany and be attached to the performance report. This statement must be prepared and submitted to the department head within five (5) working days of acknowledgement of the report.

**City of Imperial Beach – Personnel Rules
(Amended November 20, 2013)**

ARTICLE IX – DISCIPLINARY PROCEDURE

Section 1 - Kinds of Disciplinary Actions

The desirable first step in modifying or changing undesirable employee work performance, action or behavior whenever possible, is to counsel orally an employee on the areas that need to be improved, changed, or stopped and to provide clear guidance on what the work-related expectations are. However, when this is not successful in changing the undesirable performance, act, or behavior, or the undesirable performance, act, or behavior is of such a nature that it warrants a higher level of intervention action, a permanent employee of the City in the Competitive Service may be disciplined or removed from employment for cause by the appointing authority.

Kinds of disciplinary action may include the following:

- (a) Discharge or dismissal;
- (b) Demotion;
- (c) Suspension without pay;
- (d) Reduction in pay, either one or more steps within the salary range permanently or for a fixed period of time;
- (e) Written reprimand;

Section 2 - Cause for Disciplinary Action

Any of the following shall be deemed sufficient cause for disciplinary action against any employee with permanent status in the Competitive Service. Charges may be based on causes other than those enumerated, if the action is deemed, by the City Manager or designee, to have a potential detrimental affect to work-related conditions, work-related environment, work-related performance, and/or to the City and its citizens:

- (a) Violations of these rules;
- (b) Inefficiency, incompetence, or negligence in the performance of duties, including failure to perform assigned tasks or training or failure to discharge duties in a prompt, competent, and responsible manner;
- (c) Willful disobedience or insubordination; or violation of any lawful or official regulation or order; or failure to obey any lawful and reasonable direction given by a superior officer;

- (d) Refusal, neglect, or failure to perform;
- (e) Excessive use or misuse of sick leave;
- (f) Any form of dishonesty, including but not limited to lying, fraud, cheating, deceit, or trickery;
- (g) Intoxication while on duty;
- (h) Fighting or disorderly conduct;
- (i) Discourteous or offensive treatment to the public or other employees;
- (j) Absence without leave, or failure to report after leave of absence has expired or after such leave of absence has been disapproved or revoked by the appointing authority;
- (k) Conviction of a felony or misdemeanor which is job-related. Conviction includes a plea of guilty or no contest;
- (l) Abuse, gross negligence, or willful misconduct in the care or operation of City tools or equipment; causing damage to public property or waste of public supplies;
- (m) Soliciting or accepting for personal use a fee, gift, or other item of value in the course of or in connection with work when such fee, gift, or other item of value so solicited or given by any person in the hope or expectation of receiving an advantage, a favor, or better treatment than that accorded other persons;
- (n) Failure to obey an order from the department head or the City Manager to terminate or desist from outside employment or enterprise that has been determined to be incompatible with City employment or detrimental to the efficiency of regular City work;
- (o) Fraud in securing initial employment or subsequent appointment to higher position in City service;
- (p) Violation of safety procedures;
- (q) Immoral conduct while on duty or other failure of good behavior either during or outside of duty hours which does or could discredit the City;
- (r) Refusal to take or subscribe to any oath or affirmation which is required by law in connection with employment;

- (s) The use, sale, or possession of illegal narcotics, not prescribed by a physician while on duty;
- (t) Working overtime without authorization.

Section 3 - Written Reprimand

Written Reprimand of substandard performance or misconduct may be given to an employee at any time an employee's performance or actions warrants it. The employee may submit a written response to the reprimand within ten (10) days of its receipt. A written reprimand and response, if any, will be placed in the employee's Personnel file. The employee has no right to appeal a reprimand.

Section 4 - Notice of Intent

Whenever the department head intends to suspend an employee, demote an employee, reduce an employee in pay, or discharge the employee, the department head shall give the employee a written notice of discipline which sets forth the following:

- (a) The intended disciplinary action;
- (b) The specific charges upon which the action is based;
- (c) A factual summary of the grounds upon which the charges are based;
- (d) A copy of all written materials, reports, or documents upon which the discipline is based;
- (e) Notice of the employee's right to respond to the charges, either orally or in writing, to the City Manager or other impartial designee;
- (f) The date, time and person before whom the employee may respond in no more than ten (10) business days;
- (g) Notice that failure to respond by the specified time shall constitute a waiver of the right to respond prior to final discipline being imposed.

Section 5 - Response by Employee

The employee shall have the right to respond to the City Manager, or impartial designee, orally or in writing. The employee shall have a right to be represented at any meeting set to hear the employee's response. In cases of suspensions, demotions, reductions in pay, or discharge, the employee's response will be considered before final action is taken.

Section 6 - Final Notice

After the response or the expiration of the employee's time to respond to the notice of intent, the City Manager, or impartial designee, shall: (1) dismiss the notice of intent and take no disciplinary action against the employee; or (2) modify the intended disciplinary action; or (3) prepare and serve upon the employee a final notice of disciplinary action. The final notice of disciplinary action shall include the following:

- (a) The disciplinary action taken;
- (b) The effective date of the disciplinary action taken;
- (c) Specific charges upon which the action is based;
- (d) A factual summary of the facts upon which the charges are based;
- (e) The written materials, reports, and documents upon which the disciplinary action is based;
- (f) The employee's right to appeal to the Personnel Board.

Section 7 - Appeal Hearing

The appeal procedure shall apply only to cases of disciplinary suspensions, reductions in pay, demotion, and discharges affecting permanent employees within the competitive service.

1. Request for Hearing

Within seven (7) working days after final notice of suspension, reduction in pay, demotion, or dismissal, the employee or the employee's representative may file an appeal in writing to the City Manager. If, within the seven (7) working day appeal period, the employee does not file said appeal, unless good cause for the failure is shown, the action of the City shall be considered conclusive and shall take effect as prescribed.

The appeal shall include the following:

- (a) An admission or denial of each charge, with an explanation why the charge is admitted or denied.
- (b) A statement that the employee disagrees with the penalty, with an explanation of the employee's position.
- (c) The employee's current address.

- (d) A request for a hearing.

Failure to provide this information may result in the appeal not being processed.

2. Scheduling of Hearing

Upon receipt of the request for an appeal, the City Manager shall schedule a hearing before the Personnel Board. The appeal hearing shall be set not less than twenty (20) working days nor more than sixty (60) working days from the date of the filing of the appeal. All interested parties shall be notified in writing of the date, time, and place of the hearing at least ten (10) working days prior to the hearing.

3. Private or Public Hearings

All hearings shall be private provided that the employee may request a hearing open to the public.

Any request for an open hearing shall be submitted five (5) working days prior to the hearing date, or the hearing will be closed.

4. Pre-Hearing Procedure

a. Subpoenas

The Personnel Board is authorized to issue subpoenas at the request of either party prior to the commencement of the hearing. After the commencement of the hearing, subpoenas shall be issued by the Board only for good cause. The Personnel Department will prepare subpoenas for all witnesses; however, they will only serve subpoenas for current city employees. It will be the responsibility of the employee or the City to serve subpoenas on individuals who are not currently employed by the City. It will be the responsibility of the employee and the city to submit the names of current city employees to be subpoenaed at least ten (10) working days before the date of the hearing in which they are requesting the witnesses to appear.

b. Exhibits and Witness Lists

Five (5) working days prior to the date set for the hearing, each party shall serve upon the other party and submit to the Personnel Department a list of all witnesses and a list and copy of all exhibits. An original and nine (9) copies of the exhibits shall be presented to the Personnel Board in 3-hole notebooks which are tabbed down the side with the exhibit numbers. The employer's exhibits shall be designated by number. The employee's exhibits shall be designated by letters. Neither party will be permitted to call during the hearing a witness not identified pursuant to this section nor

to use any exhibit not provided pursuant to this section unless that party can show the prior need for such witness or such exhibit could not reasonably have been anticipated.

5. Submission to the Personnel Board

Five (5) working days prior to the date of the hearing, the Personnel Department shall present each member of the Personnel Board with a copy of the jurisdictional documents. Those documents include the notice of intent to take disciplinary action, the final notice of disciplinary action, and any response from the employee to these documents. The Board shall be provided with copies of the exhibits at the hearing.

6. Record of Proceedings and Costs

a. Court Reporter

All disciplinary appeal hearings may, at the discretion of the Board, be recorded by a court reporter. Any hearing which does not utilize a court reporter, shall be recorded by audiotapes. If a court reporter is requested by either party, that party shall pay the cost of the court reporter. If both parties request a court report, the cost will be split equally. If the Board requests the court reporter, the City shall pay the cost of the reporter.

b. Employee Witness Compensation

Employees of the City who are subpoenaed to testify during working hours will be released and compensated while appearing at the hearing. The Board may direct that these employees remain on call until called to testify. Employees who are subpoenaed to testify during non-working hours will be compensated for the time they are required to be on call, if required, and actually testify, unless the City agrees to a different arrangement.

7. Conduct of the Hearing

a. The hearing need not be conducted in accordance with technical rules relating to evidence and witnesses, but hearings shall be conducted in a manner most conducive to determining the truth.

b. Any relevant evidence may be admitted if it is the type of evidence on which reasonable persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules which might make improper the admission of such evidence over objection in civil actions.

- c. The rules dealing with privileges shall be effective to the same extent that they are now or hereafter may be recognized in civil actions.
- d. Irrelevant and unduly repetitious evidence may be excluded.
- e. The Personnel Board shall determine the relevancy, weight, and credibility of testimony and evidence. Decisions made by the Board shall not be invalidated by any informality in the proceedings.
- f. During examination of a witness, all other witnesses, except the parties, shall be excluded from the hearing upon motion of either party.

8. Burden of Proof

In a disciplinary appeal, the employer has the burden of proof by preponderance of the evidence.

9. Proceed with Hearing or Request for Continuance

Each side should be asked if it is ready to proceed. If either side is not ready and wishes a continuance, good cause must be stated. The Board will determine whether good cause exists and will grant or deny the request accordingly.

10. Testimony under Oath

All witnesses shall be sworn in for the record prior to offering testimony at the hearing. The chairperson will ask witnesses to raise their right hands and respond to the following:

“Do you swear that the testimony you are about to give at this hearing is the truth, the whole truth, and nothing but the truth?”

11. Presentation of the Case

The hearing shall proceed in the following order, unless the Personnel Board directs otherwise:

- a. The City shall be permitted to make an opening statement.
- b. The employee or representative shall be permitted to make an opening statement, or reserve an opening statement, until presentation of the case.
- c. The City shall produce its evidence.
- d. The employee may then offer evidence.

- e. The City followed by the appealing party (employee) may offer rebutting evidence.
- f. Closing arguments shall be permitted. The party with the burden of proof shall have the right to close the hearing by making the last argument. The Board may place a time limit on closing arguments. The Board or the parties may request the submission of written briefs. After such a request for submittal of written briefs, the Board will determine whether to allow the parties to submit written briefs and determine the number of pages of said briefs.

12. Procedure for the Parties

The department and the employee will address their remarks, including objections, to the Chair of the Board. Objections may be ruled upon summarily, or argument may be permitted. The Chair reserves the right to terminate argument at any time and issue a ruling regarding an objection or any other matter, and thereafter the parties shall continue with the presentation of their cases.

13. Right to Control Proceedings

While the parties are generally free to present their cases in the order that they prefer, the Chair reserves the right to control the proceedings, including but not limited to altering the order of witnesses, limiting redundant or irrelevant testimony, or directly questioning witnesses.

14. Hearing Demeanor and Behavior

All parties and their attorneys or representatives shall not, by written submission or oral presentation, disparage the intelligence, ethics, morals, integrity, or personal behavior of their adversaries or members of the Board.

15. Deliberation Upon the Case

The Board may choose to either deliberate the case in public or adjourn to closed session to deliberate. The Board will consider all oral and documentary evidence, the credibility of witnesses, and other appropriate factors in reaching its decision. The Board may deliberate at the close of the hearing or at a later, fixed date and time.

16. Written Findings and Decision

The Personnel Board shall render its findings and decision as soon after the conclusion of the hearing as possible, but not later than ten (10) working days after concluding the hearing, unless otherwise stipulated to by the parties. A finding must be made by the Board on each material issue.

The Personnel Board may sustain or reject any or all of the charges filed against the employee. The Board may sustain, reject, or modify the disciplinary action invoked against the employee. If the Board reinstates the terminated employee, the employee is only entitled to back pay minus the sum the employee has earned during the period of absence. If a discharge is not sustained, the proposed decision shall set forth a recommended effective date the employee is to be reinstated.

The City Council sits as the Personnel Board.

17. Judicial Review

Judicial review of any final decision by the City Council may be had under Section 1.18.010 of the Imperial Beach Municipal Code.

Section 8 - Failure of Employee to Appear at Hearing

Failure of the employee to appear at the hearing, without just cause, shall be deemed a withdrawal of the appeal and the action of the City Manager shall be final.

Section 9 - Releasing of Information

No information will be released relative to disciplinary action against municipal employees without prior approval of the City Manager.

**City of Imperial Beach – Personnel Rules
(Amended November 20, 2013)**

ARTICLE X – GRIEVANCE PROCEDURE

Section 1 - Purpose of Grievance Procedure

The purpose and objective of this grievance procedure is to provide a just and equitable method for the resolving of grievances as quickly as possible without discrimination, coercion, restraint, or reprisal against any employee or management representative who may be involved in a grievance or its resolution.

Section 2 – Definitions

For the purpose of this grievance procedure, the following definitions apply:

- (a) Employee Representative: An individual who appears on behalf of the employee.
- (b) Grievance: A written complaint of an employee or a group of employees claiming violation of the application or interpretation of the specific express terms of the Personnel Rules or other written rules or regulations for which no other specific method of review is provided in City rules.
- (a) Grievant: An employee or group of employees in the competitive service adversely affected by an act or omission of the City.

Section 3 – Grievance Procedure Exclusions

A grievance is not reviewable under this procedure if it requires modification of a policy established by law or is a matter which is reviewable under some other administrative procedure or Personnel Rule. The following are not grievable:

- (a) Applications for changes in title, job classification, or salary.
- (b) Appeals from formal disciplinary proceedings.
- (c) Appeals arising out of merit system examinations or appointment.
- (d) Appeals from work performance evaluations.
- (e) Complaints arising from the City's health insurance plan.

Section 4 - Specifics of the Grievance

1. Procedure for Presentation:

In presenting a grievance, the employee shall set forth the following information:

- (a) The specific section of the rules allegedly violated.
- (b) The specific act or omission which gave rise to the alleged violation.
- (c) The date or dates on which the violation occurred.
- (d) The documents, witnesses, or other evidence that supports your position.
- (e) The remedy requested.

2. Prescribed Form:

The written grievance shall be submitted on a form provided by the City.

3. Employee Representative:

The employee may choose a representative at any step in the procedure. No person hearing a grievance need recognize more than two representatives for any employee at any one time, unless desired.

4. Handled During Working Hours:

Whenever possible, grievances will be handled during the regularly scheduled working hours of the parties involved. A grievance shall be presented and processed on City time. This requirement may be waived by mutual agreement. In scheduling the time, place, and duration of any grievance meeting, the employee, the employee's representative, and management shall give due consideration of all the participants' responsibilities in the essential operations of the department.

5. Extension or Waiver of Time:

Any higher level of review or any time limits established in this procedure may be waived or extended by mutual agreement confirmed in writing.

6. Consolidation of Grievances:

If the grievance involves a group of employees or if a number of employees file separate grievances on the same matter, the grievances may be handled as a single grievance.

Section 5 - Grievance Procedure Steps

The following procedure shall be followed by an employee submitting a grievance:

- (a) Grievance to Supervisor: Whenever an employee believes a grievance exists, the employee must discuss the matter informally with the supervisor within twenty (20) working days of the incident on which the grievance is based, occurred, or within twenty (20) working days of the date the employee knows or is shown to have known of the incident. If, after this discussion, the grieving party does not believe the problem has been satisfactorily resolved, within ten

(10) working days of the initial meeting, a written grievance may be filed.

- (b) Grievance to Department Head: If the employee and the supervisor cannot reach an agreement as to the grievance or the employee has not received a written decision within five (5) working days, the employee may, within five (5) working days, present the grievance in writing to the department head. The department head shall review the grievance and give a written decision to the employee within five (5) working days after receiving the grievance.
- (c) Grievance to City Manager: If the employee and the department head cannot reach an agreement as to the grievance or the employee has not received a decision within ten (10) working days, the employee may, within ten (10) working days, present his grievance in writing to the City Manager. The City Manager shall review the grievance and give a written decision to the employee within ten (10) working days after receiving the grievance.
- (d) Appeal to Personnel Board: If the employee and the City Manager cannot reach an agreement as to the grievance or the employee has not received a decision within ten (10) working days, the employee may, within ten (10) working days, appeal to the Personnel Board. The rules for the hearing are set forth in Article IX, Section 7, except that the grievant shall have the burden of proof and the order of presentation shall be the reverse, that is the grievant shall present a case first, followed by the City.

ARTICLE XI-SEPARATION FROM EMPLOYMENT

Section 1- Resignation

An employee in the Competitive Service who resigns should give written notice to the City stating the effective date and reasons for leaving, at least two (2) weeks in advance of the last day of actual work. A resignation when received by the City Manager is final and irrevocable. Failure to give notice as required by this rule may be cause for denying future employment by the City.

Section 2 - Job Abandonment

Any employee who is absent from duty for three (3) consecutive working days without first having secured leave of absence or without notification to the City shall automatically be considered to have resigned. Similarly, any employee who fails to return within three (3) working days following the expiration of an approved leave of absence without notifying the City shall automatically be considered to have resigned. The employee is not entitled to an appeal

In the event of exceptional circumstances, where an automatic resignation appears to be a miscarriage of justice, the City may set aside the resignation and restore the employee to the employee's position or allow the employee to resign in good standing.

Section 3- Rejection During Probationary Period

Any employee who is rejected while serving a probationary period has no right of appeal. In the case of a probationer who had permanent status prior to accepting the appointment to the position for the probationary period being served, any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged for cause.

An employee rejected during the probationary period from a position to which the employee has been promoted shall be reinstated to a position in the classification from which promoted, if vacant, unless the employee is discharged from the City service for cause.

Section 4 - Layoff

1. Statement of Intent: Whenever, in the judgment of the City Council, it becomes necessary to eliminate any position or employment, the employee holding such position or employment may be laid off or demoted without disciplinary action and without the right of appeal.
2. Notification: Employees to be laid off shall be given, whenever possible, at least thirty (30) calendar days, prior notice.
3. Order of Layoff: Employees shall be laid off in the inverse order of their seniority in their classifications. Seniority shall be determined based upon date of hire. A lay-off out of the inverse order of seniority may be made if, special job skills are required. Within each class, employees shall be laid off in the following order, unless special skills are required: temporary, part-time, probationary, permanent.

In cases where there are two (2) or more employees in the classification from which the lay-off is to be made who have the same seniority date, such employees shall be laid off on the basis of the last evaluation rating in the class, providing such rating has been on file at least thirty (30) days and no more than twelve (12) months prior to lay off, as follows:

Section 5-Demotion in Lieu of Layoff:

Permanent employees who are designated to be laid off and have held permanent status in a lower classification within the same series (e.g., planning series, engineering series, fire series, etc.) in the same department may displace employees in the lower classification, provided that the employee exercising the displacement privilege has a greater length of service in the classification than the incumbent in the classification to which the employee is bumping, and providing the employee exercising the displacement privilege still possesses the necessary qualifications and certifications for that particular position, and had a competent or better-overall rating on last written evaluation. If the employee in the higher classification has not held status in a lower classification, then no displacement rights accrue to that individual. Conditions which affect displacement rights are as follows:

- (a) The employee exercising the displacement privilege will displace employees in lower classifications in the inverse order of seniority.
- (b) All employees must exercise displacement privileges within five (5) working days after receipt of the Notice of Layoff, through written notice to the Personnel Director. If this option is not exercised within the specified time period, it is automatically forfeited.

Upon request of the employee, and with approval of the appointing authority, an employee who has not held status in a lower classification may be allowed to demote to a vacant authorized position in the same department if he/she meets all the requirements of the lower position as determined by the City Manager or designee.

All employees who are demoted under this paragraph will be paid at the rate of pay for the lower position.

Section 6-Discharge

An employee in the competitive service may be discharged at any time as provided in Article IX.

Section 7 - Return of City Property Upon Separation

Employees separating from service for any reason shall return all City property on or before the last date of employment.

Section 8-Termination of Temporary Employees

Temporary full-time and part-time employees may be terminated at any time, with or without notice, without cause and without right of appeal.

**City of Imperial Beach – Personnel Rules
(Amended May 4, 2016)**

ARTICLE XII – REEMPLOYMENT

Section 1 - Re-instatement After Resignation

Any permanent employee in good standing who has resigned from a classification may, within one (1) year, request that the City Manager reinstate the employee's name to an employment list for such class.

Such resigned employees shall be placed on the reinstatement list as of the date of the City Manager's approval of reinstatement. The names of resigned employees on a reinstatement list shall be certified to department heads as set forth in Article IV. Prior to re-employment, the employee may be required to successfully pass a physical and/or psychological examination.

Employees who are reinstated do not serve a new probationary period.

Section 2 - Re-employment After Layoff

Any employee who has permanent status in a classification and who is laid off or who is demoted in lieu of being laid off shall be placed on the re-employment list for such class. The order of names on a re-employment list shall be based on length of service in that classification or higher classes.

Re-employment lists shall be maintained for each classification of positions. Certification from reemployment lists shall be made before certification from employment lists.

A name shall be placed on the re-employment list for the classification for a period of twelve (12) months; provided, however, an eligible who has not been re-employed within the twelve (12) months may request the City Manager in writing to extend eligibility for another twelve (12) months. The City Manager may at his/her discretion grant or deny such request.

An employee who is laid off will, if reappointed within twelve (12) months, be credited with unused sick leave existing at the time of lay-off. Permanent employees who are re-employed do not serve a probationary period and shall be granted their seniority as of the date of layoff. Part-time permanent employees can only be re-employed to part-time permanent positions.

Section 2.1 - Re-Employment after SAFER Layoff

This section applies only to Fire-Rescue department employees covered under the terms of the SAFER grant at the time of their lay-off. The name of a SAFER grant

firefighter shall be placed on a re-employment list (based on their position on the final ranking list) for a period of twelve (12) months. This list shall expire when either twelve (12) months have elapsed from the end of the SAFER grant or there is nobody left on the list.

A SAFER employee who is laid off will, if reappointed within twelve (12) months, be credited with unused sick leave existing at the time of layoff.

Any employee appointed from a re-employment list must complete the City's rehire process.

Section 2.0 above does not apply to SAFER grant employees.

ARTICLE XIII - EMPLOYEE CONDUCT AND RESPONSIBILITY

(Amended 11-3-10)

Section 1 - Responsibilities of Employees

By virtue of their employment by the City, employees are obligated to maintain a high standard of conduct. They shall discharge faithfully the duties of their office, regardless of personal considerations, recognizing that the public interest must be their primary concern. Their conduct should be above reproach.

All employees of this City should be loyal to the objectives expressed by the electorate and to the programs developed to attain these objectives.

All elected officials are subject to the conflict of interest and ethics laws of the State of California.

Section 2 - Prohibited Political Activities

No employee shall engage in political activities:

- (a) During working hours
- (b) On City premises. (Unless the event is in a City designated park and not during working hours. Any other City facility requires the approval of the City Manager or designee prior to the event.)
- (c) While in uniform

Section 3 - Prohibited Use of City Property

No equipment, autos, trucks, instruments, tools, supplies, machines, or other property of the City shall be issued by any employee for personal use, except upon written approval of the City Manager, or designee. No employee shall allow any unauthorized person to rent, borrow, or use City property except upon the written approval of the City Manager.

Section 4 - Outside Employment

A City employee shall not engage in any employment, enterprise, or outside activity that conflicts with the employee's duties, functions, responsibilities, as a City employee nor shall an employee engage in any compensatory outside activity that will directly or indirectly contribute to the lessening of the employee's effectiveness as a City employee.

Section 5 - Conflict of Interest

No employee, whether paid or unpaid, shall engage in any business or transaction or shall have a financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of his/her official duties in the public interest or would tend to impair his/her independence or judgment or action in the performance of his/her official duties. Personal, as distinguished from financial interest, includes an interest arising from blood or marriage relationships or close business or political association. Special conflicts of interest are enumerated below for the guidance of officials and employees:

- A. Incompatible Employment. No employee shall engage in or accept private employment or render private employment or render services for private interests when such employment or service is incompatible with the proper discharge of his/her official duties or would tend to impair his/her independence of judgment or action in the performance of his/her official duties.
- B. Representing Private Interests Before City Agencies or Courts. No employee whose salary is paid in whole or in part by the City shall appear on behalf of private interests before any agency of the City. He/she shall not represent private interests in any litigation to which the City is a party.
- C. Gifts and Favors. No employee shall accept any gift of value, whether in the form of service, loan, thing, or promise from any person, firm, or corporation if such acceptance is in violation of the laws of the State of California.
- D. Disclosure of Confidential Information. No employee shall, without prior formal authorization of the public body having jurisdiction, disclose any confidential information concerning any official or employee, or any other person, or any property or governmental affairs of the municipality. Whether or not it shall involve disclosure, no employee shall use or permit the use of any such confidential information to advance the financial or personal interest of himself or any other person.
- E. Improper Use of Official Information. No employee shall disclose official information without either appropriate general or specific authority granted by the department head and/or City Manager. However, this does not preclude the release of information to the press or public upon approval by the appropriate supervisor. City employees shall not, directly or indirectly, make use of, or permit others to make use of, official information not made available to the general public, for the purpose of furthering any interest, either public or private that has not been previously determined by the City Manager to be for the good of the municipality.

- F. Personal Advertising. No employee shall permit the use of their photographs or names for advertising purposes, or by testimonial, recommendation or other means participate in any advertising scheme or enterprise related to or based upon their employment with the City without the prior approval of the City Manager.
- G. Acceptance of Fees or Compensation. No employee shall accept any fees or compensation of any kind from any person, agency, court, court official, or any others, except such fees and compensation as are specifically authorized by law. No employee shall accept money as bail or in payment of a fine, except as provided and authorized by law.
- H. Departmental Keys. All employees shall obtain permission from the City Manager before having duplicates made of any departmental key, or before lending or furnishing departmental keys to any persons not employed by the City.
- I. Use of Official Stationery. No employee shall use departmental stationery or forms for any purpose other than transaction of official business.
- J. Personal Use of City Address. The address of the City of Imperial Beach shall not be used by any employee for personal driver's license, personal vehicle registration, personal mail, or any other unofficial business or correspondence.
- K. Obedience of Laws and Orders. All employees shall obey the laws of the United States and the State of California, ordinances of the County of San Diego and the City of Imperial Beach, departmental orders, and the lawful orders of the courts.

Section 6 - Disclosure and Disqualification of Financial or Personal Interest

Whenever the performance of his/her official duties shall require any employee to deliberate or vote on any matter involving his/her financial or personal interest, he/she shall publicly disclose the nature and extent of such interest and disqualify himself/herself from participating in the deliberations as well as abstaining from voting. Any employee who has a financial or other private interest, and who participates in discussion with or gives an official opinion to the Council, shall disclose on the records of the Council or other appropriate authority the nature and extent of such interest.

Section 7 — Violation of Code Ethics

Ethics violations by City employees shall be grounds for discipline under the appropriate provisions of the Personnel Rules of the City of Imperial Beach.

ARTICLE XIV – MISCELLANEOUS PROVISIONS

Section 1 - Equal Employment Opportunity

It is the policy of the City to provide equal employment opportunity to all applicants and employees.

Section 2 - Discrimination Prohibited

No employee of the City shall discriminate against an applicant or employee in recruitment, selection, promotion, discipline, transfer, training or other personnel action based upon race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, sex, age or pregnancy.

Section 3 - Discriminatory Harassment Prohibited

A. Purpose

The City is committed to providing a work environment free of discriminatory harassment. This policy defines discriminatory harassment, and sets forth a procedure for the investigation and resolution of complaints of such harassment by or against any employee or applicant or from a person providing services pursuant to a contract.

B. Policy

Discriminatory harassment violates this Policy¹, and will not be tolerated. Discriminatory harassment of an applicant or employee or person providing services pursuant to a contract is harassment that is based on a person's actual or perceived race, religious creed, sex, national origin, ancestry, disability, medical condition, marital status, age, or sexual orientation. It is also improper to retaliate against any individual for making a complaint of discriminatory harassment or for participating in a harassment investigation. Retaliation constitutes a violation of this Policy.

This Policy applies to all terms and conditions of employment, including but not limited to hiring, placement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, training opportunities, and compensation.

Employees who violate this Policy may be subject to disciplinary action, up to and including termination.

1. A violation of this policy may not be a violation of state and/or federal law, although discriminatory harassment is prohibited by both.

C. Definition

Harassment can consist of virtually any form or combination of verbal, physical, visual, or environmental conduct. It need not be explicit nor even specifically directed at the victim. Sexually harassing conduct can occur between people of the same or different genders.

Harassment includes, but is not limited to the following misconduct:

Verbal: Inappropriate or offensive remarks, slurs, jokes, or innuendoes based on a person's actual or perceived sex, religious creed, national origin, ancestry, disability, medical condition, marital status, age, or sexual orientation. This may include, but is not limited to, inappropriate comments regarding an individual's body, physical appearance, attire, sexual prowess, marital status, pregnancy, or sexual orientation; unwelcome flirting or propositions; demands for sexual favors; verbal abuse, threats, or intimidation of a sexual nature; or sexist, patronizing, or ridiculing statements that convey derogatory attitudes about a particular gender.

Physical: Inappropriate or offensive touching, assault, or physical interference with free movement when directed at an individual on the basis of the individual's actual or perceived sex, religious creed, national origin, ancestry, disability, medical condition, marital status, age, or sexual orientation. This may include, but is not limited to, kissing, patting, lingering or intimate touches, grabbing, massaging, pinching, leering, staring, unnecessarily brushing against or blocking another person, whistling, or sexual gestures.

Visual or Written: The display or circulation of offensive or derogatory visual or written material related to sex, religious creed, national origin, ancestry, disability, medical condition, marital status, age, or sexual orientation. This may include, but is not limited to, posters, cartoons, drawings, graffiti, reading materials, computer graphics, or electronic media transmissions.

Environmental: A work environment that is permeated with sexually-oriented talk, innuendo, insults, or abuse not relevant to the subject matter of the job. A hostile environment can arise from an unwarranted focus on sexual topics or sexually suggestive statements. An environment may be hostile if unwelcome sexual behavior is directed specifically at an individual or if the individual merely witnesses unlawful harassment in the immediate surroundings. The determination of whether an environment is hostile is based on the totality of the circumstances, including such factors as the frequency of the conduct, the severity of the conduct, whether the conduct is humiliating or physically threatening, and whether the conduct unreasonably interferes with an individual's work.

Romantic or sexual relationships between supervisors and employees are discouraged. There is an inherent imbalance of power and potential for exploitation in such relationships. The relationship may create an appearance of impropriety and lead to charges of favoritism by other employees. A welcome sexual relationship may change, with the result that sexual conduct that was once welcome becomes unwelcome and harassing.

By definition, sexual harassment is not within the course and scope of an individual's employment with the City.

D. Prohibited Supervisory or Managerial Behavior

No supervisor, manager, or other authority figure may condition any employment, employee benefit, or continued employment in this City on an applicant's or employee's acquiescence to any of the behavior defined above.

No supervisor, manager, or other authority figure may retaliate against any applicant, or employee, because that person has opposed a practice prohibited by this policy or has filed a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing conducted by an authorized investigator.

No person shall destroy evidence relevant to an investigation of discriminatory harassment discrimination.

E. Behavior Prohibited By All Persons

No supervisor, manager, or any other person in this City shall create a hostile or offensive work environment for any other person by engaging in any discriminatory harassment or by tolerating it on the part of any employee.

No supervisor, manager, or any other person in the City shall assist any individual in doing any act which constitutes discriminatory harassment against any employee of the City.

F. Obligations of Supervisors/Managers

A copy of this policy shall be provided to all employees of the City, as well as displayed in prominent locations throughout the City.

A copy of the information sheet on sexual harassment prepared by the Department of Fair Employment and Housing is available to all employees upon request.

The City shall periodically notify its employees of the procedures for registering a complaint, as well as available redress. Such notification shall occur through the normal channels of communication.

The Personnel office shall make available information from the Department of Fair Employment and Housing and the Equal Employment Opportunity Commission about filing claims of sexual harassment with these entities.

A copy of this policy shall appear in any publication which sets forth the City's comprehensive rules, regulations, procedures, and standards of conduct.

Employees of the City shall receive periodic training on the policy.

G. Obligations of All Employees

All employees shall report any conduct that fits the definition of discriminatory harassment to their immediate supervisors or appropriate authority figure. This includes conduct of non-employees, such as sales representatives or service vendors, and harassing conduct toward such contractors.

All employees shall report to their supervisors, managers or the Human Resources Director any instances of discriminatory harassment which they have directly observed, whether or not reported by the employee who is the object of the harassment.

All employees shall cooperate with any investigation of any alleged act of discriminatory harassment discrimination conducted by the City or its agents.

H. Investigative/Corrective Action

All employees shall immediately report to their supervisors, managers, or the Human Resource Personnel Director any evidence of discriminatory harassment or complaints regarding sexual harassment made to them. Any supervisor or manager who receives a complaint regarding discriminatory harassment shall immediately report it to the Personnel Office.

The Personnel Director shall authorize or conduct the investigation or conduct the investigation of any reported incident of alleged discriminatory harassment reported to them. The investigation shall be conducted in a way that ensures, to the extent feasible, the privacy of the parties involved.

The person designated to investigate shall immediately report in writing the results of the investigation to the Personnel Director, who will determine whether the Policy has been violated and communicate the conclusion to the complainant.

Disciplinary action shall be decided in accordance with City policy and after consultation with Personnel Office.

Under no circumstances shall employees of the City who believe that they have been the victims of discriminatory harassment be required to first report that harassment to a supervisor or other authority figure if that person or authority figure is the individual who has done the harassing.

Under no circumstances shall a supervisor, manager, or other authority figure retaliate in any way against an employee who has provided information as a witness to an incident of alleged harassment.

All supervisors and managers are required to maintain confidentiality to the extent possible in investigating any claims of alleged harassment.

Section 4 - Employment of Relatives

It is the policy of the City Council that:

- (a) No officer of the City, Department Head, or Supervisor shall hire to work under them in the same department, any person related by consanguinity or marriage.
- (b) This policy shall not prohibit the City from hiring a person related to another City employee by consanguinity or marriage provided that:
 - 1. Such person shall not be hired directly by or employed in a position under the supervision and control of said relative, or;
 - 2. Such person shall be hired only on a temporary basis to fill a temporary, seasonal position.
- (c) The City Manager may disqualify a candidate for a position privy to confidential personnel matters who have a relative already in the City's employment when, in the Manager's judgment, the relationship may compromise confidential information.
- (d) For the purposes of this policy, a relative shall be defined as any spouse or relative within the third degree of kinship by consanguinity or marriage.
- (e) Appointments to commissions, committees and boards are excluded from this policy.
- (f) A marriage contract in violation of this section shall result in the resignation, termination or transfer of one of the marriage partners. The City Manager may waive the requirements set forth in this section when different divisions within a

larger department are involved or where the related individuals would have minimal job related contact with one another.

Section 5 - Severability

If any article, section, or subsection of these rules is found to be invalid, the remaining portions shall continue in effect.

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STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: MAY 4, 2016
ORIGINATING DEPT.: PUBLIC WORKS *Hat*
SUBJECT: RESOLUTION NO. 2106-7702 APPROVING A PRICE ADJUSTMENT TO THE WEST COAST ARBORIST, INC. TREE MAINTENANCE SERVICES CONTRACT

EXECUTIVE SUMMARY:

In May 2013, City Council adopted Resolution No. 2013-7327 awarding a contract for tree maintenance services (tree trimming) with West Coast Arborist, Inc. (WCA) at a contract price of \$16.00 per tree. In Fiscal Year 2016, as authorized in the agreement, the cost per tree was adjusted by CPI to \$16.21. Recently the City received a letter and a brief by WCA management noting that WCA recently culminated a Collective Bargaining Agreement with the Labor Union to identify a new wage classification for employees engaged in tree trimming work. This resulted in a new higher wage scale for their employees than previously required under the law. The proposed new per tree cost would be \$21.23 – a 31% increase. Adoption of this resolution will increase the per tree cost to \$21.23 for FY 2017. There will be no rate increase for FY 2016.

FISCAL ANALYSIS: *The City's palm street trees and park trees inventory under the 2013 contract is approximately 1320 trees. Approval of Resolution No. 2016-7702 will increase the annual tree trimming costs from \$21,397 to \$28,024. The adopted FY 2017 O&M budget for tree trimming is \$26,700.*

No FY 2017 budget amendment is proposed for this rate adjustment request at this time. Staff will monitor the FY 2017 budget expenditures closely. The objective will be to cover this additional estimated cost within the adopted budget.

RECOMMENDATION:

Adopt Resolution No. 2016-7702 approving the WCA Tree Maintenance Services Contract per palm tree rate to \$21.23.

OPTIONS:

- Adopt Resolution No. 2016-7702 approving the WCA Tree Maintenance Services Contract per palm tree rate to \$21.23;
- Reject Resolution No. 2016-7702 and terminate the WCA Tree Maintenance Services Contract effective FY 2017; or
- Request additional information and an additional report

BACKGROUND/ANALYSIS:

Annually for the past 10 plus years, the City has contracted for yearly palm tree trimming services within the City streets and parks with WCA. WCA per tree rate has always been substantially lower than any other bidder. WCA quality of service has always been excellent. This per tree rate increase will not change their competitive position within the profession since all tree trimmer professionals must be paid at this new rate. Additionally staff believes the trimming of the public right-of-way palm trees has an important aesthetic maintenance value to the community. Thus the trees should be trimmed annually including in FY 2017. Trimming maintenance by City employees is not feasible due to the additional labor that would be required from City staff plus many of the trees now exceed the height of the City's bucket truck lift.

The attached letter (Attachment 2) from WCA outlines the reason for the requested rate increase and staff does not see a viable or acceptable alternative to the rate increase proposed.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

Attachments:

1. Resolution No. 2016-7702
2. Tree Maintenance Services Agreement Letter from WCA dated March 21, 2016.

RESOLUTION NO. 2016-7702

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING A PRICE ADJUSTMENT TO THE WEST COAST ARBORIST, INC. TREE MAINTENANCE SERVICES CONTRACT

WHEREAS, the City received a letter and a brief by West Coast Arborist, Inc. (WCA) management noting that WCA recently culminated a Collective Bargaining Agreement with the Labor Union to identify a new wage classification for employees engaged in tree trimming work; and

WHEREAS, this resulted in a new higher wage scale for their employees than previously required under the law; and

WHEREAS, the proposed new per tree cost would be \$21.23 – a 31% increase; and

WHEREAS, staff recommends the requested rate adjustment from \$16.21 per tree to \$21.23 per tree be approved effective Fiscal Year 2017; and

WHEREAS, staff estimates that the Fiscal Year 2017 O&M budget can cover this additional cost.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct.
2. The adjustment to the WCA Maintenance Services Agreement from \$16.21 per tree to \$21.23 per tree is approved, effective in Fiscal Year 2017.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 4th day of May 2016, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK



March 21, 2016

City of Imperial Beach
ATTN: Hank Levien, Public Works Director
495 10th Street
Imperial Beach, CA 91932

RE: TREE MAINTENANCE SERVICES AGREEMENT

Dear Mr. Levien,

West Coast Arborists, Inc. (WCA) and the City of Imperial Beach have forged a very productive and cohesive working relationship over the past 11 years. Together our organizations have endured both good and bad times with the ever fluctuating economy of our state. Despite current economic trends; the integrity, health and preservation of the City's urban forest remains our common goal.

For many years, union organizations debated with the State's Department of Industrial Relations (DIR) and our firm that the work we performed for public agencies consisted of construction work and therefore, they demanded that we pay our field employees construction laborer rates which averaged between \$40-\$50 per hour.

After much careful thought, WCA agreed to enter into a Collective Bargaining Agreement (CBA) with the Laborers Union on June 1, 2015. Subsequently, on August 22, 2015, a new prevailing wage determination was issued by the DIR. The new rates stem from our CBA with the Laborers Union and although not as high as the construction laborers rates as originally proposed by the DIR; they are, however, more than the wages for Landscape Maintenance Laborer.

There are benefits to the new prevailing wage; it will allow the cities to continue to afford contracted tree maintenance services at a reasonable cost, help support the State's initiative to increase the lower tiered wages, provide a decent wage for the municipal tree care industry, and allow us to continue to operate at a competitive rate.

However, the new prevailing wages are higher than previously used and will increase beyond the Consumer Price Index beginning July 1, 2016. The new wage classification includes pre-determined wage increases for the next three (3) consecutive years. **Based on this development, WCA respectfully requests a price adjustment of 31% to help offset these imposed wage rates beginning July 1, 2016.** Attached to this letter is our proposed price schedule.

We appreciate your ongoing efforts to make this Agreement successful for both parties. Should you have any questions, or require additional information please do not hesitate to contact me at (800) 521-3714.


Signature on file

Patrick Mahoney
President

West Coast Arborists, Inc.

2200 E. Via Burton Street • Anaheim, CA 92806 • 714.991.1900 • 800.521.3714 • Fax 714.956.3745

City of Imperial Beach

Schedule of Compensation for Contract Year 2017

Palm Tree Maintenance Services
provided by West Coast Arborists, Inc.

Item	Description	Unit	Current Prices	Proposed Prices for 2016
1	Palm Tree Trimming	Each	\$ 16.21	\$ 21.23

Proposed prices for FY 16-17 reflect a 31% increase to offset the State-mandated prevailing wage determination for current Tree Maintenance Laborer

Prices effective January 1, 2017

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STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: MAY 4, 2016

ORIGINATING DEPT.: MARINE SAFETY DEPARTMENT *RS*

SUBJECT: ADOPTION OF RESOLUTION NO. 2016-7704 AUTHORIZING THE CITY MANAGER VIA HIS DESIGNEE TO ACCEPT THE SOUTHWESTERN COMMUNITY COLLEGE DISTRICT LIFEGUARD IN-SERVICE TRAINING REIMBURSEMENT IN THE AMOUNT OF \$5,990.60, AND THE CITY OF SAN DIEGO OFFICE OF HOMELAND SECURITY URBAN AREA SECURITY INITIATIVE (UASI) PRND EXERCISE PARTICIPATION AWARD IN THE AMOUNT OF \$4,785.00 FOR TRAINING REIMBURSEMENT.

EXECUTIVE SUMMARY:

The Marine Safety Department currently participates in a cooperative in-service lifeguard training program with Southwestern Community College District. Under the terms of this agreement the City of Imperial Beach provide students and qualified instructors to the training program, and Southwestern College reimburses the City of Imperial Beach for instructor training costs.

The City of San Diego provides training courses for the 18 incorporated cities in San Diego County. There are times when the City of Imperial Beach can be reimbursed by the City of San Diego's Urban Area Security Initiative Grant Program (UASI). The City's Marine Safety Department lifeguards are participating in UASI Preventive Radiological and Nuclear Detection (PNRD) training course and the City of San Diego will reimburse all associated City employee costs.

The Marine Safety Department recommends authorization for the City Manager to accept eligible reimbursement from Southwestern Community College District and the City of San Diego UASI grant program.

FISCAL ANALYSIS:

Southwestern College lifeguard training program reimbursement for FY16 is \$5,990.60.

The City of San Diego will reimburse the City up to the amount of \$4,785.00 for employee costs associated with regional training for the PRND Exercise.

Adopting Resolution 2016-7704 to accept reimbursement from Southwestern Community College District and the City of San Diego will amend the Imperial Beach FY15/16 budget to:

- Increase revenue account 101-0000-374.85-01 and expense account 101-3030-423-2804 (Travel, Training, Meeting) by \$10,775.60

RECOMMENDATION:

That the City Council adopt Resolution No. 2016-7704

- Authorizing the City Manager to accept eligible reimbursement from Southwestern Community College District and the City of San Diego UASI grant program.
- Approving Budget Amendment in the amount of \$10,775.60 to increase revenue in account 101-0000-374.85-01 and expense in account 101-3030-423-2804 (Travel, Training, Meeting).

OPTIONS:

- Adopt Resolution 2016-7704
- Request additional information and an additional report.

BACKGROUND/ANALYSIS:

In an effort to continue to meet its training needs and mitigate costs, the City has negotiated an agreement with Southwestern Community College District. Under the terms of this agreement the City of Imperial Beach will provide students and qualified instructors to the lifeguard training program and the College will reimburse the City instructor costs.

Marine Safety Department employees register with the college and enrolled at standard college fees which is paid for by the City. Under this program, the Marine Safety Department offsets training costs by documenting and reimbursing eligible training hours. In return, Southwestern College reimburses the Marine Safety Department for documented training hours submitted. Therefore, the City does incur costs to provide trained instructors to support this program. However, these costs are anticipated to be fully reimbursed under this agreement. Southwestern College lifeguard training program reimbursement for FY16 is \$5,990.60.

The City of San Diego has been identified by the United States Department of Homeland Security (DHS) as the "core city" for the Urban Area Security Initiative Grant Program (UASI). As the core city, San Diego will be the grantee and administrator of a homeland security grant to the San Diego urban Area. The Urban Area has been defined as the eighteen incorporated cities in San Diego County, the County, and the related special districts. The FY15 UASI program provides financial assistance to address the unique equipment, training, planning and exercise needs of larger, high-threat urban areas, and to assist them in building an enhanced and sustainable capacity to prevent respond to and recover from threats or acts of terrorism. This program also provides funding to specific mass transit authorities to address security needs at these high risk critical infrastructure facilities and to promote comprehensive regional planning and coordination. All funding must be allocated in support of the goals and objectives identified in the FY15 San Diego Urban Area Homeland Security Strategy.

The City of Imperial Beach is eligible to receive a reimbursement of \$4,785.00 for employee costs associated with attending Preventive Radiological and Nuclear Detection (PNRD) training. Marine Safety Department Lifeguards will participate a four (4) day regional PRND training course with the City of San Diego Regional Urban Security Initiative (UASI) Training Division.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

Attachments:

1. Resolution No. 2016-7704

RESOLUTION NO. 2016-7704

AUTHORIZING THE CITY MANAGER VIA HIS DESIGNEE TO ACCEPT THE SOUTHWESTERN COMMUNITY COLLEGE DISTRICT LIFEGUARD INSERVICE TRAINING REIMBURSEMENT IN THE AMOUNT OF \$5,990.60, AND THE CITY OF SAN DIEGO OFFICE OF HOMELAND SECURITY URBAN AREA SECURITY INITIATIVE (UASI) PRND EXERCISE PARTICIPATION AWARD IN THE AMOUNT OF \$4,785.00 FOR TRAINING REIMBURSEMENT

WHEREAS, in an effort to continue to meet Marine Safety Department training needs and mitigate costs; and

WHEREAS, the City desires to be a participating agency in the Southwestern Community College District Lifeguard Training Program and City of San Diego's Urban Area Security Initiative Grant Program; and

WHEREAS, the City has negotiated an agreement with Southwestern Community College District Lifeguard Training Program, and City of San Diego's Grant: Urban Area Security Initiative Grant Program to reimburse lifeguard training costs; and

WHEREAS, in FY15-16 Imperial Beach Marine Safety Department lifeguards participated in the Southwestern College Lifeguard Training Program, and a four day approved UASI training exercise for reimbursement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. Authorizing the City Manager to accept eligible reimbursement from Southwestern Community College District and the City of San Diego UASI grant program.
2. Approving Budget Amendment in the amount of \$10,775.60 to increase revenue in account 101-0000-374.85-01 and expense in account 101-3030-423-2804 (Travel, Training, Meeting).

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on 4th day of May 2016, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK

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**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: MAY 4, 2016
ORIGINATING DEPT.: PUBLIC WORKS *AH*
SUBJECT: PUBLIC HEARING TO CONSIDER ORDINANCE 2016-1156 ADOPTING THE 5-YEAR (FY17 THRU FY21) SEWER SERVICE CHARGE

EXECUTIVE SUMMARY:

On March 16, 2016, the City Council adopted Resolution No. 2016-7683, setting a public hearing to consider modifications to the Sewer Service Charge. The Keze Group LLC presented the results of a study detailing the revenue needs of the Sewer Enterprise Fund including:

- Increase in San Diego Metropolitan Wastewater Authority costs;
- Maintaining the funds for annual system Operating and Maintenance costs;
- Maintaining the Enterprise Fund Operating Reserve of \$2,000,000; and
- Proper funding of ongoing sewer Capital Improvement Program projects.

To support these objectives it is necessary to adjust the Sewer Service Charge to the new rates shown in the study. For example purposes, the single family resident charges will be adjusted as shown in the following table:

Single Family Residential	2013 Rate Study		2016 Rate Study				
	FYE	FYE	FYE	FYE	FYE	FYE	FYE
	2016	2017	2017	2018	2019	2020	2021
Base Sewer Fee (\$/Year)	\$146.78	\$150.89	\$211.71	\$216.22	\$220.86	\$226.50	\$232.41
Sewer Rates (\$/HCF)	\$4.19	\$4.23	\$4.46	\$4.71	\$4.98	\$5.25	\$5.40
Average User (84 HCF) - Monthly	\$41.56	\$42.18	\$48.86	\$50.99	\$53.27	\$55.63	\$57.17
Annual Increase		1.50%	15.83%	4.35%	4.47%	4.43%	2.77%

The complete Study is found in Attachment No. 3.

Staff recommends that the City Council open the public hearing, consider public comment, and if no majority protest exists, then introduce Ordinance 2016-1156 adopting the proposed Sewer Service Charges.

FISCAL ANALYSIS:

The specific sewer service charges over the next five years are set forth in Attachment 2. The Ordinance will increase the sewer service class rates on average by 16% in FYE 2017. The funds derived from the increased charges will not exceed the reasonable cost of providing the sewer services to the customers.

RECOMMENDATION:

1. Declare the public hearing open.
2. Receive the report and public testimony.
3. Last call for written protests.
4. Motion to close the public hearing.
5. If necessary due to volume of written protests, take a break or call next agenda item to give staff time to make the final tabulation of written protests.
6. Once staff tabulation is complete, continue on with agenda item (or recall agenda item if necessary) and make announcement regarding final tabulation of written protests. (Per Council Policy No. 614, members of the public shall be permitted to observe the tabulation process, but shall not be entitled to actively participate in the tabulation process.)
 - a. If no majority protest, City Council has authority to adopt the proposed rates. City Council can discuss and deliberate on the proposed rate increases and take a vote. See steps 7 through 9 below.
 - b. If there is a majority protest, City Council does not have authority to adopt the proposed rates, and no further action should be taken.
7. If City Council chooses to adopt the proposed increase, Mayor calls for introduction of Ordinance No. 2016-1156.
8. City Clerk reads the title of Ordinance No. 2016-1156 – An Ordinance of the City Council of the City of Imperial Beach, California, adopting revised sewer service rates for sanitary sewer service and amending sections of Chapter 13.06 of the Imperial Beach Municipal Code pertaining to sewer service charges.
9. Motion to dispense first reading of Ordinance No. 2016-1156 by title only and set the matter of adoption at the next regularly scheduled City Council meeting.

OPTIONS:

- Hold public hearing and introduce the Ordinance if no majority protest is received.
- Provide direction to the City Manager to revise the Ordinance and then introduce the Ordinance as modified.
- Request additional information and continue the public hearing to a date and time certain.

BACKGROUND/ANALYSIS:

The City operates and maintains a City sewer system that collects and transports sewer waste water from properties within the City to the San Diego Metropolitan Sewer System for treatment and disposal. The City must generate funds in an amount sufficient to cover the City's ongoing cost of providing sewer services. The sewer services are funded through a separate Sewer System Enterprise Fund. Chapter 13.06 of the Imperial Beach Municipal Code prescribes a sewer service charge to be billed to all residential and non-residential customers in the city limits of the City of Imperial Beach that discharge sewage into the sewer lines maintained by the City, or is considered by the San Diego Metropolitan Sewer System to be within the City's jurisdiction. The City hired Keze Group LLC, to conduct a Sewer Service Charge Study Update ("Study"), a copy of which is on file with the City and has been available for public review since February 2016. The Study's purpose was to analyze the Sewer System revenue needs to ensure that the City was objectively collecting sufficient revenue to safely and properly operate the enterprise sewer system, including collection, transportation and treatment.

The Study recommended several revisions to the City's sewer service charge structure, including: adjusting the single family residential annual cap; establishing a pass-through for certain unanticipated costs; establishing a minimum capital improvements program budget of \$600,000; and setting annual rate adjustments over the next five years. The proposed rate increases will allow the City to collect sufficient revenue to enable it to continue providing sewer service to its customers in the face of increasing operating costs, and to enable the City to afford capital improvements that are essential for operating the sewer system in a safe and financially prudent manner. The rates must cover the cost to provide ongoing repairs, replacements and upgrades along with routine maintenance of the sewer system. Revenues derived from the City's sewer service charges are used solely for the actual and necessary expenses of providing sewer service to its customers. The City is prohibited by law from making a profit on sewer service.

On March 18, 2016 in accordance with the provisions of Article XIID of the California Constitution (Proposition 218), the City mailed notices of proposed increases in the City's sewer service rates, which were provided to the affected property owners/customers not less than forty-five (45) days prior to the public hearing on the proposed rates. The notice stated that City Council would conduct a public hearing on May 4, 2016, at 6:00 p.m. at 825 Imperial Beach, Blvd, Imperial Beach, CA 91932, in order to receive oral and written testimony regarding the proposed increases in the City's sewer service charges. Said date and time were not less than forty-five (45) days after the mailing of the notice as set forth above. The City also published notice of the public hearing in the newspaper.

Attachment (1) to this staff report is the Ordinance recommended for the first reading on May 4, 2016 and second reading and subsequent adoption on May 18, 2016. The Ordinance adopts the Study and the sewer rates proposed therein, which were also provided in the written notice. In addition, the Ordinance revises certain sections of Imperial Beach Municipal Code Chapter 13.06 to achieve consistency with the Study and the rates to be adopted. Attachment 2, provides the new sewer service charge formulas and charge estimate by customer class. The Ordinance also includes a pass-through provision to allow the City to pass along higher than anticipated costs from the City of San Diego Metro Wastewater and San Diego Gas and Electric energy rates. If either higher cost should materialize the City would only pass-through the costs needed to pay for unknown increases at the time this 2016 Study was prepared. Attachment 3 is a complete copy of the 2016 Study. At this public hearing, the City Council should hear and consider all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rates for the sewer service charges. For reference purposes, a strikeout/underline version of the changes of Imperial Beach Municipal Code Chapter 13.06 are provided in Attachment 4.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA, and the proposed charges are statutorily exempt from the requirements of CEQA pursuant to Section 21080(b)(8) of the Public Resource Code and Section 15273(a) of the State CEQA Guidelines.

Attachments:

1. Ordinance No. 2016-1156
2. Exhibit A to Ordinance No. 2016-1156 – Sewer Service Charges by Customer Class
3. 2016 Keze Group Sewer Service Charge Study Update
4. Strikeout/underline Version of Imperial Beach Municipal Code Chapter 13.06

ORDINANCE NO. 2016-1156

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, ADOPTING REVISED SEWER SERVICE RATES FOR SANITARY SEWER SERVICE AND AMENDING SECTIONS OF CHAPTER 13.06 OF THE IMPERIAL BEACH MUNICIPAL CODE PERTAINING TO THE SEWER SERVICE CHARGES

WHEREAS, pursuant to Government Code Section 54344 and Chapter 13.06 of the Imperial Beach Municipal Code ("IBMC"), a sewer service charge is billed to all residential and non-residential customers in the city limits of the City of Imperial Beach that discharge sewage into the sewer lines maintained by the city, or is considered by the San Diego Metropolitan Sewer System to be within the City's jurisdiction; and

WHEREAS, the City of Imperial Beach ("City") must generate funds in an amount sufficient to cover the City's ongoing cost of providing sewer services; and

WHEREAS, the City recently retained the services of the Keze Group, LLC, a leading consulting company in the field of sewer rates and capacity fees. The Keze Group prepared a sewer service charge and capacity fee study 2016 update ("Study"), a copy of which is on file with the City and has been available for public review; and

WHEREAS, on February 17, 2016, the City Council reviewed the findings of the Study and determined that the current sewer service charge does not generate sufficient revenue for prudent operation and maintenance of the City's sewer system for the adequate health, safety and sanitation of the public; and

WHEREAS, in accordance with industry-accepted analysis and state law, the Study recommends several revisions to the City's sewer service charge structure, including: adjusting the single family residential annual cap; establishing a pass-through for certain unanticipated costs; establishing a minimum capital improvements program budget of \$600,000; and setting annual rate adjustments over the next five years; and

WHEREAS, on March 18, 2016, in accordance with the provisions of Article XIID of the California Constitution (Proposition 218), the City mailed notices of proposed increases in the City's sewer service rates, which were provided to the affected property owners/customers not less than forty-five (45) days prior to the public hearing on the proposed rates; and

WHEREAS, the City Council conducted a public hearing on May 4, 2016, at 6:00 p.m. at 825 Imperial Beach, Blvd, Imperial Beach, CA 91932, in order to receive oral and written testimony regarding the proposed increases in the City's sewer service charges. Said date and time were not less than forty-five (45) days after the mailing of the notice as set forth above; and

WHEREAS, at the public hearing, the City heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rates for the sewer service charges, and at the close of the hearing; and

WHEREAS, the written protests against the rates set forth herein were not presented in a number representing a majority of the affected parcels upon which the rates are to be imposed and therefore, the City Council is authorized to impose the increased rates and charges as set forth herein; and

WHEREAS, it is deemed to be in the best interest of the City to adopt the sewer service charge increases for the reasons stated above, and the City Council desires to adjust and increase certain sewer rates as set forth in Exhibit "A"; and

WHEREAS, the increased costs of the sewer service does not exceed the actual cost of providing the service; and

WHEREAS, the increased rates and charges set forth herein shall become effective July 1, 2016; and

WHEREAS, the City Council desires to make adjustments to the sewer service charge ordinance under the Imperial Beach Municipal Code consistent with the sewer service charge adjustments, the Study and applicable law.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AS FOLLOWS:

Section 1: The above recitals are true and correct and incorporated herein as findings as though set forth in full.

Section 2: Sewer Service Rates

2.1 The City Council has been presented data in the Study showing the estimated reasonable costs of providing sewer service and data showing the fund sources available to recover the costs of providing the sewer service and the City Council hereby approves and adopts the 2016 Keze Group Study.

2.2 At the February 17, 2016 City Council meeting, the City Council reviewed the Study and the proposed rates for the sewer services charges. The City Council called a public hearing for May 4, 2016 at 6:00pm, at the City Council chambers, for the purpose of receiving public comments and protests concerning the proposed rate increases to the City's sewer service charges. The City Council authorized and directed City staff to give notice of the public hearing, and notice was given by mailing notice on March 18, 2016, which was not less than forty-five (45) days prior to the public hearing, to all City record owners of property within the City.

2.3 On May 4, 2016, at the time and place set for the public hearing, the proposed increased sewer service charges as set forth in this Ordinance were considered and the City Council heard and considered the comments of all persons appearing at the hearing and all written comments and protests submitted prior to the close of the hearing. The City Council was not presented with written protests against the rates set forth herein in a number representing a majority of the affected parcels upon which the rates are to be imposed.

2.4 The City Council hereby finds and determines that the sewer service charges attached hereto as Exhibit "A" and by this reference incorporated herein, which are charges for sewer service, will result in funds to the City, taking into consideration the estimated reasonable cost of providing sewer service and the sources of funds available to the City to cover the costs of facilities and services, which will not exceed the estimated reasonable cost of service for which the sewer rates are charged.

2.5 The City Council hereby finds and determines that the rates for the sewer service charges take into consideration the estimated reasonable costs of providing sewer services by the City and the sources of funds available therefore, will result in a fair and reasonable fund program, proportionally allocating costs of sewer service to those who benefit therefrom without unfair subsidy to or by those who pay for the sewer service charges. Additionally, revenues from such sewer service charges shall only be used for the provision of sewer service to the ratepayers. No revenue from sewer service charges will be used for general governmental services.

2.6 In accordance with Proposition 218 and Government Code Section 53756, the City Council hereby finds and determines that pass-through costs imposed on the City related to wholesale charges for sewage treatment or wastewater treatment, shall be passed-through to those charged sewer service charges in the City of Imperial Beach for a five-year period, beginning July 1, 2016. The City shall provide notice of any pass-through increase to customers at least 30 days prior to implementing the pass-through increase.

2.7 Based on the foregoing, the City Council hereby adopts the sewer service charges set forth in Exhibit "A", incorporated herein by this reference.

2.8 The City Council hereby finds that the adoption of the rates and charges set forth herein is necessary and reasonable to fund the administration, operation, maintenance and improvements of the City sewer system. Based on this finding, the City Council determines that the adoption of the rates and charges established by this Ordinance are not a project as defined under the California Environmental Quality Act ("CEQA") and are statutorily exempt from the requirements of CEQA pursuant to Section 21080(b)(8) of the Public Resource Code and Section 15273(a) of the State CEQA Guidelines.

Section 3. Imperial Beach Municipal Code Chapter 13.06 Revisions

3.1 Section 13.06.060.E of the Imperial Beach Municipal Code is hereby amended to read as follows:

"E. Where it can be positively demonstrated to the satisfaction of the City that the percentage of water entering the sewer system is less than the amount assumed for that customer classification in the 2016 Sewer Service Charge Study Update performed by Keze Group;"

3.2 Section 13.06.080 of the Imperial Beach Municipal Code is hereby amended to read as follows:

"Notwithstanding Section 13.06.140 of this chapter, single-family residential ratepayers shall have an annual rate limit of nine hundred sixty one and 3/100 dollars (\$961.03) per household for fiscal year 2016/2017. In accordance with Section 13.06.140 of this chapter and its implementing Ordinance No. 2016-1156, this limit shall annually increase at the rate based on the Consumer Price Index for All Urban Consumers – San Diego - from the prior year."

3.3 Section 13.06.140 of the Imperial Beach Municipal Code is hereby amended to read as follows:

"A. There is levied and assessed upon each residential and nonresidential customer within the City service area that discharges sewage into the sewer lines maintained by the City,

or is considered by the San Diego Metropolitan Sewer System to be within the City jurisdiction, sewer service charges.

B. Said sewer service charges and related classifications are based upon the 2016 Sewer Service Charge Study Update performed by Keze Group on behalf of the City, and have been adopted and set forth in Ordinance No. 2016-1156.

C. When less than six months metered water use for the prior year is available, the proportionate base charge plus the average annual water use for that customer classification shall apply. When more than six months, but less than twelve months metered water use for the prior year is available, the proportionate base charge and use shall be normalized to twelve months.

D. Provided, however, in the case of other businesses and establishments that have unusual character insofar as sewage is concerned, the rate shall be established in each case based on the estimated or actual volume of flow and the suspended solids (SS) and biological oxygen demand (BOD) content, which may be approved by the City Manager and/or City Council.

E. The City Manager is hereby authorized and directed to pass-through all future fees and charges imposed by other entities on the City related to wholesale charges for sewage treatment or wastewater treatment, to those charged sewer service charges, for a five-year period beginning July 1, 2016. Prior to implementing any such increase, the City shall provide written notice of the increase to property owners not less than 30 days prior to the effective date of the increase.”

Section 4. This Ordinance shall become effective thirty (30) days following its passage and adoption.

Section 5. The City Council of the City of Imperial Beach hereby declares that should any section, paragraph, sentence, phrase, term or word of this Ordinance, hereby adopted, be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this Ordinance irrespective of any such portion declared invalid.

Section 6. This Ordinance shall supersede any and all provisions of any previous resolution and/or ordinance approved by the City Council that may conflict with, or be contrary to, this Ordinance.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Imperial Beach, held on the 4th day of May 2016, and thereafter **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Imperial Beach, California, held on the 18th day of May 2016 by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

**JACQUELINE M. HALD, MMC
CITY CLERK**

APPROVED AS TO FORM:

**JENNIFER LYON
CITY ATTORNEY**

Single-Family Residential Sewer Charge Formula

Annual Water Consumption x Return to Sewer 75% = Billing Units
(Billing Units x Residential Sewer Rate) + (Base Fee) = Total Sewer Monthly Bill

Table 1 Summary of the Single-Family Residential Sewer Rate

Presented below in Table 1 are the City's single-family residential sewer rates for the five-year period beginning July 1, 2016 for FYE 2017 through FYE 2021. The new rate will take effect July 1 of each year.

	Current		New Rates			
	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Base Sewer Fee (\$/Year)	\$ 146.78	\$ 211.71	\$ 216.22	\$ 220.86	\$ 226.55	\$ 232.41
Sewer Rates (\$/HCF)	\$ 4.19	\$ 4.46	\$ 4.71	\$ 4.98	\$ 5.25	\$ 5.40
<i>Residential Sewer Charge Formula:</i> Base Sewer Fee plus previous year's annual water usage X 75% X \$/HCF						
Rate Cap	\$961.03	\$989.86	\$1019.56	\$1050.15	\$1081.66	\$1114.11

In addition, the City has an annual cap on single family residential properties, currently set at \$961.03. The new rates follow the City's current practice of increasing the cap based on change of inflation as measured by the San Diego Consumer Price Index from year to year starting in FY 2016/17. The rate cap for FY 2016/17 will be set at \$961.03. The cap will increase by no more than 3% as listed above in Table 1.

Multi-Family Sewer Charge Formula

Annual Water Consumption x Return to Sewer 95% = Billing Units
(Billing Units x Residential Sewer Rate) + (Base Fee per Water Meter Size) = Total Sewer Monthly Bill

Commercial/Non-Residential Sewer Charge Formula

Annual Water consumption x Return to Sewer % = Billing Units
(Billing Units x Strength Rate) + (Base Fee per Water Meter Size) = Total Sewer Monthly Bill

Table 2 Summary of the Multi-Family Sewer Rate

Presented in Table 2 are the City's multi-family sewer rates for the five-year period beginning July 1, 2016 for FYE 2017 through FYE 2021. The new rate will take effect July 1 of each year.

	Current		New Rates			
	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Sewer Rates (\$/HCF)	\$4.19	\$4.46	\$4.71	\$4.98	\$5.25	\$5.40
<i>Multi-Family Sewer Charge Formula:</i> Base Sewer Fee per meter size plus previous year's annual water usage X 95% X \$/HCF						

Table 3 Summary of Multi-Family and Commercial/Non-Residential Base Charges by Meter Size

Table 3 summarizes the annual base charge per water meter size for multi-family and commercial users for the five-year period beginning July 1, 2016 for FYE 2017 through FYE 2021. The new rate will take effect July 1 of each year.

Meter Size	Current		New Rates			
	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
5/8"	\$146.78	\$ 211.71	\$ 216.22	\$ 220.86	\$ 226.55	\$ 232.41
3/4"	\$146.78	\$ 211.71	\$ 216.22	\$ 220.86	\$ 226.55	\$ 232.41
1"	\$219.60	\$ 316.80	\$ 323.56	\$ 330.50	\$ 339.01	\$ 347.79
1 1/2"	\$401.66	\$ 579.55	\$ 591.91	\$ 604.60	\$ 620.17	\$ 636.22
2"	\$620.13	\$ 894.84	\$ 913.93	\$ 933.51	\$ 957.57	\$ 982.35
3"	\$1,129.96	\$1,630.51	\$1,665.30	\$1,700.99	\$1,744.82	\$1,789.97
4"	\$1,858.14	\$2,681.48	\$2,738.69	\$2,797.38	\$2,869.46	\$2,943.71
6"	\$3,678.73	\$5,308.90	\$5,422.16	\$5,538.36	\$5,681.08	\$5,828.07

Table 4 Summary of Commercial/Industrial Rates

Table 4 provides a summary of the current and new Commercial/Industrial Rates for the five-year period beginning July 1, 2016 for FYE 2017 through FYE 2021. The new rate will take effect July 1 of each year.

	Current		New Rates			
	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Base Sewer Fee (\$/Year) [1]	\$146.78	\$211.71	\$216.22	\$220.86	\$226.55	\$232.41
Sewer Rates (\$/HCF)						
Rest/Bakeries/Mort./Groc.	\$8.90	\$9.26	\$9.83	\$10.45	\$10.88	\$ 11.21
Small Commercial	\$3.79	\$4.05	\$4.27	\$4.51	\$4.77	\$ 4.91
Car Wash/Laundries	\$3.62	\$3.88	\$4.08	\$4.31	\$4.56	\$ 4.70
Public Agency/Institutional	\$3.50	\$3.76	\$3.96	\$4.18	\$4.42	\$ 4.55
Heavy Commercial	\$5.79	\$6.10	\$6.46	\$6.85	\$7.17	\$ 7.39
Mixed Use Light	\$4.45	\$4.74	\$5.00	\$5.29	\$5.57	\$ 5.74
Mixed Use Heavy	\$5.30	\$5.59	\$5.91	\$6.26	\$6.57	\$ 6.77
Navy	\$4.92	\$5.22	\$5.52	\$5.84	\$6.14	\$ 6.32

[1] Example is based on a 5/8" water meter

Commercial/Industrial Sewer Charge Formula: Base Sewer Fee per meter size plus previous year's annual water usage X rate of return per user class X \$/HCF

Notice of Pass Through Ordinance

The sewer rates as shown above do not include any increases to rates from direct costs and sewer treatment providers except for adjustments for inflation. Actual future pass-through rate information is not available at this time. The City of Imperial Beach adopted a "pass-through" ordinance that will pass along higher than anticipated costs from the City of San Diego Metro Wastewater and San Diego Gas and Electric energy rates. If either higher cost should materialize the City would only pass-through the costs needed to pay for unknown increases at the time this 2016 Study was prepared. Pass-through increases are necessary in order to maintain the safety and reliability of the City's sewer system and avoid deficits and depletion of financial reserves when costs arise that are out of the City's control.

Three horizontal bars in gold, blue, and purple, each with a slight 3D effect and a shadow.

Sewer Service Charge and Capacity Fee Study

Prepared for:
City of Imperial Beach

March 9, 2016

Three horizontal bars in gold, blue, and purple, each with a slight 3D effect and a shadow.

Sewer Service Charge and Capacity Fee Update

City of Imperial Beach

March 9, 2016

Prepared for:
City of Imperial Beach
825 Imperial Beach Boulevard
Imperial Beach, California 91932

Prepared by:



4653 Carmel Mountain Road
San Diego, California 92130

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Abbreviations

AWWA	American Water Works Association
BMP	Best Management Practices as Prescribed by the State of California
BOD	Biochemical Oxygen Demand – A Measure of Sewage Strength
CIP	Capital Improvement Plan
EDU	Equivalent Dwelling Unit
ENR-CCI	Engineering News Record Construction Cost Index
EPA	U.S. Environmental Protection Agency
FYE	Fiscal Year Ending
GIS	Geographical Information System
HCF	Hundred Cubic Feet
Metro	City of San Diego Metropolitan Wastewater System
mg/l	Milligrams per Liter
O&M	Operations and Maintenance
PA	Participating Agency in the San Diego Metro System
TSS	Total Suspended Solids – A Measure of Sewage Strength

Executive Summary

ES.1 Introduction

The Keze Group, LLC was retained by the City of Imperial Beach (City) to perform a comprehensive sewer user and capacity fee rate update study. A comprehensive rate study determines the adequacy of the existing rates and provides the basis for adjustments to maintain cost-based rates. This report describes the methodology, findings, and conclusions of the sewer user and capacity fee rate update study (rate study).

ES.2 Sewer Service Charge Update

The City completed their last rate study in 2013. Since that time several factors have affected the City's adopted five-year rate case and the following changes have occurred:

- As with other communities in San Diego County and Southern California the City's citizens and businesses have decreased their water usage by 18.4% over the FYE 2012 water usage utilized by the 2013 study. This has decreased revenues from the adopted commodity rates.
- After the adoption of the 2013 study City staff determined that the Navy NOLF accounts flowed directly into the City of San Diego and therefore should not be assessed sewer service charges by the City of Imperial Beach. This reduced the City's overall revenue by \$140,000 or 3.3%.
- The adopted FYE 2016 budget contained \$2,124,360 in needed capital projects. The 2013 rate study only anticipated the continued historic funding of \$400,000 per year for capital projects in the sewer revenue requirement. The City has a rate stabilization/fund balance reserve of \$2 million established by the City Council. Monies from this reserve are being used to pay for these capital repairs and the reserve is being rapidly depleted. It is anticipated that the reserve will drop to \$500,000 by the end of FYE 2016. Replenishment of this reserve over a five-year period is included in this rate update.
- As stated, increased capital spending for required capital projects has been identified. In discussions with City utility staff it has been determined the need to increase the annual CIP funding from \$400,000 to \$600,000 per year. This increased funding level is included in this rate update.
- The planning phase of the City of San Diego's Pure Water Program have begun and during FYE 2017 to FYE 2022 additional Metro costs are anticipated. City of San Diego staff has identified the increased funding level for the participating agencies from \$65 million to \$75 million per year over the next three-years. This increased funding level is included in this rate update.

These changes in the revenue requirement of the City's sewer utility produce the following rates for the upcoming five-year period from FYE 2017 to FYE 2021:

Table ES-1 Comparison of Current versus Proposed Sewer User Rates

Classes of Users	Current FYE 2016 Rates		FYE 2017 Projected Rates		FYE 2018 Projected Rates	
	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)
Single Family	\$146.78	\$4.19	\$211.71	\$4.35	\$216.22	\$4.71
Non-Residential (Includes Multi-Family)						
Rest/Bakeries/Mort./Groc.	\$146.78	\$8.90	\$211.71	\$9.26	\$216.22	\$9.83
Small Commercial	\$146.78	\$3.79	\$211.71	\$4.05	\$216.22	\$4.27
Car Wash/Laundries	\$146.78	\$3.62	\$211.71	\$3.88	\$216.22	\$4.08
Public Agency/Institutional	\$146.78	\$3.50	\$211.71	\$3.76	\$216.22	\$3.96
Heavy Commercial	\$146.78	\$5.79	\$211.71	\$6.10	\$216.22	\$6.46
Mixed Use Light	\$146.78	\$4.45	\$211.71	\$4.74	\$216.22	\$5.00
Mixed Use Heavy	\$146.78	\$5.30	\$211.71	\$5.59	\$216.22	\$5.91
Navy	\$146.78	\$4.92	\$211.71	\$5.22	\$216.22	\$5.52
Multi-Family	\$146.78	\$4.19	\$211.71	\$4.46	\$216.22	\$4.71

Table ES-2 Comparison of Current versus Proposed Sewer User Rates (Continued)

Classes of Users	FYE 2019 Projected Rates		FYE 2020 Projected Rates		FYE 2021 Projected Rates	
	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)
Single Family	\$220.86	\$4.98	\$226.55	\$5.25	\$232.41	\$5.40
Non-Residential (Includes Multi-Family)						
Rest/Bakeries/Mort./Groc.	\$220.86	\$10.45	\$226.55	\$10.88	\$232.41	\$11.21
Small Commercial	\$220.86	\$4.51	\$226.55	\$4.77	\$232.41	\$4.91
Car Wash/Laundries	\$220.86	\$4.31	\$226.55	\$4.56	\$232.41	\$4.70
Public Agency/Institutional	\$220.86	\$4.18	\$226.55	\$4.42	\$232.41	\$4.55
Heavy Commercial	\$220.86	\$6.85	\$226.55	\$7.17	\$232.41	\$7.39
Mixed Use Light	\$220.86	\$5.29	\$226.55	\$5.57	\$232.41	\$5.74
Mixed Use Heavy	\$220.86	\$6.26	\$226.55	\$6.57	\$232.41	\$6.77
Navy	\$220.86	\$5.84	\$226.55	\$6.14	\$232.41	\$6.32
Multi-Family	\$220.86	\$4.98	\$226.55	\$5.25	\$232.41	\$5.40

ES.3 Capacity Fee Update

In 2013 discussions with City staff, The Keze Group was requested to update the City's sewer capacity fees to reflect the true value of its capital facilities, to ensure that these fees are in accordance with current industry guidelines and practice, and to properly value the City's investment in the Metro System and create a capacity fee per equivalent dwelling unit (EDU¹). Due to the economic climate at that time the City Council adopted only the Imperial Beach portion of the capacity fee (\$2,667 per EDU) and deferred the Metro portion of the capacity fee (\$2,108 per EDU) to be potentially phased-in over future years.

The City's economic climate has much improved since 2013 and the City would like to move forward with the adoption of the Metro portion of the capacity fee. In addition the valuation numbers for both the Imperial Beach and the Metro portion of the capacity fee have been updated based on the change in the San Diego Consumer Price Index since 2013 to reflect a 12.5% increase in inflation. The recommended total capacity fee including all cost factors is \$5,373 per EDU.

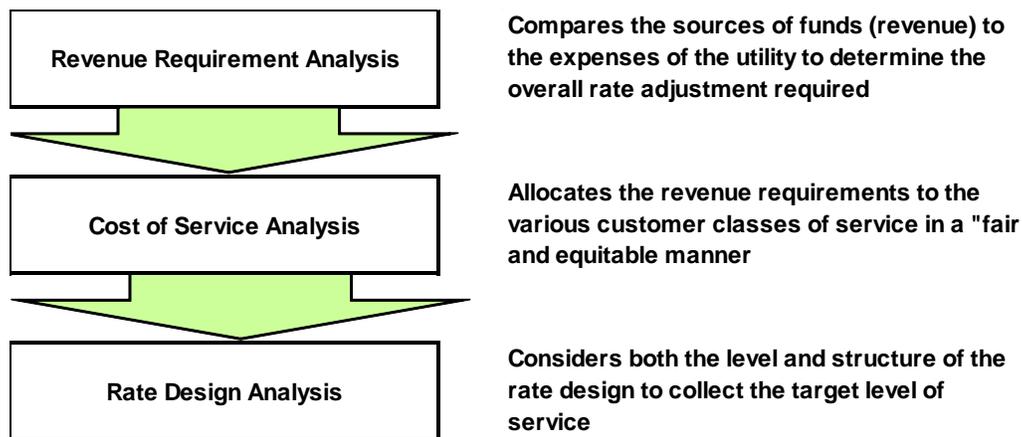
¹ One EDU is equivalent to the assumed gallons per day of a single family residential user. Imperial Beach uses 232 gallons per day for a single family residential user. All other users are assigned EDUs at the time they purchase a capacity fee in their proportional relationship to a single family user.

Section 1 - Sewer User Rate Update

1.1 Overview of the Sewer Service Charge Update Process

A comprehensive rate study typically utilizes three interrelated analyses to address the adequacy and equity of the utility's rates. These three analyses are a revenue requirement analysis, a cost of service analysis, and a rate design analysis. The process is illustrated in Figure 1 -1.

Figure 1-1 Overview of the Comprehensive Rate Study Analysis



The City's sewer utility was evaluated on a "stand-alone" basis. That is, no subsidies between the utility or other City funds occur. By viewing the utility on a stand-alone basis, the need to adequately fund both operations and maintenance (O&M) and capital infrastructure (CIP) must be balanced against the rate impacts on utility customers.

A detailed and comprehensive process was used to review the City's rates. As a part of the rate study process a number of on-site project meeting and conference calls were used to review the results with City management, staff, and the City Council. From this process, final proposed rates were developed and their development is reviewed in this section of the report. Following is a summary of each step in the process.

Revenue Requirement Analysis: The revenue requirement analysis revealed that several significant financial changes have occurred that were not anticipated by the City's 2013 rate study and subsequently adopted sewer user rates. The significant changes are:

- The adopted FYE 2016 budget contained \$2,124,360 in needed capital projects. The 2013 rate study only anticipated the continued historic funding of \$400,000 per year for capital projects in the sewer revenue requirement. The City has a rate stabilization/fund balance reserve of \$2 million established by the City Council. Monies from this reserve are being used to pay for these capital repairs and the reserve is being rapidly depleted. It is anticipated that the reserve will drop to \$500,000 by the end of FYE 2016. Replenishment of this reserve over a five-year period is included in this rate update at the level of \$300,000 per year.
- As stated, increased capital spending for required capital projects needed to maintain the integrity of the City's sewer collection system has been identified. In discussions with City utility staff it has been determined the need to increase the annual CIP funding from \$400,000 to \$600,000 per year. This increased funding level is included in this rate update.
- The planning phase of the City of San Diego's Pure Water Program have begun and during FYE 2017 to FYE 2022 additional Metro costs are anticipated. City of San Diego staff has identified the increased funding level for the participating agencies from \$65 million to \$75 million per year over the next three-years. The City's portion of this budget is currently 3.57%.Imperial Beaches increased funding level for the Pure Water Program is included in this rate update.

The largest component of the City of Imperial Beach's revenue requirement is the costs associated with transportation, treatment, and disposal of the City's wastewater by the Metro facilities and associated City technical services. A summary of the projected expenses associated with these costs follows as Table 1-1.

Table 1-1 San Diego Metro Projections

	FYE17	FYE18	FYE19	FYE20	FYE21	FYE22
Treatment/Disposal/CIP	\$2,337,120	\$2,499,000	\$2,677,500	\$2,757,825	\$2,840,560	\$2,925,777
Transportation	\$3,570	\$3,641	\$3,714	\$3,826	\$3,940	\$4,059
Metro TAC	\$10,032	\$10,233	\$10,437	\$10,750	\$11,073	\$11,405
City Technical Services	\$122,850	\$125,307	\$127,813	\$131,648	\$135,597	\$139,665
Total	\$2,473,572	\$2,638,181	\$2,819,464	\$2,904,049	\$2,991,170	\$3,080,906
	5.9%	6.7%	6.9%	3.0%	3.0%	3.0%

As Table 1-1 shows during FYE's 2017 to 2019 the planning phases of the Pure Water Program are being transitioned. Per a protocol adopted by the City of San Diego and the Metro Commission six-years ago the participating agencies (PAs) portion of the annual Metro budget is currently \$65 million per year. This budgeted amount is audited and adjusted at year-end and the PAs either receive a refund if their actual costs are less than the budget or an invoice if their costs are more.

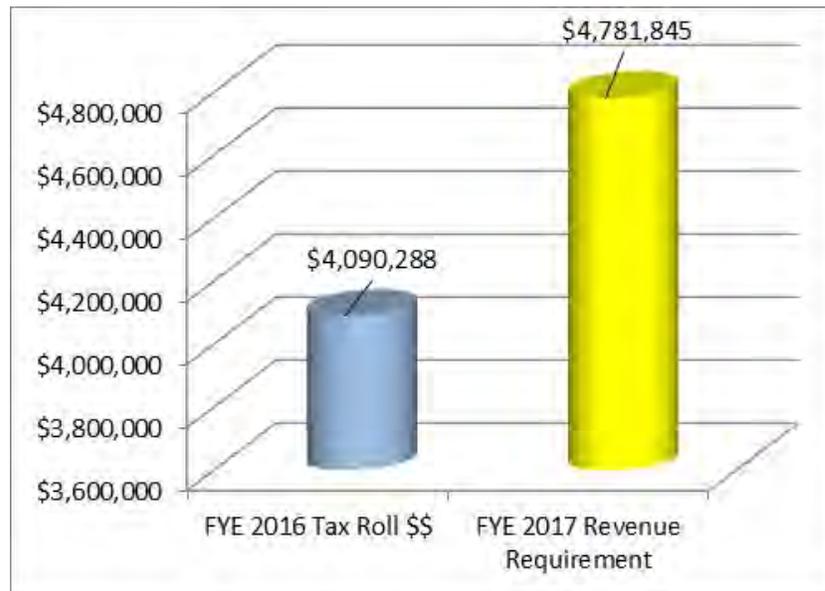
During FYE 2017 to FYE 2019 the City of San Diego will be transitioning the planning costs for the wastewater portion of the Pure Water Program and the PAs share will increase from \$65 to \$75 million annually. It should be noted that the percent increases shown in Table 1-1 comprise a large portion of the rate adjustments proposed for the City's sewer rates.

The City's FYE 2017 adopted sewer enterprise fund budget was updated to respond to these changed costs to create the revenue requirement for the updated rate case. Table 1-2 summarizes the major portions of the revenue requirement which includes all updated costs.

Table 1-2 Updated Five-Year Rate Case Revenue Requirement

Expense Description	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Operation & Maintenance Expenditures					
City O&M Budget	\$1,271,182	\$1,301,547	\$1,332,650	\$1,373,530	\$1,415,635
San Diego Metro Costs	\$2,473,572	\$2,638,181	\$2,819,465	\$2,904,049	\$2,991,170
Total Sewer Enterprise Fund	\$3,744,754	\$3,939,728	\$4,152,115	\$4,277,579	\$4,406,805
Non-operating Expenditures					
Capital Improvements	\$637,091	\$656,204	\$675,890	\$696,166	\$717,051
Rebuild Operations Reserve	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Establish Replacement Reserve	\$100,000	\$103,000	\$106,090	\$200,000	\$206,000
Total Non-Operating Expenditures	\$1,037,091	\$1,059,204	\$1,081,980	\$1,196,166	\$1,223,051
Revenue Requirement	\$4,781,845	\$4,998,932	\$5,234,095	\$5,473,745	\$5,629,856

Figure 1-2 shows the FYE 2016 sewer user revenue that has been placed on the San Diego County Property Tax Roll or hand-billed to government agencies of \$4,090,288. With the inclusion of the increased costs the FYE 2017 revenue requirement (modified budget less non-operating revenues) increases to \$4,781,845. The sewer user rates included in this study are established based on this increased revenue requirement of 17%. A detailed copy of the five-year revenue requirement is included in Appendix A to this report.

Figure 1-2 FYE 2016 Tax Roll Revenue versus FYE 2017 Revenue Requirement

Cost of Service Analysis: The cost of service analysis also revealed that several major changes have occurred in users and use that were not anticipated by the City's 2013 rate study and subsequently adopted sewer user rates. The significant changes are:

- As with other communities in San Diego County and Southern California the City's citizens and businesses have decreased their water usage by 18.4% over the FYE 2012 water usage utilized by the 2013 study. This has decreased revenues from the adopted commodity rates.
- After the adoption of the 2013 study City staff determined that the Navy NOLF accounts flowed directly into the City of San Diego and therefore should not be assessed sewer service charges by the City of Imperial Beach. This reduced the City's overall revenue by \$140,000 or 3.3%.

Table 1-3 summarizes the current number of City users and their projected sewer flows based on the current tax roll water use data for FYE 2016.

Table 1-3 Summary of Current Users and Estimated Sewer Flow

Units of Service and Loadings		FLOW:		
		(A)	(B)	(C)
User Group	No. of Accounts	Annual Consumption per User Class	Rate of Return	Adjust for Rate of Return
Residential:		(HCF)		(HCF)
Single Family	4,361	487,284	75.0%	365,463
Subtotal- Residential	4,361	487,284		365,463
Commercial				
Rest/Bakeries/Mort./Groc.	41	12,377	90.0%	11,139
Small Commercial	103	11,991	90.0%	10,792
Car Wash/Laundries	10	10,173	90.0%	9,156
Public Agency/Institutional	49	25,185	75.0%	18,889
Heavy Commercial	12	11,591	90.0%	10,432
Mixed Use Light	30	6,679	90.0%	6,011
Mixed Use Heavy	2	336	90.0%	302
Navy	1	5	90.0%	5
Multi-Family	1,546	322,084	95.0%	305,980
Subtotal Non-Residential	1,794	400,421		372,705
TOTAL	6,155	887,705		738,168

Rate Design Analysis: In September 2015, the City Council held a planning workshop to review history of the sewer industry's as well as the City's sewer rate structures. Included in this review were alternative rate structures to the City's current structure and alternate ways of estimating sewer flow for user rates. In addition, the cost allocation process was reviewed.

The outcome of this review was that the Council approved continuing with the City's current rate structures and methodologies. The current sewer rate structures meet industry and Federal Government (EPA) standards and follows Best Management Practices (BMP's) established by the State of California. The only request for additional review was to compare increasing the fixed cost allocation in the base rate to 30% from its current 26.4% level to potentially provide for additional revenue stability. This alternative was reviewed with the City Council at their February meeting and due to the impact on the small user this change was not approved.

All classes of users will continue to be billed a base fee and a commodity fee based on their annual water usage and sewage strength category. The single family user class is subject to a “cap” on their sewer service charge. The cap for FYE 2016 was \$961.03. This equates to 200 HCF of water usage/sewer flow annually. It is the City’s current policy that the cap increases each year by inflation. This study assumes the cap will increase annually by 3% inflation. This equates to a single family cap of \$989.86 for FYE 2017. Overview of FYE 2017 Rate Case

Table 1-4 compares the current FYE 2016 adopted sewer rates with the proposed FYE 2017 and 2018 rates. Table 1-5 shows the remaining years of the FYE 2017 Rate Case (through FYE 2021).

Table 1-4 Comparison of Current versus Proposed Sewer User Rates

Classes of Users	Current FYE 2016 Rates		FYE 2017 Projected Rates		FYE 2018 Projected Rates	
	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)
Single Family	\$146.78	\$4.19	\$211.71	\$4.35	\$216.22	\$4.71
Non-Residential (Includes Multi-Family)						
Rest/Bakeries/Mort./Groc.	\$146.78	\$8.90	\$211.71	\$9.26	\$216.22	\$9.83
Small Commercial	\$146.78	\$3.79	\$211.71	\$4.05	\$216.22	\$4.27
Car Wash/Laundries	\$146.78	\$3.62	\$211.71	\$3.88	\$216.22	\$4.08
Public Agency/Institutional	\$146.78	\$3.50	\$211.71	\$3.76	\$216.22	\$3.96
Heavy Commercial	\$146.78	\$5.79	\$211.71	\$6.10	\$216.22	\$6.46
Mixed Use Light	\$146.78	\$4.45	\$211.71	\$4.74	\$216.22	\$5.00
Mixed Use Heavy	\$146.78	\$5.30	\$211.71	\$5.59	\$216.22	\$5.91
Navy	\$146.78	\$4.92	\$211.71	\$5.22	\$216.22	\$5.52
Multi-Family	\$146.78	\$4.19	\$211.71	\$4.46	\$216.22	\$4.71

Table 1-5 Comparison of Current versus Proposed Sewer User Rates

Classes of Users	FYE 2019 Projected Rates		FYE 2020 Projected Rates		FYE 2021 Projected Rates	
	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)
Single Family	\$220.86	\$4.98	\$226.55	\$5.25	\$232.41	\$5.40
Non-Residential (Includes Multi-Family)						
Rest/Bakeries/Mort./Groceries	\$220.86	\$10.45	\$226.55	\$10.88	\$232.41	\$11.21
Small Commercial	\$220.86	\$4.51	\$226.55	\$4.77	\$232.41	\$4.91
Car Wash/Laundries	\$220.86	\$4.31	\$226.55	\$4.56	\$232.41	\$4.70
Public Agency/Institutional	\$220.86	\$4.18	\$226.55	\$4.42	\$232.41	\$4.55
Heavy Commercial	\$220.86	\$6.85	\$226.55	\$7.17	\$232.41	\$7.39
Mixed Use Light	\$220.86	\$5.29	\$226.55	\$5.57	\$232.41	\$5.74
Mixed Use Heavy	\$220.86	\$6.26	\$226.55	\$6.57	\$232.41	\$6.77
Navy	\$220.86	\$5.84	\$226.55	\$6.14	\$232.41	\$6.32
Multi-Family	\$220.86	\$4.98	\$226.55	\$5.25	\$232.41	\$5.40

It should be noted that 91% of the City's current users have either a 5/8" or 3/4" water meter and thus pay the average base rate as shown on the prior tables. Large water meters are used by multi-family with a large number of living units attached to the same water meter and large commercial properties. Table 1-6 shows the number of water meters by size as well as the projected rates for each size during the planning period.

Table 1-6 Comparison of Current versus Proposed Base Rates by Meter Size

Size of Water Meter	Number of Meters	AWWA Hydraulic Capacity	Current 2016 Base Rate	2017 Proposed Base Charge	2018 Proposed Base Charge	2019 Proposed Base Charge	2020 Proposed Base Charge	2021 Proposed Base Charge
5/8"	5,622	1.00	\$146.78	\$211.71	\$216.22	\$220.86	\$226.55	\$232.41
3/4"	3	1.00	\$146.78	\$211.71	\$216.22	\$220.86	\$226.55	\$232.41
1"	341	1.67	\$219.60	\$316.80	\$323.56	\$330.50	\$339.01	\$347.79
1 1/2"	110	3.33	\$401.66	\$579.55	\$591.91	\$604.60	\$620.17	\$636.22
2"	76	5.33	\$620.13	\$894.84	\$913.93	\$933.51	\$957.57	\$982.35
3"	1	10.00	\$1,129.90	\$1,630.51	\$1,665.30	\$1,700.99	\$1,744.82	\$1,789.97
4"	2	16.67	\$1,858.14	\$2,681.48	\$2,738.69	\$2,797.38	\$2,869.46	\$2,943.71
Total	6,155							

Table 1-7 summarizes the rate impacts on an average single family when the items discussed in the Overview subsection are applied.

Table 1-7 Determination of Average Single Family User Rates FYE 2017

	A	B	C	D	E	F	G	H
	Annual HCF	Rate of Return	Sewer Flow HCF	Base Charge	Commodity Charge	Total Annual	Total Monthly	Percent Change
Current 2016 Charges	112	75%	84	\$146.78	\$4.19	D+(E*C) \$498.74	F/12 \$41.56	
2017 Approved Rates				\$150.89	\$4.23	\$506.21	\$42.18	1.5%
2017 Updated Rates				\$211.71	\$4.46	\$586.44	\$48.87	
Change from 2017 Approved						\$80.23	\$6.69	15.8%
Total Change from 2016						\$87.70	\$7.31	17.6%

The average Imperial Beach single family customer uses 112 HCF annually. For rate setting purposes this is reduced by an industry standard rate of return to the sewer of 25% to convert water usage to a sewer flow of 84 HCF annually. This can further be converted to monthly of 9 HCF and 7 HCF respectively. The following rates are shown on the 1-6 chart in the order they appear:

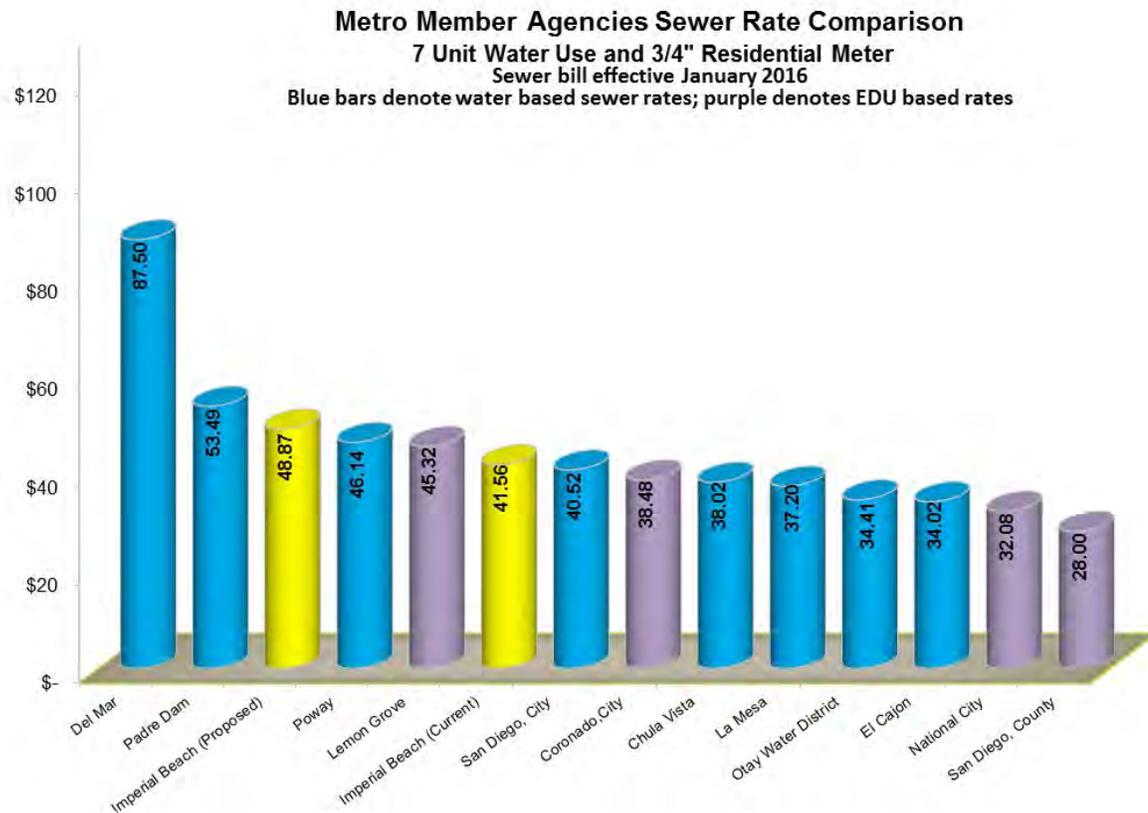
- Current adopted FYE 2016 rates of \$498.74 annually or \$41.56 monthly.
- Currently approved FYE 2017 rates adopted in the 2013 study which will be implemented January 2017.
- FYE 2017 adopted rates updated to current costs, users, and flow to create proposed annual rates.

It should be noted that the revised FYE 2017 rate adjustment includes two parts. The first is the 2013 adopted increase of \$.62 per month. The second is an additional \$6.69 per month to cover the increased Metro, Imperial Beach CIP, and reserve fund replenishment costs as well as the

adjustment for decreased water usage and loss of Navy revenue for a total of \$7.31 per month. It should be noted the increased Metro costs account for 5.9% of this proposed 17.6% rate adjustment.

Figure 1-3 summarizes all San Diego Metro Member Agencies comparative sewer user rates based on 7 HCF of water usage/sewer flow and a residential monthly base fee. It should be noted that the majority of the Metro agencies are in the process of updating their sewer user rates to include funding for the Pure Water Program.

Figure 1-3 Metro Member Agencies Sewer Rate Comparison



1.3 Other Billing Issues

As part of this study, City staff requested that the City's current definition of a multi-family unit versus single family be reviewed and potentially revised. The City's current definitions of single family and multi-family are:

- **Single-family residential** means the residential customer classification where one living unit is served by one water meter with the exception of that where four or more living units are attached then they are treated as multi-family residential regardless of the number of water meters.
- **Multi-family residential** means the residential customer classification with more than one living unit served by a single water meter, and shall include all residential accounts other than single-family residential.

A Review of These Definitions

As will be noted the current definitions are not clear in defining what is considered a single family residence and what a multi-family complex is. This is further complicated by the fact that the City does not have control over sizing and/or numbers of water meters attached to a residential or multi-family unit. This has been determined by Cal Am Water Company in the past and has not been consistent over the years. The City and Cal Am are currently in agreement that all living units, whether they are single family or multi-family, will be individually metered going forward. However, to individually meter all existing units would be costly and in many cases not feasible due to the installed plumbing. Thus, an update to the current definitions is more realistic and can be done by amending the City's code.

TKG gathered multi-family definitions from other Metro member agencies. One of the clearer definitions provided by other agencies is from the Otay Water District (Section 53.09 Basis for Determination of EDUs).

- **Residential Facilities EDUs** – The number of EDUs for sewer service shall be determined on the following basis:
 - Single-Family Residence (Includes manufactured homes, and mobile homes which are on private lots). A secondary structure with a kitchen is considered an additional EDU;
 - Apartments and Multiple Family Housing – Each individual living unit;
 - Residential condominiums – Each individual living unit;
 - Mobile Home and Trailer Parks – Per each individual space
- **Multi-Residential Rate Charges** – Defined as sewer service for master metered water service for multiple-residential households including for example; duplex, townhomes, apartments, and mobile homes.

The City of La Mesa further defines what a single dwelling unit is. One dwelling unit would be what Otay refers to as “an EDU”. It should be noted that La Mesa considers a duplex to be a single family living unit (in other words a duplex is considered to be two single family units). Accessory dwelling units are also considered to be single family as long as they comply with the definitions that follow:

- **Dwelling unit** is one independent living facility in a building or buildings intended for or providing permanent residence. The presence of independent living facilities for purposes of this title may be based on the existence of such facilities as:
 - Kitchen facilities (room or space used, intended for, or designated for food preparation, cooking and eating)
 - Toilet facilities
 - Bathing facilities
 - Separate connections to, or separate metering of, any utility
 - Separate access from outdoors
 - Lack of access from the interior of any other dwelling or structure
- **Accessory dwelling unit** means either a detached or attached dwelling unit which provides complete, independent living facilities for one or two persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel or parcels as the primary unit is situated.

Due to the configuration of multiple types of residential units on one parcel it is recommended that the La Mesa definition of a single family residential unit, modified for the City's water metering anomalies should be adopted. It could read as follows:

- **Dwelling unit** is one independent living facility in a building or buildings intended for or providing permanent residence. The presence of independent living facilities for purposes of this title may be based on the existence of such facilities as:
 - Kitchen facilities (room or space used, intended for, or designated for food preparation, cooking and eating)
 - Toilet facilities
 - Bathing facilities
 - Separate access from outdoors
 - Lack of access from the interior of any other dwelling or structure
- **Accessory dwelling unit** means either a detached or attached dwelling unit which provides complete, independent living facilities for one or two persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the primary unit is situated.

It is further recommended that the City, like La Mesa, consider a duplex to be two single family residences. A multi-family living unit would follow the definition of a dwelling unit as described above but would be a tri-plex or larger or more than two living units on a parcel. The City should base these definitions on a per parcel basis not a per water meter basis due to the inconsistencies in the installation of water meters in the past.

City staff may wish to continue discussions with their planning consultants to see if the description of single versus multi-family should be further amended to include additional criteria in the definitions.

Section 2 - Capacity Fee Update

At the time of connection to a public agency's utility system, or at the expansion of existing units on a connection line, customers are typically charged a capacity fee. The capacity fee requires new users to pay for their share of costs to construct facilities required to provide their utility service or in the case of increased density their increased intensity of use. Revenues generated through capacity fees can be used to directly offset system expansion costs and/or for renewal and replacement capital projects. Use of capacity fee revenues to offset these CIP costs reduces the amount of revenue required from rates assessed to existing users. This way, capacity fee revenues in effect, reimburse existing users (through lower rates) for costs they have incurred to build and maintain capacity for new users to connect to.

2.1 Overview of the Capacity Fee Rate Update Study

In 2013 discussions with City staff, The Keze Group was requested to update the City's sewer capacity fees to reflect the true value of its capital facilities, to ensure that these fees are in accordance with current industry guidelines and practice, and to properly value the City's investment in the Metro System and create a capacity fee per equivalent dwelling unit (EDU²)

Table 2-1 shows the three components of the 2013 developed capacity fee. The upper portion of the table shows the capacity fee based on the value of the City's wastewater system (line 2). The middle portion of the table shows the value of the City's pump stations and the related capacity fee (line 4). The lower portion of the table shows the San Diego Metro component of the capacity fee (line 6). Each component of the capacity fee is calculated by taking the value of facilities and dividing by the current total EDUs. Line 7 shows the total capacity fee for one sewer unit (EDU), summing all components, under each valuation method. For each new customer or for increased density, the City will ascertain, at the time of capacity fee assessment, the number of new EDUs required and charge the fee accordingly.

California state law regarding capacity fees requires a valuation of an agencies system as was prepared by the 2013 study. Once the total value of the system is established as shown in Table 2-1 an agency can establish their capacity fee up to the maximum valuation determined by the valuation. However, an agency can choose to adopt a lower capacity fee. In 2013 the City Council directed staff and consultant to adopt a capacity fee based on the replacement cost less depreciation methodology for only the City's assets of \$2,667 per EDU and then potentially phase in the remaining \$2,108 per EDU for the valuation of the Metro System due to the 2013 economic climate.

² One EDU is equivalent to the assumed gallons per day of a single family residential user. Imperial Beach uses 232 gallons per day for a single family residential user. All other users are assigned EDUs at the time they purchase a capacity fee in their proportional relationship to a single family user.

Table 2-1 Sewer Capacity Fee Determination

(A)	(B)	(C)	(D)
Line No.	Valuation Component	Replacement Costs	Replacement Cost Less Depreciation
1	Pipelines	\$46,031,303	\$23,015,652
2	Cost Per EDU (a)	\$4,352	\$2,176
3	Pump Stations	\$15,596,987	\$5,197,589
4	Cost Per EDU (a)	\$1,475	\$491
5	Metro Assets	\$32,818,033	\$22,300,011
6	Cost Per EDU (a)	\$3,103	\$2,108
7	<u>Total Cost Per EDU</u>	\$8,929	\$4,776

(a) Total EDUs

10,577

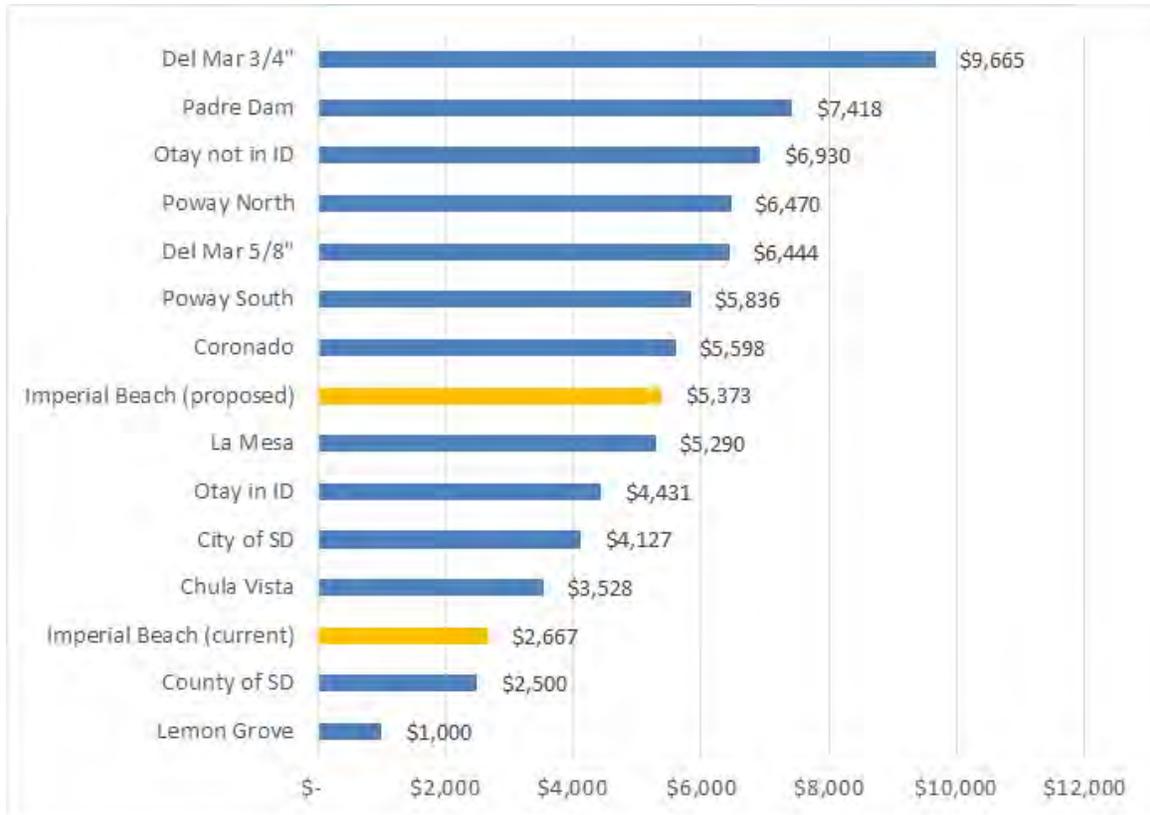
10,577

Note: Pipelines and Pump Stations are based on replacement costs
Metro Assets are valued as Reproduction Cost from Raftelis 2005 Study
brought to present value using the June 2012 ENR

The City's economic climate has much improved since 2013 and staff and the City Council would like to move forward with the adoption of the Metro portion of the capacity fee. In addition the valuation numbers for both the City's and the Metro assets have been updated based on the change in the San Diego Consumer Price Index to reflect inflation since 2013 (12.5%). This produces a fee per EDU of \$5,373.

The following figure summarizes the capacity fees per EDU for each of the Metro member agencies. It should be noted that all of the fees that are \$5,000 and above include one of the Metro system valuation scenarios. Otay uses a special financing method called Improvement Districts and since those costs are already being paid by a property owner in their property taxes they cannot be included in a capacity fee – thus the in ID fee just includes San Diego Metro. In addition, the City of Lemon Grove is in the process of updating their capacity fee that was originally set in the early 1980s.

Figure 2-1 Metro Member Agency Capacity Fee Survey



The City's adopted FYE 2017 budget projects \$30,000 in capacity fee revenue. The implementation of the Metro portion of the capacity fee would serve to double this projected revenue and provide much needed capital financing for capacity expansion and rehabilitation repairs. As stated earlier, every \$100,000 in change to the sewer user revenue requirement is \$1.10 per month per average single family user. This applies to revenue requirement decreases as well as increases. Thus, increased revenue from capacity fees would help moderate future user rate adjustments.

Section 3 - Summary and Conclusions

The City proposes to update its sewer service charges and capacity fees. This report proposes several potential changes to both. This report includes two appendices to provide for detailed data of the final rates. Appendix A contains the full output from the economic model used to create the user rates. Appendix B contains the full output from the capacity fee model. The following recommendations are presented for Council's review, discussion, and potential adoption.

3.1 Sewer User Fee Recommendations

1. Update 2013 adopted rate case to reflect current budget and financial forecasts
2. Update 2013 adopted rate case to reflect current users, use, and revenue requirement
3. Adopt a revised "pass-through" ordinance to protect the City from unknown future costs
4. Formally adopt and implement reserve policies
 - Rate stabilization reserve: 6-months operating cash
 - Rebuild to \$2 million minimum over five-years as per Council policy
 - Capital reserve: Increase from \$400,000 to \$600,000 annually for required major capital repairs
 - Replacement reserve: establish based on annual depreciation (+\$200,000) to provide a reserve for replacement projects. Phase in reserve over five-years.
5. Review annual actual revenue to projected revenue to maintain financial stability should use patterns or revenue requirement change.
 - Especially review in FYE 2018 and FYE 2019 for change in adjustments by the Pure Water Program

3.2 Capacity Fee Recommendations

Fully implement 2013 fee recommendations to include Metro portion of the capacity fee

1. Update 2013 fee to reflect inflation
 - San Diego Consumer Price Index shows 12.5% inflation since 2013 valuation study

APPENDIX A

City of Imperial Beach
Sewer Enterprise Fund

Non - Operating Revenue	Old Model	FY16	FY17	FY18	FY19	FY20	FY21
	FY16	1	2	3	4	5	6
NOLF-REAM FLD-SEWER FEES							
SEWER CAPACITY FEES							
SEWER FEES SPECIAL BILLED							
SEWER BLDG PERMITS							
OTHER	32,185	30,000	30,000	30,000	30,000	30,000	30,000
JURMP CHARGES	115,000						
	147,185	30,000	30,000	30,000	30,000	30,000	30,000
601-5060 SEWER ENTERPRISE FUND							
Employee Costs							
436.10-01 SALARIES FULL-TIME	\$240,933	\$252,693	\$ 262,011	\$ 269,871	\$ 277,967	\$ 286,306	\$ 294,896
436.10-03 OVERTIME	\$13,331	\$12,200	\$ 12,200	\$ 12,566	\$ 12,943	\$ 13,331	\$ 13,731
436.10-07 STAND-BY PAY	\$20,762	\$21,000	\$ 21,000	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636
436.11-01 PERS-CITY PORTION	\$29,675	\$48,138	\$ 51,092	\$ 52,625	\$ 54,204	\$ 55,830	\$ 57,504
436.11-02 PERS-EMPLOYEE PORTION	\$4,819	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
436.11-03 SECTION 125 CAFETERIA	\$48,845	\$57,094	\$ 57,094	\$ 58,807	\$ 60,571	\$ 62,388	\$ 64,260
436.11-04 LIFE INSURANCE	\$437	\$664	\$ 664	\$ 684	\$ 704	\$ 726	\$ 747
436.11-05 UNEMPLOYMENT INSURANCE	\$2,371	\$2,170	\$ 2,170	\$ 2,235	\$ 2,302	\$ 2,371	\$ 2,442
436.11-06 WORKER'S COMP INSURANCE	\$1,748	\$6,532	\$ 6,532	\$ 6,728	\$ 6,930	\$ 7,138	\$ 7,352
436.11-07 FICA	\$19,217	\$20,686	\$ 21,399	\$ 22,041	\$ 22,702	\$ 23,383	\$ 24,085
Other Costs							
436.20-06 PROFESSIONAL SERVICES	\$10,612	\$10,000	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,716	\$ 11,038
436.20-23 SECURITY & ALARM	\$3,820	\$4,000	\$ 4,000	\$ 4,080	\$ 4,162	\$ 4,286	\$ 4,415
436.21-01 TEMPORARY STAFFING	\$26,530	\$30,000	\$ 30,000	\$ 30,600	\$ 31,212	\$ 32,148	\$ 33,113
436.21-04 TECHNICAL SERVICES	\$2,556,138	\$2,336,709	\$2,473,572	\$2,638,181	\$2,819,465	\$2,904,049	\$2,991,170
436.21-23 TRAFFIC CONTROL	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
436.25-02 RENT-EQUIPMENT	\$1,061	\$1,000	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,072	\$ 1,104
436.26-03 PUBLIC WORKS ADMIN	\$247,501	\$348,882	\$ 348,882	\$ 355,860	\$ 362,977	\$ 373,866	\$ 385,082
436.26-04 ABC-ADMIN SVC CHARGE	\$242,249	\$146,527	\$ 146,527	\$ 149,458	\$ 152,447	\$ 157,020	\$ 161,731
436.26-05 ABC-TECHNOLOGY SVC CHARGE	\$7,527	\$25,590	\$ 25,590	\$ 26,102	\$ 26,624	\$ 27,423	\$ 28,245
436.26-06 ABC-RISK MGMT SVC CHARGE	\$19,049	\$10,419	\$ 10,419	\$ 10,627	\$ 10,840	\$ 11,165	\$ 11,500
436.26-07 ABC-FMP EQUIPMENT CHARGE	\$43,987	\$93,709	\$ 93,709	\$ 95,583	\$ 97,495	\$ 100,420	\$ 103,432
436.26-08 ABC-FACILITIES CHARGE		\$9,083	\$ 9,083	\$ 9,265	\$ 9,450	\$ 9,733	\$ 10,025
436.27-01 GAS & ELECTRIC (SDG&E)	\$72,162	\$68,000	\$ 70,000	\$ 71,400	\$ 72,828	\$ 75,013	\$ 77,263
436.27-02 UTILITIES-WATER	\$3,714	\$6,700	\$ 7,200	\$ 7,344	\$ 7,491	\$ 7,716	\$ 7,947
436.27-04 UTILITIES-TELEPHONE	\$3,820	\$2,500	\$ 2,500	\$ 2,550	\$ 2,601	\$ 2,679	\$ 2,759
436.28-01 MAINTENANCE & REPAIR	\$40,750	\$40,800	\$ 38,800	\$ 39,576	\$ 40,368	\$ 41,579	\$ 42,826
436.28-04 TRAVEL, TRAINING, MEETING	\$0	\$5,200	\$ 5,700	\$ 5,814	\$ 5,930	\$ 6,108	\$ 6,291
436.28-09 POSTAGE & FREIGHT	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
436.28-12 MEMBERSHIP DUES	\$849	\$900	\$ 900	\$ 918	\$ 936	\$ 964	\$ 993
436.28-13 FEES & LICENSES	\$4,563	\$2,950	\$ 2,950	\$ 3,009	\$ 3,069	\$ 3,161	\$ 3,256
436.29-04 OTHER SERVICES & CHARGES	\$8,914	\$8,400	\$ 8,400	\$ 8,568	\$ 8,739	\$ 9,002	\$ 9,272
436.30-02 OPERATING SUPPLIES	\$15,541	\$13,895	\$ 13,960	\$ 14,239	\$ 14,524	\$ 14,960	\$ 15,408
436.30-22 SMALL TOOLS/NON-CAPITAL	\$1,486	\$1,400	\$ 1,400	\$ 1,428	\$ 1,457	\$ 1,500	\$ 1,545
436.50-04 EQUIPMENT	\$0	\$42,000	\$ 36,000	\$ 36,720	\$ 37,454	\$ 38,578	\$ 39,735
436.00-00 REBUILD OPERATIONS RESERVE	\$99,002		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
436.90-01 TRANSFER OUT	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL SEWER ENTERPRISE FUND	3,791,417	3,629,841	4,074,754	\$ 4,269,728	\$ 4,482,115	\$ 4,607,578	\$ 4,736,806

City of Imperial Beach
Sewer Enterprise Fund

	Old Model	FY16	FY17	FY18	FY19	FY20	FY21
TOTAL O&M	3,791,417	3,629,841	4,074,754	4,269,728	4,482,115	4,607,578	4,736,806
Historic Capital Reserve Annual Funding (\$400K inflated)							
Transfer to Capital Reserve for CIP Funding	424,360	424,360	637,091	656,204	675,890	696,166	717,051
	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL RESERVE	\$ 424,360	\$ 424,360	\$ 637,091	\$ 656,204	\$ 675,890	\$ 696,166	\$ 717,051
Transfers							
Establish Minimum Capital Reserve Fund	250,000	204,928	100,000	103,000	106,090	200,000	206,000
Note: Based on 2015 depreciation plus construction inflation							
TOTAL TRANSFERS	\$ 250,000	\$ 204,928	\$ 100,000	\$ 103,000	\$ 106,090	\$ 200,000	\$ 206,000
TOTAL NONOPERATING EXPENDITURES	\$ 674,360	\$ 629,288	\$ 737,091	\$ 759,204	\$ 781,980	\$ 896,166	\$ 923,051
RESERVES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE REQUIREMENTS	\$ 4,318,592	\$ 4,229,129	\$ 4,781,845	\$ 4,998,932	\$ 5,234,094	\$ 5,473,744	\$ 5,629,857
PERCENTAGE ALLOCATED to EACH COMPONENT							
TOTAL BUDGET PRIOR TO TRANSFERS	4,318,592	4,229,129	4,781,845	4,998,932	5,234,094	5,473,744	5,629,857

City of Imperial Beach
 FY 16 Base Year Model
 Step 2 -- Determination of Unit Costs

		FY16	FY17	FY18	FY19	FY20	FY21
Cost Category		Unit Cost					
1. Customer Related Costs		\$ 258,626	\$ 320,236	\$ 326,309	\$ 332,530	\$ 340,706	\$ 349,127
Number of Customers		6,155	6,155	6,155	6,155	6,155	6,155
Unit Cost (\$ / Customer)		\$ 42.02	\$ 52.03	\$ 53.02	\$ 54.03	\$ 55.35	\$ 56.72
2. Capacity Related Costs		\$ 858,746	\$ 1,119,136	\$ 1,143,875	\$ 1,169,270	\$ 1,199,848	\$ 1,231,343
Number of Hydraulic Equivalencies		7,009	7,009	7,009	7,009	7,009	7,009
Unit Cost		\$ 122.53	\$ 159.68	\$ 163.21	\$ 166.83	\$ 171.19	\$ 175.69
Total Fixed Charge Based on Hydraulic Meters		\$ 164.55	\$ 211.71	\$ 216.22	\$ 220.86	\$ 226.55	\$ 232.41
Accounts		6,155	6,155	6,155	6,155	6,155	6,155
Base Charge (Fixed costs divided by total accounts)		\$ 181.54	\$ 233.85	\$ 238.86	\$ 244.00	\$ 250.29	\$ 256.78
3. Collection System Volume Related Costs		\$ 775,048	\$ 868,900	\$ 890,566	\$ 912,830	\$ 1,029,142	\$ 1,058,216
Annual Flow (HCF)		738,168	738,168	738,168	738,168	738,168	738,168
Unit Cost (\$ / HCF)		\$ 1.05	\$ 1.18	\$ 1.21	\$ 1.24	\$ 1.39	\$ 1.43
4. Treatment Plant - Wastewater Strength Related		\$ 2,336,709	\$ 2,473,572	\$ 2,638,181	\$ 2,819,465	\$ 2,904,049	\$ 2,991,170
	Parameter Allocation %'s						
Flow (HCF)	49.1%	\$ 1,147,324	\$ 1,214,524	\$ 1,295,347	\$ 1,384,357	\$ 1,425,888	\$ 1,468,664
BOD (LBS.)	24.0%	\$ 560,810	\$ 593,657	\$ 633,163	\$ 676,672	\$ 696,972	\$ 717,881
SS (LBS.)	26.9%	\$ 628,575	\$ 665,391	\$ 709,671	\$ 758,436	\$ 781,189	\$ 804,625
	100.00%						
Annual Flow (HCF)		738,168	738,168	738,168	738,168	738,168	738,168
Pounds of BOD (lbs)	50.9%	975,542	975,542	975,542	975,542	975,542	975,542
Pounds of SS (lbs)		945,263	945,263	945,263	945,263	945,263	945,263
Unit Cost (\$ / HCF)		\$ 1.55	\$ 1.65	\$ 1.75	\$ 1.88	\$ 1.93	\$ 1.99
Unit Cost (\$ / lb)		\$ 0.57	\$ 0.61	\$ 0.65	\$ 0.69	\$ 0.71	\$ 0.74
Unit Cost (\$ / lb)		\$ 0.66	\$ 0.70	\$ 0.75	\$ 0.80	\$ 0.83	\$ 0.86
Total Revenue Requirement For Rates		\$ 4,229,129	\$ 4,781,845	\$ 4,998,932	\$ 5,234,094	\$ 5,473,744	\$ 5,629,857
Add ___ Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add Fog Program Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 4,229,129	\$ 4,781,845	\$ 4,998,932	\$ 5,234,094	\$ 5,473,744	\$ 5,629,857
Check		-	-	-	-	-	-

City of Imperial Beach
 FY 16 Base Year Model
 Step 3 -- Sewer User Rate Calculation By Fund and Cost

FY16 (revised)	No. of Accounts	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Cust)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 42.02	\$ 122.53	\$ 1.05	\$ 1.65	\$ 0.57	\$ 0.66	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 183,244	\$ 541,689	\$ 383,722	\$ 568,034	\$ 262,314	\$ 303,428	\$ 2,242,430
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 183,244	\$ 541,689	\$ 383,722	\$ 568,034	\$ 262,314	\$ 303,428	\$ 2,242,430
Rest/Bakeries/Mort./Groc.	41	56	11,139	69,540	41,724	\$ 1,723	\$ 6,902	\$ 11,696	\$ 17,314	\$ 39,977	\$ 27,745	\$ 105,357
Small Commercial	103	136	10,792	10,106	10,106	\$ 4,328	\$ 16,704	\$ 11,331	\$ 16,774	\$ 5,809	\$ 6,720	\$ 61,667
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 420	\$ 3,267	\$ 9,613	\$ 14,231	\$ 4,929	\$ 4,181	\$ 36,641
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,059	\$ 24,424	\$ 19,832	\$ 29,359	\$ 8,812	\$ 7,841	\$ 92,327
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 504	\$ 4,043	\$ 10,953	\$ 16,214	\$ 14,975	\$ 17,322	\$ 64,012
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,261	\$ 6,085	\$ 6,311	\$ 9,343	\$ 3,883	\$ 6,987	\$ 33,871
Mixed Use Heavy	2	3	302	850	453	\$ 84	\$ 327	\$ 318	\$ 470	\$ 488	\$ 301	\$ 1,988
Navy	1	1	5	6	10	\$ 42	\$ 123	\$ 5	\$ 7	\$ 3	\$ 7	\$ 186
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 64,961	\$ 255,181	\$ 321,267	\$ 475,580	\$ 219,619	\$ 254,042	\$ 1,590,650
Subtotal Non-Residential	1,794	2,588	372,705	519,241	488,962	\$ 75,382	\$ 317,057	\$ 391,326	\$ 579,290	\$ 298,496	\$ 325,147	\$ 1,986,699
Total	6,155	7,009	738,168	975,542	945,263	\$ 258,626	\$ 858,746	\$ 775,048	\$ 1,147,324	\$ 560,810	\$ 628,575	\$ 4,229,129
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	-
						\$ 1,117,372						

FY17	No. of Accounts	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Cust)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 52.03	\$ 159.63	\$ 1.18	\$ 1.65	\$ 0.61	\$ 0.70	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 226,897	\$ 705,941	\$ 430,188	\$ 601,304	\$ 277,678	\$ 321,200	\$ 2,563,207
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 226,897	\$ 705,941	\$ 430,188	\$ 601,304	\$ 277,678	\$ 321,200	\$ 2,563,207
Rest/Bakeries/Mort./Groc.	41	56	11,139	69,540	41,724	\$ 2,133	\$ 8,995	\$ 13,112	\$ 18,328	\$ 42,318	\$ 29,370	\$ 114,257
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,359	\$ 21,770	\$ 12,703	\$ 17,756	\$ 6,150	\$ 7,114	\$ 70,851
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 520	\$ 4,258	\$ 10,777	\$ 15,064	\$ 5,217	\$ 4,426	\$ 40,263
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,549	\$ 31,829	\$ 22,234	\$ 31,078	\$ 9,329	\$ 8,301	\$ 105,320
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 624	\$ 5,269	\$ 12,279	\$ 17,164	\$ 15,852	\$ 18,337	\$ 69,526
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,561	\$ 7,931	\$ 7,076	\$ 9,890	\$ 4,110	\$ 7,396	\$ 37,964
Mixed Use Heavy	2	3	302	850	453	\$ 104	\$ 426	\$ 356	\$ 498	\$ 517	\$ 319	\$ 2,219
Navy	1	1	5	6	10	\$ 52	\$ 160	\$ 5	\$ 7	\$ 3	\$ 7	\$ 235
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 80,436	\$ 332,558	\$ 360,170	\$ 503,435	\$ 232,483	\$ 268,921	\$ 1,778,003
Subtotal Non-Residential	1,794	2,588	372,705	519,241	488,962	\$ 93,339	\$ 413,196	\$ 438,712	\$ 613,220	\$ 315,979	\$ 344,191	\$ 2,218,638
Total	6,155	7,009	738,168	975,542	945,263	\$ 320,236	\$ 1,119,136	\$ 868,900	\$ 1,214,524	\$ 593,657	\$ 665,391	\$ 4,781,845
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	-
						\$ 1,439,373						

FY18												
User Group	No. of Accounts	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Cust)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 53.02	\$ 163.21	\$ 1.21	\$ 1.75	\$ 0.65	\$ 0.75	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 231,200	\$ 721,546	\$ 440,914	\$ 641,319	\$ 296,156	\$ 342,575	\$ 2,673,710
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 231,200	\$ 721,546	\$ 440,914	\$ 641,319	\$ 296,156	\$ 342,575	\$ 2,673,710
Rest/Bakeries/Mort./Gro.	41	56	11,139	69,540	41,724	\$ 2,174	\$ 9,194	\$ 13,439	\$ 19,547	\$ 45,134	\$ 31,325	\$ 120,813
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,461	\$ 22,251	\$ 13,020	\$ 18,938	\$ 6,569	\$ 7,587	\$ 73,815
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 530	\$ 4,352	\$ 11,046	\$ 16,067	\$ 5,565	\$ 4,720	\$ 42,280
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,598	\$ 32,533	\$ 22,788	\$ 33,146	\$ 9,949	\$ 8,853	\$ 109,868
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 636	\$ 5,386	\$ 12,586	\$ 18,306	\$ 16,907	\$ 19,557	\$ 73,378
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,590	\$ 8,106	\$ 7,252	\$ 10,548	\$ 4,384	\$ 7,888	\$ 39,769
Mixed Use Heavy	2	3	302	850	453	\$ 108	\$ 435	\$ 365	\$ 531	\$ 551	\$ 340	\$ 2,328
Navy	1	1	5	6	10	\$ 53	\$ 163	\$ 5	\$ 8	\$ 4	\$ 8	\$ 241
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 81,982	\$ 339,909	\$ 369,150	\$ 536,937	\$ 247,954	\$ 286,817	\$ 1,862,729
Subtotal Non-Residential	1,784	2,588	372,705	519,241	488,962	\$ 95,110	\$ 422,330	\$ 449,652	\$ 654,028	\$ 337,007	\$ 367,096	\$ 2,325,222
Total	6,155	7,009	738,168	975,542	945,263	\$ 326,309	\$ 1,143,875	\$ 890,566	\$ 1,295,347	\$ 633,163	\$ 709,671	\$ 4,998,932
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	\$ -

FY19												
User Group	No. of Meters	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Hyd Eq Meter)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 54.03	\$ 166.83	\$ 1.24	\$ 1.88	\$ 0.69	\$ 0.80	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 235,607	\$ 737,564	\$ 451,937	\$ 685,387	\$ 316,507	\$ 366,115	\$ 2,793,118
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 235,607	\$ 737,564	\$ 451,937	\$ 685,387	\$ 316,507	\$ 366,115	\$ 2,793,118
Rest/Bakeries/Mort./Gro.	41	56	11,139	69,540	41,724	\$ 2,215	\$ 9,398	\$ 13,775	\$ 20,891	\$ 48,236	\$ 33,478	\$ 127,992
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,565	\$ 22,745	\$ 13,345	\$ 20,239	\$ 7,010	\$ 8,108	\$ 77,012
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 540	\$ 4,449	\$ 11,322	\$ 17,171	\$ 5,947	\$ 5,045	\$ 44,473
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,647	\$ 33,255	\$ 23,358	\$ 35,424	\$ 10,633	\$ 9,461	\$ 114,779
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 648	\$ 5,505	\$ 12,800	\$ 19,564	\$ 18,069	\$ 20,901	\$ 77,588
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,621	\$ 8,266	\$ 7,433	\$ 11,273	\$ 4,685	\$ 8,431	\$ 41,729
Mixed Use Heavy	2	3	302	850	453	\$ 108	\$ 445	\$ 374	\$ 567	\$ 589	\$ 364	\$ 2,447
Navy	1	1	5	6	10	\$ 54	\$ 167	\$ 6	\$ 8	\$ 4	\$ 8	\$ 247
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 83,524	\$ 347,455	\$ 378,379	\$ 573,833	\$ 264,992	\$ 306,526	\$ 1,954,709
Subtotal Non-Residential	1,784	2,588	372,705	519,241	488,962	\$ 96,923	\$ 431,706	\$ 460,893	\$ 698,970	\$ 360,165	\$ 392,321	\$ 2,440,976
Total	6,155	7,009	738,168	975,542	945,263	\$ 332,530	\$ 1,169,270	\$ 912,830	\$ 1,384,357	\$ 676,672	\$ 758,436	\$ 5,234,084
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	\$ -

FY20	No. of Meters	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Hyd Eq Meter)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 56.35	\$ 171.19	\$ 1.39	\$ 1.93	\$ 0.71	\$ 0.83	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 241,400	\$ 756,853	\$ 509,522	\$ 705,949	\$ 326,002	\$ 377,098	\$ 2,916,825
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 241,400	\$ 756,853	\$ 509,522	\$ 705,949	\$ 326,002	\$ 377,098	\$ 2,916,825
Rest/Bakeries/Mort./Groc.	41	56	11,139	69,540	41,724	\$ 2,270	\$ 9,644	\$ 15,530	\$ 21,517	\$ 49,683	\$ 34,482	\$ 133,126
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,701	\$ 23,340	\$ 15,046	\$ 20,846	\$ 7,220	\$ 8,352	\$ 80,505
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 554	\$ 4,565	\$ 12,765	\$ 17,686	\$ 6,125	\$ 5,196	\$ 46,890
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,712	\$ 34,125	\$ 26,334	\$ 36,487	\$ 10,952	\$ 9,745	\$ 120,355
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 664	\$ 5,649	\$ 14,544	\$ 20,151	\$ 18,611	\$ 21,528	\$ 81,148
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,661	\$ 8,503	\$ 8,381	\$ 11,611	\$ 4,826	\$ 8,683	\$ 43,665
Mixed Use Heavy	2	3	302	850	453	\$ 111	\$ 457	\$ 422	\$ 584	\$ 607	\$ 374	\$ 2,554
Navy	1	1	5	6	10	\$ 55	\$ 171	\$ 6	\$ 9	\$ 4	\$ 9	\$ 254
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 85,578	\$ 356,542	\$ 426,592	\$ 591,048	\$ 272,942	\$ 315,721	\$ 2,048,423
Subtotal Non-Residential	1,794	2,588	372,705	519,241	488,962	\$ 99,306	\$ 442,995	\$ 519,620	\$ 719,939	\$ 370,969	\$ 404,091	\$ 2,556,919
Total	6,155	7,009	738,168	975,542	945,263	\$ 340,706	\$ 1,199,848	\$ 1,029,142	\$ 1,425,888	\$ 696,972	\$ 781,189	\$ 5,473,744
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	\$ -

FY21	No. of Meters	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Hyd Eq Meter)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 56.72	\$ 175.69	\$ 1.43	\$ 1.99	\$ 0.74	\$ 0.85	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 247,367	\$ 776,720	\$ 523,917	\$ 727,128	\$ 335,782	\$ 388,411	\$ 2,999,325
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 247,367	\$ 776,720	\$ 523,917	\$ 727,128	\$ 335,782	\$ 388,411	\$ 2,999,325
Rest/Bakeries/Mort./Groc.	41	56	11,139	69,540	41,724	\$ 2,326	\$ 9,897	\$ 15,969	\$ 22,163	\$ 51,173	\$ 35,516	\$ 137,044
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,842	\$ 23,952	\$ 15,471	\$ 21,472	\$ 7,437	\$ 8,602	\$ 82,776
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 567	\$ 4,685	\$ 13,125	\$ 18,216	\$ 6,309	\$ 5,352	\$ 48,255
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,779	\$ 35,021	\$ 27,078	\$ 37,581	\$ 11,281	\$ 10,037	\$ 123,778
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 681	\$ 5,798	\$ 14,955	\$ 20,765	\$ 19,169	\$ 22,174	\$ 83,532
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,702	\$ 8,726	\$ 8,617	\$ 11,960	\$ 4,971	\$ 8,944	\$ 44,919
Mixed Use Heavy	2	3	302	850	453	\$ 113	\$ 469	\$ 434	\$ 602	\$ 625	\$ 386	\$ 2,628
Navy	1	1	5	6	10	\$ 57	\$ 176	\$ 6	\$ 9	\$ 4	\$ 9	\$ 261
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 87,693	\$ 365,901	\$ 438,644	\$ 608,779	\$ 281,130	\$ 325,193	\$ 2,107,340
Subtotal Non-Residential	1,794	2,588	372,705	519,241	488,962	\$ 101,760	\$ 454,624	\$ 534,299	\$ 741,537	\$ 382,099	\$ 416,213	\$ 2,630,532
Total	6,155	7,009	738,168	975,542	945,263	\$ 349,127	\$ 1,231,343	\$ 1,058,216	\$ 1,468,664	\$ 717,881	\$ 804,625	\$ 5,629,857
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	\$ -

City of Imperial Beach
 Service Charge Calculation fro 2014
 Based on FYE 2016 Meter Count

User Group	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	Total
Single Family	4,277	2	80	1	1				4,361
Multi-family	1,209		209	81	46	1			1,546
Rest/Bakeries/Mort./Groc.	31		6	3	1				41
Small Commercial	76		19	7	1				103
Car Wash/Laundries	3		1	5	1				10
Public Agency/Institutional	8	1	7	10	21		2		49
Heavy Commercial	2		5	2	3				12
Mixed Use Light	14		13	1	2				30
Mixed Use Heavy	1		1						2
Navy	1								1
Total	5,622	3	341	110	76	1	2	0	6,155

Scaling Factor-->	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	Total
5/8" AWWA Meter Capacity Factor -	1.0	1.5	2.5	5.0	8.0	15.0	25.0	50.0	
Hydraulic Capacity Factor	1.00	1.00	1.67	3.33	5.33	10.00	16.67	33.33	

Number of Hydraulic Equivalent Meters	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	Total
Single Family	4,277	2	133	3	5	0	0	0	4,421
Multi-family	1,209	0	348	270	245	10	0	0	2,083
Rest/Bakeries/Mort./Groc.	31	0	10	10	5	0	0	0	56
Small Commercial	76	0	32	23	5	0	0	0	136
Car Wash/Laundries	3	0	2	17	5	0	0	0	27
Public Agency/Institutional	8	1	12	33	112	0	33	0	199
Heavy Commercial	2	0	8	7	16	0	0	0	33
Mixed Use Light	14	0	22	3	11	0	0	0	50
Mixed Use Heavy	1	0	2	0	0	0	0	0	3
Navy	1	0	0	0	0	0	0	0	1
Total	5,622	3	568	367	405	10	33	0	7,009

Determination of Bi-Monthly Service Charge

	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	Total
Customer/Meter Data Summary									
Number of Customers (w/o Private F	5,622	3	341	110	76	1	2	0	6,155
Number of Hydraulic Equivalent Me	5,622	3	568	367	405	10	33	0	7,009
Hydraulic Capacity Factor	1.00	1.00	1.67	3.33	5.33	10.00	16.67	33.33	

Annual Service Charge

Customer Costs	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02
Capacity Costs	\$ 122.53	\$ 122.53	\$ 204.21	\$ 408.42	\$ 653.47	\$ 1,225.26	\$ 2,042.11	\$ 4,084.21	
Total Annual	\$ 164.55	\$ 164.55	\$ 246.23	\$ 450.44	\$ 695.49	\$ 1,267.28	\$ 2,084.12	\$ 4,126.23	
Monthly	\$ 13.71	\$ 13.71	\$ 20.52	\$ 37.54	\$ 57.96	\$ 105.61	\$ 173.68	\$ 343.85	

Customer Monetary Equivalent F:	1.00	1.00	1.50	2.74	4.23	7.70	12.67	25.08	
Current									

Summary of Fixed Cost FYE16 (Updated)

Customer Cost	\$ 258,626
Capacity Cost	\$ 858,746
Total Fixed Cost	\$ 1,117,372
Check (= 0)	\$ -

Monthly Service Charges and Revenue FYE2016 (Revised) to FYE2022:

Meter Size	No. of Meters	FYE 2016		FYE 2018	FYE 2019	FYE 2020	FYE 2021
		(Updated)	FYE 2017				
5/8"	5,622	\$ 164.55	\$ 211.71	\$ 216.22	\$ 220.86	\$ 226.55	\$ 232.41
3/4"	3	\$ 164.55	\$ 211.71	\$ 216.22	\$ 220.86	\$ 226.55	\$ 232.41
1"	341	\$ 246.23	\$ 316.80	\$ 323.56	\$ 330.50	\$ 339.01	\$ 347.79
1 1/2"	110	\$ 450.44	\$ 579.55	\$ 591.91	\$ 604.60	\$ 620.17	\$ 636.22
2"	76	\$ 695.49	\$ 894.84	\$ 913.93	\$ 933.51	\$ 957.57	\$ 982.35
3"	1	\$ 1,267.28	\$ 1,630.51	\$ 1,665.30	\$ 1,700.99	\$ 1,744.82	\$ 1,789.97
4"	2	\$ 2,084.12	\$ 2,681.48	\$ 2,738.69	\$ 2,797.38	\$ 2,869.46	\$ 2,943.71
6"	0	\$ 4,126.23	\$ 5,308.90	\$ 5,422.16	\$ 5,538.36	\$ 5,681.08	\$ 5,828.07
Total	6,155						

City of Imperial Beach
 FY 16 Base Year Model
 Step 4 -- Sewer Rate Determination

Months

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FY16 (Revised)				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate				Revenue - Fixed/ Flat Charges			
User Group	No. of Cust. Accts	Hydraulic Equivalents	Adjusted Yrly Consumption (HCF)	Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (5/8")	Total Fixed Charge (5/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 514.20	\$ 42.85	\$ 181.54	\$ 4.15	\$ 3.50	\$ 10.21	\$ 13.71	\$ 4.15	\$ 724,933	\$ 1,517,497	\$ 2,242,430	53.0%
Subtotal- Residential	4,361	4,421	365,463									\$ 724,933	\$ 1,517,497	\$ 2,242,430	
Non-Residential (Includes Multi-Family)															
Rest/Bakeries/Mort./Gro.	41	56	11,139			\$ 181.54	\$ 8.68	\$ 3.50	\$ 10.21	\$ 13.71	\$ 8.68	\$ 8,625	\$ 96,731	\$ 105,357	2.5%
Small Commercial	103	136	10,792			\$ 181.54	\$ 3.77	\$ 3.50	\$ 10.21	\$ 13.71	\$ 3.77	\$ 21,032	\$ 40,634	\$ 61,667	1.5%
Car Wash/Laundries	10	27	9,156			\$ 181.54	\$ 3.60	\$ 3.50	\$ 10.21	\$ 13.71	\$ 3.60	\$ 3,688	\$ 32,953	\$ 36,641	0.9%
Public Agency/Institutional	49	199	18,889			\$ 181.54	\$ 3.49	\$ 3.50	\$ 10.21	\$ 13.71	\$ 3.49	\$ 26,483	\$ 65,845	\$ 92,327	2.2%
Heavy Commercial	12	33	10,432			\$ 181.54	\$ 5.70	\$ 3.50	\$ 10.21	\$ 13.71	\$ 5.70	\$ 4,548	\$ 59,465	\$ 64,012	1.5%
Mixed Use Light	30	50	6,011			\$ 181.54	\$ 4.41	\$ 3.50	\$ 10.21	\$ 13.71	\$ 4.41	\$ 7,346	\$ 26,524	\$ 33,871	0.8%
Mixed Use Heavy	2	3	302			\$ 181.54	\$ 5.22	\$ 3.50	\$ 10.21	\$ 13.71	\$ 5.22	\$ 411	\$ 1,577	\$ 1,988	0.0%
Navy	1	1	5			\$ 181.54	\$ 4.87	\$ 3.50	\$ 10.21	\$ 13.71	\$ 4.87	\$ 165	\$ 22	\$ 187	0.0%
Multi-Family	1,546	2,083	305,980			\$ 181.54	\$ 4.15	\$ 3.50	\$ 10.21	\$ 13.71	\$ 4.15	\$ 320,143	\$ 1,270,508	\$ 1,590,650	37.6%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 392,439	\$ 1,594,259	\$ 1,986,699	47.0%
TOTAL	6,155	7,009	738,168									\$ 1,117,372	\$ 3,111,757	\$ 4,229,129	100%
Check												26%	74%	\$ -	

FY17				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate				Revenue - Fixed/ Flat Charges			
User Group	No. of Cust. Accts	Hydraulic Equivalents	Adjusted Yrly Consumption (HCF)	Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (5/8")	Total Fixed Charge (5/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 587.76	\$ 49.98	\$ 233.85	\$ 4.46	\$ 4.34	\$ 13.31	\$ 17.64	\$ 4.46	\$ 932,838	\$ 1,630,369	\$ 2,563,207	53.6%
Subtotal- Residential	4,361	4,421	365,463									\$ 932,838	\$ 1,630,369	\$ 2,563,207	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Gro.	41	56	11,139			\$ 233.85	\$ 9.26	\$ 4.34	\$ 13.31	\$ 17.64	\$ 9.26	\$ 11,128	\$ 103,128	\$ 114,257	2.4%
Small Commercial	103	136	10,792			\$ 233.85	\$ 4.05	\$ 4.34	\$ 13.31	\$ 17.64	\$ 4.05	\$ 27,129	\$ 43,723	\$ 70,851	1.5%
Car Wash/Laundries	10	27	9,156			\$ 233.85	\$ 3.88	\$ 4.34	\$ 13.31	\$ 17.64	\$ 3.88	\$ 4,778	\$ 35,484	\$ 40,263	0.8%
Public Agency/Institutional	49	199	18,889			\$ 233.85	\$ 3.76	\$ 4.34	\$ 13.31	\$ 17.64	\$ 3.76	\$ 34,379	\$ 70,941	\$ 105,320	2.2%
Heavy Commercial	12	33	10,432			\$ 233.85	\$ 6.10	\$ 4.34	\$ 13.31	\$ 17.64	\$ 6.10	\$ 5,894	\$ 63,632	\$ 69,526	1.5%
Mixed Use Light	30	50	6,011			\$ 233.85	\$ 4.74	\$ 4.34	\$ 13.31	\$ 17.64	\$ 4.74	\$ 9,492	\$ 28,473	\$ 37,964	0.8%
Mixed Use Heavy	2	3	302			\$ 233.85	\$ 5.59	\$ 4.34	\$ 13.31	\$ 17.64	\$ 5.59	\$ 530	\$ 1,689	\$ 2,219	0.0%
Navy	1	1	5			\$ 233.85	\$ 5.22	\$ 4.34	\$ 13.31	\$ 17.64	\$ 5.22	\$ 212	\$ 23	\$ 235	0.0%
Multi-family	1,546	2,083	305,980			\$ 233.85	\$ 4.46	\$ 4.34	\$ 13.31	\$ 17.64	\$ 4.46	\$ 412,994	\$ 1,365,008	\$ 1,778,003	37.2%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 506,535	\$ 1,712,103	\$ 2,218,638	46.4%
Total	6,155	7,009	738,168									\$ 1,439,373	\$ 3,342,472	\$ 4,781,845	100%
Check												30%	70%	\$ -	

FY18				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate							
User Group	No. of Cust. Accts	Hydraulic Equivalents	Adjusted Yrly Consumption (HCF)	Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (6/8")	Total Fixed Charge (6/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 613.10	\$ 51.09	\$ 238.86	\$ 4.71	\$ 4.42	\$ 13.60	\$ 18.02	\$ 4.71	\$ 952,746	\$ 1,720,964	\$ 2,673,710	53.5%
Subtotal- Residential	4,361	4,421	365,463									\$ 952,746	\$ 1,720,964	\$ 2,673,710	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Gro.	41	56	11,139			\$ 238.86	\$ 9.83	\$ 4.42	\$ 13.60	\$ 18.02	\$ 9.83	\$ 11,368	\$ 109,446	\$ 120,813	2.4%
Small Commercial	103	136	10,792			\$ 238.86	\$ 4.27	\$ 4.42	\$ 13.60	\$ 18.02	\$ 4.27	\$ 27,711	\$ 46,104	\$ 73,815	1.5%
Car Wash/Laundries	10	27	9,156			\$ 238.86	\$ 4.08	\$ 4.42	\$ 13.60	\$ 18.02	\$ 4.08	\$ 4,882	\$ 37,397	\$ 42,280	0.8%
Public Agency/Institutional	49	199	18,889			\$ 238.86	\$ 3.96	\$ 4.42	\$ 13.60	\$ 18.02	\$ 3.96	\$ 35,131	\$ 74,737	\$ 109,868	2.2%
Heavy Commercial	12	33	10,432			\$ 238.86	\$ 6.46	\$ 4.42	\$ 13.60	\$ 18.02	\$ 6.46	\$ 6,022	\$ 67,356	\$ 73,378	1.5%
Mixed Use Light	30	50	6,011			\$ 238.86	\$ 5.00	\$ 4.42	\$ 13.60	\$ 18.02	\$ 5.00	\$ 9,696	\$ 30,073	\$ 39,769	0.8%
Mixed Use Heavy	2	3	302			\$ 238.86	\$ 5.91	\$ 4.42	\$ 13.60	\$ 18.02	\$ 5.91	\$ 541	\$ 1,787	\$ 2,328	0.0%
Navy	1	1	5			\$ 238.86	\$ 5.52	\$ 4.42	\$ 13.60	\$ 18.02	\$ 5.52	\$ 216	\$ 25	\$ 241	0.0%
Multi-family	1,546	2,083	305,980			\$ 238.86	\$ 4.71	\$ 4.42	\$ 13.60	\$ 18.02	\$ 4.71	\$ 421,871	\$ 1,440,858	\$ 1,862,729	37.3%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 517,439	\$ 1,807,782	\$ 2,325,222	46.5%
Total	6,155	7,009	738,168									\$ 1,470,185	\$ 3,528,747	\$ 4,998,932	100%
Check												29%	71%	\$ -	

FY19				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate							
User Group	No. of Cust. Accts	Hydraulic Equivalents	Adjusted Yrly Consumption (HCF)	Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (6/8")	Total Fixed Charge (6/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 640.48	\$ 53.37	\$ 244.00	\$ 4.98	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.98	\$ 973,172	\$ 1,819,946	\$ 2,793,118	53.4%
Subtotal- Residential	4,361	4,421	365,463									\$ 973,172	\$ 1,819,946	\$ 2,793,118	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Gro.	41	56	11,139			\$ 244.00	\$ 10.45	\$ 4.50	\$ 13.90	\$ 18.40	\$ 10.45	\$ 11,613	\$ 116,379	\$ 127,992	2.4%
Small Commercial	103	136	10,792			\$ 244.00	\$ 4.51	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.51	\$ 28,309	\$ 48,703	\$ 77,012	1.5%
Car Wash/Laundries	10	27	9,156			\$ 244.00	\$ 4.31	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.31	\$ 4,989	\$ 39,484	\$ 44,473	0.8%
Public Agency/Institutional	49	199	18,889			\$ 244.00	\$ 4.18	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.18	\$ 35,902	\$ 78,876	\$ 114,779	2.2%
Heavy Commercial	12	33	10,432			\$ 244.00	\$ 6.85	\$ 4.50	\$ 13.90	\$ 18.40	\$ 6.85	\$ 6,154	\$ 71,434	\$ 77,588	1.5%
Mixed Use Light	30	50	6,011			\$ 244.00	\$ 5.29	\$ 4.50	\$ 13.90	\$ 18.40	\$ 5.29	\$ 9,907	\$ 31,822	\$ 41,729	0.8%
Mixed Use Heavy	2	3	302			\$ 244.00	\$ 6.26	\$ 4.50	\$ 13.90	\$ 18.40	\$ 6.26	\$ 553	\$ 1,894	\$ 2,447	0.0%
Navy	1	1	5			\$ 244.00	\$ 5.84	\$ 4.50	\$ 13.90	\$ 18.40	\$ 5.84	\$ 221	\$ 26	\$ 247	0.0%
Multi-family	1,546	2,083	305,980			\$ 244.00	\$ 4.98	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.98	\$ 430,980	\$ 1,523,730	\$ 1,954,709	37.3%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 528,628	\$ 1,912,348	\$ 2,440,976	46.6%
Total	6,155	7,009	738,168									\$ 1,501,800	\$ 3,732,294	\$ 5,234,094	100%
Check												29%	71%	\$ -	

				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate				\$ 5,234,094			
FY20				Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (5/8")	Total Fixed Charge (5/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 668.84	\$ 55.74	\$ 250.29	\$ 5.25	\$ 4.61	\$ 14.27	\$ 18.88	\$ 5.25	\$ 998,253	\$ 1,918,572	\$ 2,916,825	53.3%
Subtotal- Residential	4,361	4,421	365,463									\$ 998,253	\$ 1,918,572	\$ 2,916,825	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Groc.	41	56	11,139			\$ 250.29	\$ 10.88	\$ 4.61	\$ 14.27	\$ 18.88	\$ 10.88	\$ 11,914	\$ 121,212	\$ 133,126	2.4%
Small Commercial	103	136	10,792			\$ 250.29	\$ 4.77	\$ 4.61	\$ 14.27	\$ 18.88	\$ 4.77	\$ 29,041	\$ 51,484	\$ 80,505	1.5%
Car Wash/Laundries	10	27	9,156			\$ 250.29	\$ 4.56	\$ 4.61	\$ 14.27	\$ 18.88	\$ 4.56	\$ 5,119	\$ 41,772	\$ 46,890	0.9%
Public Agency/Institutional	49	199	18,889			\$ 250.29	\$ 4.42	\$ 4.61	\$ 14.27	\$ 18.88	\$ 4.42	\$ 36,837	\$ 83,518	\$ 120,355	2.2%
Heavy Commercial	12	33	10,432			\$ 250.29	\$ 7.17	\$ 4.61	\$ 14.27	\$ 18.88	\$ 7.17	\$ 6,314	\$ 74,834	\$ 81,148	1.5%
Mixed Use Light	30	50	6,011			\$ 250.29	\$ 5.57	\$ 4.61	\$ 14.27	\$ 18.88	\$ 5.57	\$ 10,163	\$ 33,501	\$ 43,665	0.8%
Mixed Use Heavy	2	3	302			\$ 250.29	\$ 6.57	\$ 4.61	\$ 14.27	\$ 18.88	\$ 6.57	\$ 567	\$ 1,987	\$ 2,554	0.0%
Navy	1	1	5			\$ 250.29	\$ 6.14	\$ 4.61	\$ 14.27	\$ 18.88	\$ 6.14	\$ 227	\$ 28	\$ 254	0.0%
Multi-family	1,546	2,083	305,980			\$ 250.29	\$ 5.25	\$ 4.61	\$ 14.27	\$ 18.88	\$ 5.25	\$ 442,120	\$ 1,606,303	\$ 2,048,423	37.4%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 542,301	\$ 2,014,618	\$ 2,556,919	46.7%
Total	6,155	7,009	738,168									\$ 1,540,554	\$ 3,933,191	\$ 5,473,744	100%
Check												28%	72%	\$ -	
\$ 5,473,744															
FY21				Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (5/8")	Total Fixed Charge (5/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 687.76	\$ 57.31	\$ 256.78	\$ 5.40	\$ 4.73	\$ 14.64	\$ 19.37	\$ 5.40	\$ 1,024,087	\$ 1,975,238	\$ 2,999,325	53.3%
Subtotal- Residential	4,361	4,421	365,463									\$ 1,024,087	\$ 1,975,238	\$ 2,999,325	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Groc.	41	56	11,139			\$ 256.78	\$ 11.21	\$ 4.73	\$ 14.64	\$ 19.37	\$ 11.21	\$ 12,223	\$ 124,821	\$ 137,044	2.4%
Small Commercial	103	136	10,792			\$ 256.78	\$ 4.91	\$ 4.73	\$ 14.64	\$ 19.37	\$ 4.91	\$ 29,795	\$ 52,981	\$ 82,776	1.5%
Car Wash/Laundries	10	27	9,156			\$ 256.78	\$ 4.70	\$ 4.73	\$ 14.64	\$ 19.37	\$ 4.70	\$ 5,252	\$ 43,003	\$ 48,255	0.9%
Public Agency/Institutional	49	199	18,889			\$ 256.78	\$ 4.55	\$ 4.73	\$ 14.64	\$ 19.37	\$ 4.55	\$ 37,800	\$ 85,978	\$ 123,778	2.2%
Heavy Commercial	12	33	10,432			\$ 256.78	\$ 7.39	\$ 4.73	\$ 14.64	\$ 19.37	\$ 7.39	\$ 8,478	\$ 77,053	\$ 83,532	1.5%
Mixed Use Light	30	50	6,011			\$ 256.78	\$ 5.74	\$ 4.73	\$ 14.64	\$ 19.37	\$ 5.74	\$ 10,428	\$ 34,492	\$ 44,919	0.8%
Mixed Use Heavy	2	3	302			\$ 256.78	\$ 6.77	\$ 4.73	\$ 14.64	\$ 19.37	\$ 6.77	\$ 582	\$ 2,046	\$ 2,628	0.0%
Navy	1	1	5			\$ 256.78	\$ 6.32	\$ 4.73	\$ 14.64	\$ 19.37	\$ 6.32	\$ 232	\$ 28	\$ 261	0.0%
Multi-family	1,546	2,083	305,980			\$ 256.78	\$ 5.40	\$ 4.73	\$ 14.64	\$ 19.37	\$ 5.40	\$ 453,594	\$ 1,653,746	\$ 2,107,340	37.4%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 556,384	\$ 2,074,148	\$ 2,630,532	46.7%
Total	6,155	7,009	738,168									\$ 1,580,470	\$ 4,049,386	\$ 5,629,857	100%
Check												28%	72%	\$ -	

APPENDIX B

	Diameter	Material	Count	Length
	4	PVC	1	95
	4	VCP	1	517
Total	4		2	612
	6	CIP	2	186
	6	PVC	3	841
	6	VCP	178	45,514
Total	6		183	46,541
	8	CIP	1	147
	8	PVC	20	6,149
	8	VCP	584	143,407
Total	8		605	149,703
	10	CIP	1	2,146
	10	PVC	3	1,712
	10	VCP	44	6,766
Total	10		48	10,624
	12	PVC	9	20,726
	12	VCP	28	7,405
Total	12		37	28,131
	15	VCP	15	3,781
Total	15		15	3,781
	16	CIP	1	229
	16	VCP	1	58
Total	16		2	287
	18	VCP	1	148
Total			1	148
	21	VCP	6	1,227
Total	21		6	1,227
	24	VCP	3	1,293
Total	24		3	1,293
Total All Lines			902	242,347

Unit Costs (\$/LF)	Cost / In-Ft	Estimated Replacement Costs
\$ 85.00	\$ 21.25	\$ 8,075.00
\$ 100.00	\$ 25.00	\$ 51,700.00
\$ 135.00	\$ 22.50	\$ 25,110.00
\$ 160.00	\$ 26.67	\$ 134,560.00
\$ 155.00	\$ 25.83	\$ 7,054,670.00
\$ 175.00	\$ 21.88	\$ 25,725.00
\$ 180.00	\$ 22.50	\$ 1,106,820.00
\$ 195.00	\$ 24.38	\$ 27,964,365.00
\$ 180.00	\$ 18.00	\$ 386,280.00
\$ 185.00	\$ 18.50	\$ 316,720.00
\$ 195.00	\$ 19.50	\$ 1,319,370.00
\$ 198.00	\$ 16.50	\$ 4,103,748.00
\$ 215.00	\$ 17.92	\$ 1,592,075.00
\$ 250.00	\$ 16.67	\$ 945,250.00
\$ 260.00	\$ 16.25	\$ 59,540.00
\$ 295.00	\$ 18.44	\$ 17,110.00
\$ 295.00	\$ 16.39	\$ 43,660.00
\$ 335.00	\$ 15.95	\$ 411,045.00
\$ 360.00	\$ 15.00	\$ 465,480.00
	\$	\$ 46,031,303.00

Grand Total	242,347
Force main	25,043
Gravity Main - Feet	217,304
Gravity Main - Miles	41.16
Force main - Feet	25,043
Force main - Miles	4.74

City of Imperial Beach
 Replacement Costs: Pump Stations

Valuation Component		Replacement Cost				Replacement Costs Less Depreciation					
Pump Station Name	Pump Station Location	2008 Equipment	ENR Equipment	Total	Year Built	Remaining	Remaining	Construction	2008 Equipment		
		Replacement	Replacement	Replacement		Life	Life		Costs	Costs	Total RCLD
		Construction Cost	Cost	Costs	Costs						
Pump Station 1A	862 Seacoast Dr	\$1,500,000	\$150,000	\$157,274	\$1,657,274	1952	-10	16		\$ 125,819	\$ 125,819
Pump Station 1B	1098 Seacoast Dr	\$1,500,000	\$150,000	\$157,274	\$1,657,274	1992	30	16	\$ 900,000	\$ 125,819	\$ 1,025,819
Pump Station 2	1306 Seacoast Dr	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1989	27	16	\$ 540,000	\$ 125,819	\$ 665,819
Pump Station 3	501 elm	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1952	-10	16		\$ 125,819	\$ 125,819
Pump Station 4	755 Delaware	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1952	-10	16		\$ 125,819	\$ 125,819
Pump Station 5	133 Dahlia Ave	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1979	17	16	\$ 340,000	\$ 125,819	\$ 465,819
Pump Station 6	498 Rainbow Dr	\$1,500,000	\$150,000	\$157,274	\$1,657,274	1954	-8	16		\$ 125,819	\$ 125,819
Pump Station 7	504 Oneonta Ave	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1979	17	16	\$ 340,000	\$ 125,819	\$ 465,819
Pump Station 8	895 Imperial Beach Blvd	\$2,000,000	\$300,000	\$314,548	\$2,314,548	1962	0	16		\$ 251,638	\$ 251,638
Pump Station 9	1025 9th St	\$1,000,000	\$150,000	\$157,274	\$1,157,274	2005	43	16	\$ 860,000	\$ 125,819	\$ 985,819
Pump Station 10	814 Cypress Ave	\$1,000,000	\$350,000	\$366,973	\$1,366,973	1989	27	16	\$ 540,000	\$ 293,578	\$ 833,578
		\$13,500,000	\$2,000,000	\$2,096,987	\$15,596,987				\$3,520,000	\$1,677,589	\$5,197,589

Note:
 Useful lives: Pump Stations 50
 Equipment 20

City of Imperial Beach
Metro Capacity Fee Calculation

Value Approach/Pricing Perspective	Total Value (2009)	Divisor	Original Study Price per gpd (2005)	Price per gpd (2012)	% Increase (2005 to 2012)
Asset Approach (reproduction costs)	(billion)	(mgd)		(\$/gpd)	
- Without depreciation adjustment	\$2.20	255	\$ 7.27	\$ 8.74	20.2%
- With depreciation adjustment	\$1.25	255	\$ 4.94	\$ 5.94	20.2%
Other Drivers of Investment Value					
Prior Sale					
- Without inflationary adjustment	\$3.36	255	\$ 13.19	\$ 15.85	20.2%
- With inflationary adjustment	\$4.19	255	\$ 15.21	\$ 18.29	20.2%
Buyer's Avoided Cost					
Stand-Alone (B&C Report)					
- Best case alternative	\$4.37	255	\$ 15.87	\$ 19.08	20.2%
- Worst case alternative	\$7.10	255	\$ 25.78	\$ 30.99	20.2%
Collaboration (RMC Report)					
- Best case alternative	\$3.87	255	\$ 14.06	\$ 16.90	20.2%
- Worst case alternative	\$5.84	255	\$ 21.20	\$ 25.49	20.2%
Seller's Potential Future Cost					
- Without upgrade adjustment	\$5.25	255	\$ 23.08	\$ 27.75	20.2%
- With upgrade adjustment*	\$6.36	255	\$ 19.08	\$ 22.94	20.2%
Alternative Investment Value	\$4.15	255	\$ 12.70	\$ 15.27	20.2%

* Adjustment to Remove Secondary Treatment Costs

Line No.	Valuation Component	Reproduction Costs (\$/gpd)	Reproduction Cost Less Depreciation (\$/gpd)	Replacement Costs (\$/gpd)
1	Metro System Valuation (a)	\$ 8.74	\$ 5.94	\$ 15.27
2	Imperial Beach Capacity (MGD)	3.755	3.755	3.755
3	Value of Imperial Beach Capacity (\$)	\$ 32,818,033	\$ 22,300,011	\$ 57,329,989
4	Sewer Equivalent Dwelling Units	10,577	10,577	10,577
5	Metro Component of Capacity Fee	\$ 3,103	\$ 2,108	\$ 5,420

(a) Alternative Value was used to calculate replacement costs as this is the most popular valuation methodology

**STRIKEOUT/UNDERLINE OF CHANGES TO CHAPTER 13.06 OF
THE IMPERIAL BEACH MUNICIPAL CODE**

Chapter 13.06. SEWER SERVICE CHARGE

13.06.010. Sanitation fund—Established.

There is established a fund to be designated “sanitation fund.” All revenue derived from the service charges designated in this chapter shall be deposited into the said sanitation fund.

13.06.020. Sewer service charges—Payment—Collection.

A. When application is made for permission to connect a premises to the sewer system of the City, there shall become owing, due and payable in advance the sewer service charges for the remainder of the fiscal year in which the application is made, such sewer service charges to be computed by prorating the annual charges from the first day of the calendar month next following the date of such application.

B. Sewer service charges which become owing, due and payable at the time such application is made for permission to connect to the sewer system of the City shall be paid to the City prior to the issuance of any permit authorizing the connecting of such premises to the City’s sewer system. Thereafter, the sewer service charges for such premises shall become owing, due and payable annually as provided in this chapter.

C. Such sewer service charge shall be collected at the same time and in the same manner and by the same person as, together with, and not separately from, the general taxes of the City and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties.

13.06.030. Assessment and collection of funds—Direct billing.

Charges for the maintenance and operation of the Imperial Beach sewer facility, and any other sewer facilities utilized by the City, to be imposed on property where the parcels have been created or the use thereof changed subsequent to July 1st through August 10th of each year shall be separately collected through direct billing by the City Treasurer, except as otherwise provided in this chapter.

13.06.040. Assessment and collection of funds—State law.

The collection of the charges and notices, reports, hearings, liens, assessment rolls, delinquency, etc., shall be in accordance with Sections 5473.1 through 5473.10, inclusive, of the Health and Safety Code.

13.06.050. Rates generally.

Sewer service charges are set forth in Section 13.06.140 of this code.

13.06.060. Rate exceptions—Generally.

The City Manager shall have the power to grant exceptions and to establish policies for the granting of such exceptions from the established sewer service charges. Such exceptions shall only be granted when one or more of the following situations exist:

- A. Where a separately metered fire service connection to the water system is installed;
- B. When water is supplied to premises through a separate water meter and such water is used entirely for irrigation purposes;
- C. Where the premises are not connected to the sewer system of the City and it is not physically possible or reasonably feasible to connect such premises to the City sewer system;
- D. Where water is supplied to premises by more than one water meter and one or more of such additional meters do not provide water, which can be discharged into the sewer system;
- E. Where it can be positively demonstrated to the satisfaction of the City that the percentage of water entering the sewer system is less than the amount assumed for that customer classification in the 2016 Sewer Service Charge Study Update performed by Keze Group 2013 Sewer Service Charge and Capacity Fee Study performed by Atkins;
- F. Where the City has entered into a separate service agreement;
- G. When a premises is not connected to the sewer system or the premises is connected and will not use the sewer system for a period of more than six months.

13.06.070. Appeal upon denial or conditional approval of application for rate exception.

The owner, or his/her agent, of any premises subject to the sewer service charge may apply in writing to the City Manager for an exception as provided in Section 13.06.060 of this chapter; however, no rebate of fees upon such exception shall be allowed for any period preceding the filing of such application. The applicant shall furnish necessary factual data to support such application. Upon denial or conditional approval by the City Manager, any applicant dissatisfied with the decision may appeal same to the City Council. Such appeal must be filed in writing with the City Clerk within thirty days after notice of the City Manager's decision.

13.06.080. Single-family rate limits.

Notwithstanding Section 13.06.140 of this chapter, single-family residential ratepayers shall have an annual rate limit of nine hundred sixty one and 3/100 dollars (\$961.03) ~~thirty eight and 36/100 dollars (\$938.36)~~ per household for fiscal year 2016/2017 ~~2013/2014~~. In accordance with Section 13.06.140 of this chapter and its implementing Ordinance No. 2016-1156 3-1138,

this limit shall annually increase at the rate based on the Consumer Price Index for all Urban Consumers – San Diego - from the prior year.

13.06.090. Prepayment of certain charges.

All sewer connection charges, sewer capacity fees, pro rata share of construction costs, and pro rata share of sewer service charges for the remainder of a fiscal year shall be payable in advance and prior to beginning of the construction of the sewer connection or annexation at the office of the City Treasurer.

13.06.100. Charges deemed lien.

All costs, charges, fees, etc., for operation and maintenance, as well as charges for principal and interest on construction bonds, shall be a lien on the property to which they apply.

13.06.110. Refund of fees.

In the event an application for the installation of sewer service lateral connections is withdrawn prior to the initiation of construction work on this lateral, a minimum charge of twenty dollars will be made for processing this refund.

13.06.120. Authority to fix charges.

A. If necessary, the City Council shall, on or before July 20th of each year, estimate the amount of money needed and fix the rate of taxation and/or service charges for the purpose of the principal and interest of that year upon outstanding bonds.

B. The City Council shall, on or before August 10th of each year, cause to be filed with the County Auditor and County Tax Assessor the amount necessary for the function and maintenance of the Imperial Beach sewer facility and will fix the rates and/or service charges and the amount that is to be collected.

13.06.130. Assessment and collection of funds—Tax roll.

Except as provided in Section 13.06.030 of this chapter, charges for the maintenance and operation of the Imperial Beach sewer facility, and any other sewer facilities utilized by the City, shall be collected by the tax collector of the County and shall be collected on tax rolls in the same manner at the same time together and not separate from the general taxes.

13.06.140. Sewer service charges—Designated.

A. There is levied and assessed upon each residential and nonresidential customer within the City service area that discharges sewage into the sewer lines maintained by the City, or is considered by the San Diego Metropolitan Sewer System to be within the City jurisdiction, sewer service charges.

B. Said sewer service charges and related classifications are based upon the 2016 Sewer Service Charge Study Update performed by Keze Group ~~2013 Sewer Service Charge and Capacity Fee Study performed by Atkins~~ on behalf of the City, and have been adopted and set forth in Ordinance No. 2016-1156 ~~3-1138~~.

C. When less than six months metered water use for the prior year is available, the proportionate base charge plus the average annual water use for that customer classification shall apply. When more than six months, but less than twelve months metered water use for the prior year is available, the proportionate base charge and use shall be normalized to twelve months.

D. Provided, however, in the case of other businesses and establishments that have unusual character insofar as sewage is concerned, the rate shall be established in each case based on the estimated or actual volume of flow and the suspended solids (SS) and biological oxygen demand (BOD) content, which may be approved by the City Manager and/or City Council.

E. The City Manager is hereby authorized and directed to pass-through all future fees and charges imposed by other entities on the City related to wholesale charges for sewage treatment or wastewater treatment, to those charged sewer service charges, for a five year period beginning July 1, 2016~~3~~. Prior to implementing any such increase, the City shall provide written notice of the increase to property owners not less than 30 days prior to the effective date of the increase.



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: MAY 4, 2016
ORIGINATING DEPT.: PUBLIC WORKS *HAR*
SUBJECT: PUBLIC HEARING TO CONSIDER ADOPTION OF RESOLUTION 2016-7703 SETTING THE SEWER CAPACITY FEE AT \$5,373

EXECUTIVE SUMMARY:

On March 16, 2016, the City Council adopted Resolution No. 2016-7683, setting a public hearing to consider modifications to the Sewer Capacity Fee. The fee currently recovers only the City infrastructure replacement contribution to the Sewer Enterprise Fund. The updated fee will incorporate the City's portion as well as cost recovery of the Metro Asset System portion. This total fee was calculated in the Atkins study of 2013 and brought to a 2016 value using the consumer price index for each intervening year. See Attachments No. 2 and No. 3 respectively.

Staff recommends that the City Council open the public hearing, consider public comment, and adopt Resolution 2016-7703 adopting the proposed Sewer Capacity Fee.

FISCAL ANALYSIS:

Setting the Sewer Capacity Fee at a rate of \$5,373 will ensure recovery of both the City infrastructure replacement and San Diego Metro Wastewater replacement contributions to the Sewer Enterprise Fund. Sewer Capacity Fee is collected from each new construction project within the City that is not currently in the Sewer Enterprise System.

RECOMMENDATION:

1. Declare the public hearing open.
2. Receive the report and any oral or written public presentations.
3. Close the public hearing.
4. If City Council chooses to adopt the proposed increase, Mayor calls for adoption of Resolution No. 2016-7703.
5. Adopt Resolution No. 2016-7703.

OPTIONS:

- Adopt Resolution No. 2016-7703, setting the sewer capacity fee at the recommended amount.
- Adopt Resolution No. 2016-7703, setting the sewer capacity fee to amount less than recommended.
- Deny staff recommendation and do not adopt the resolution, thereby leaving the capacity fee as currently set.

BACKGROUND/ANALYSIS:

Pursuant to Government Code Section 66013 and Chapter 13.05 of the Imperial Beach Municipal Code (IBMC), a sewer capacity fee is charged to all new development in the city limits to defray the costs for expansion and rehabilitation of the existing sewer collections system to meet the demands placed on the system by new development. The City Council of the City of Imperial Beach recently hired Keze Group LLC, to review the City's sewer capacity fee, which was set in 2013 and is currently charged at \$2,667.00 per equivalent dwelling unit (EDU). Keze Group conducted a Sewer Service Charge Study Update (STUDY) and presented it to the City Council for review in March 2016, indicating that the current sewer capacity fee does not meet the estimated costs for expansion and rehabilitation of the existing sewer collection system, and other sewer facilities utilized by the city, by new development. The STUDY recommends that the sewer capacity fee be set at the rate of \$5,373.00 per EDU. The STUDY shows that the proposed new rate would not exceed the estimated reasonable cost of the new development's cost to buy into the existing sewer system to meet the demands placed on the system by new development.

On March 16, 2016, the City Council adopted Resolution 2016-7683 setting the time and place for a Public Hearing to consider adoption of the Sewer Capacity Fee for FYE 2017 and beyond. The Public Hearing was set for Wednesday, May 4, 2016 @ 6:00 p.m. at the regularly scheduled City Council meeting. Notice was published in the Imperial Beach Eagle & Times newspaper and the materials that justify the proposed increase were made available to the public prior to this public hearing.

If approved, the Capacity Fee increase will take effect July 1, 2016.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA, and the proposed fee is statutorily exempt from the requirements of CEQA pursuant to Section 21080(b)(8) of the Public Resource Code and Section 15273(a) of the State CEQA Guidelines.

Attachments:

1. Resolution No. 2016-7703
2. Atkins Sewer Service Charge and Capacity Fee Study – February 20, 2013
3. Keze Group Study Sewer Service Charge and Capacity Fee Study – March 2016.

RESOLUTION NO. 2016-7703

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, SETTING THE SEWER CAPACITY FEE FOR DEVELOPMENT IN THE CITY OF IMPERIAL BEACH AT \$5,373

WHEREAS, pursuant to Government Code Section 66013 and Chapter 13.05 of the Imperial Beach Municipal Code ("IBMC"), a sewer capacity fee is charged to all new development in the city limits to defray the costs for expansion and rehabilitation of the existing sewer collection system to meet the demands placed on the system by new development; and

WHEREAS, the City of Imperial Beach ("City") recently retained the services of the Keze Group, LLC, a leading consulting company in the field of sewer rates and capacity fees. The Keze Group reviewed the City's sewer capacity fee, which was set in 2013 and is currently charged at \$2,667.00 per equivalent dwelling unit (EDU); and

WHEREAS, Keze Group conducted a study and presented it to the City Council for review in March 2016, indicating that the current sewer capacity fee does not meet the estimated costs for expansion and rehabilitation of the existing sewer collection system and other sewer facilities utilized by the city, by new development; and

WHEREAS, the City Council has reviewed the 2016 Keze study and it provides sufficient support for the City to increase its sewer capacity fee to an amount up to \$5,373.00 per EDU; and

WHEREAS, this increase is based upon each customer who proposes a new or expanded use purchasing the relevant EDU's for each new or additional use of the sewer system; and

WHEREAS, this proposed sewer capacity fee imposes a proportional share of the City's total current value of the sewer system investment by existing users, which is a methodology in accordance with generally acceptable capacity fee increases; and

WHEREAS, this proposed increase does not exceed the estimated reasonable cost of providing the service for which the fee will be imposed; and

WHEREAS, the proposed sewer capacity charge increase will become effective July 1, 2016; and

WHEREAS, Government Code Section 66016 and IBMC chapter 13.05 permit increases in sewer capacity charges to be adopted by resolution; and

WHEREAS, the City provided notice of this hearing in accordance with applicable law; and

WHEREAS, information related to this hearing was made available to the public over ten days in advance of this hearing, in accordance with Government Code Section 66016; and

WHEREAS, the City Council conducted an open public hearing on May 4, 2016 to consider the proposed capacity fee increase and to obtain public comments on the proposed increase.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct.
2. The adoption of the sewer capacity fee established by this Resolution is not a project as defined under the California Environmental Quality Act ("CEQA") and is statutorily exempt from the requirements of CEQA pursuant to Section 21080(b)(8) of the Public Resource Code and Section 15273(a) of the State CEQA Guidelines.
3. The Sewer Service Charge Update Study conducted by Keze Group LLC , dated March 17, 2016.
4. The City Council of the City of Imperial Beach hereby increases the sewer capacity fee to FIVE THOUSAND THREE HUNDRED SEVENTY THREE DOLLARS (\$5,373) per equivalent dwelling unit (EDU) for all new connections to the City's sewer system, including new development and expanded development involving all properties, including residential and non-residential users.
5. The City Council of the City of Imperial Beach further finds that the increase of the sewer capacity fee does not exceed the estimated reasonable cost of providing the service for which the charge is imposed, in accordance with the reasoning and methodology expressed in the 2016 Keze study.
6. In adopting and imposing this increase in the sewer capacity fee, the City has complied with the procedures for adoption established in Government Code Sections 66016 et seq. and Imperial Beach Municipal Code Chapter 13.05.
7. This increase in the sewer capacity fee shall become effective on July 1, 2016 and shall be noted in all applicable City documents.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 4th day of May 2016, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

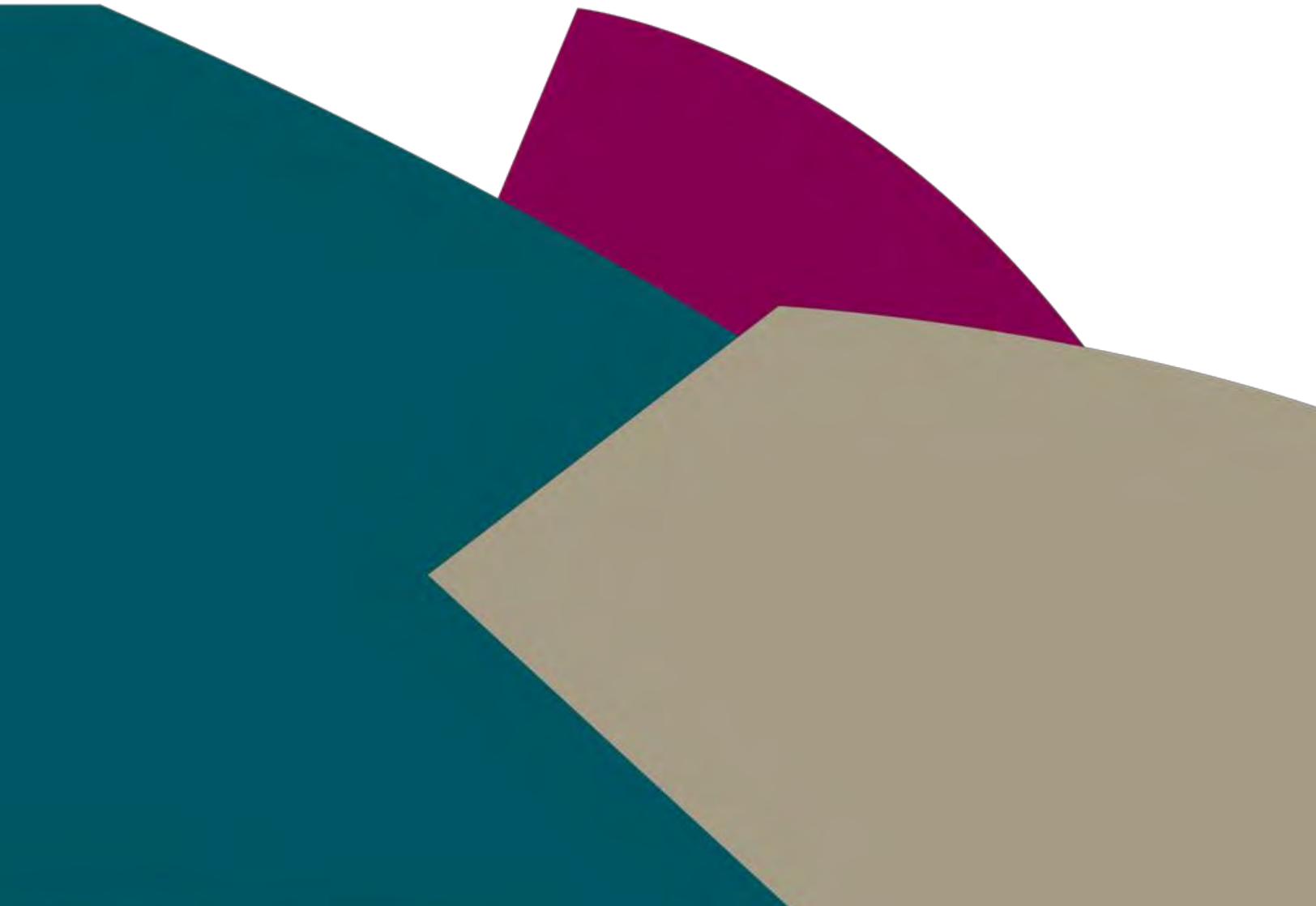
JACQUELINE M. HALD, MMC
CITY CLERK



Sewer Service Charge and Capacity Fee Study

**Prepared for:
City of Imperial Beach**

February 20, 2013



Sewer Service Charge and Capacity Fee Study City of Imperial Beach

February 20, 2013

Prepared for:
City of Imperial Beach
825 Imperial Beach Boulevard
Imperial Beach, California 91932

Prepared by:

ATKINS

3570 Carmel Mountain Road, Suite 300
San Diego, California 92130
Atkins Project No.: 100030382

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Abbreviations

BOD	Biochemical Oxygen Demand
CIP	Capital Improvement Plan
EDU	Equivalent Dwelling Unit
ENR-CCI	Engineering News Record Construction Cost Index
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
GIS	Geographical Information System
HCF	Hundred Cubic Feet
JURUMP	Jurisdictional Urban Runoff Management Program
Metro	City of San Diego Metropolitan Wastewater System
mg/l	Milligrams per Liter
O&M	Operations and Maintenance
TSS	Total Suspended Solids

Executive Summary

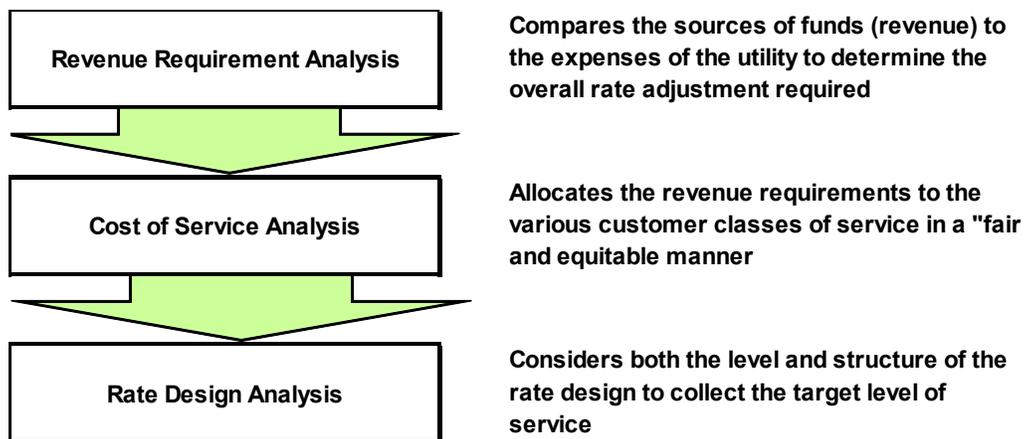
ES.1 Introduction

Atkins was retained by the City of Imperial Beach to perform a comprehensive sewer user and capacity fee rate study. A comprehensive rate study determines the adequacy of the existing rates and provides the basis for adjustments to maintain cost-based rates. This report describes the methodology, findings, and conclusions of the sewer user and capacity fee rate study.

ES.2 Overview of the Sewer User Rate Study Process

A comprehensive rate study typically utilizes three interrelated analyses to address the adequacy and equity of the utility's rates. These three analyses are a revenue requirement analysis, a cost of service analysis, and a rate design analysis. The process is illustrated in Figure ES-1.

Figure ES-1 Overview of the Comprehensive Rate Study Analysis



The City's sewer utility was evaluated on a "stand-alone" basis. That is, no subsidies between the utility or other City funds occur. By viewing the utility on a stand-alone basis, the need to adequately fund both operations and maintenance (O&M) and capital infrastructure must be balanced against the rate impacts on utility customers.

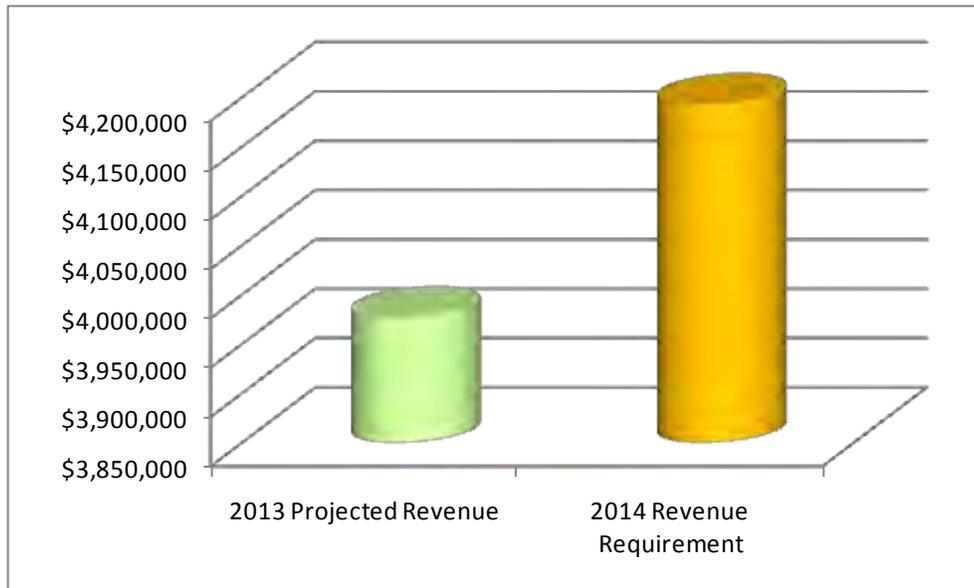
A detailed and comprehensive process was used to review the City's rates. As a part of the rate study process a number of on-site project meeting and conference calls were used to review the

results with City management, staff, and the City Council. From this process, final proposed rates were developed.

The steps shown in Figure ES-1 produced the following results for establishing rates for Fiscal Year (FY) 2013/2014:

Revenue Requirement Analysis: The City's sewer utility FY 2012/2013 revenue requirement was increased from \$3.7 to \$4.2 million to respond to increased costs from the City of San Diego Metropolitan Wastewater System (Metro) for transportation, treatment, and disposal costs for the City's wastewater and for the inclusion of a \$400,000 annual capital replacement fund to repair the City's aging sewer infrastructure. Figure ES-2 shows the projected FY 2012/2013 sewer user revenue that has been placed on the San Diego County Property Tax Roll or hand-billed to government agencies of \$ 3,976,620. With the inclusion of the increased costs the FY 2013/2014 revenue requirement (budget less non-operating revenues) increases to \$4,192,748. The sewer user rates included in this study are established based on this increased revenue requirement.

Figure ES-2 2013 Projected Revenue versus 2014 Revenue Requirement



Cost of Service Analysis: The cost of service analysis revealed that the City's multi-family and commercial and industrial customers have not been providing their required funding for the utility's fixed costs. In addition the sewage strength allocations for commercial/industrial customers were brought up to current industry standards.

Rate Design Analysis: The City's current sewer rate structure provides for a base charge to recover fixed costs in the single family rate structure, but we suggest the update to include other structures as well. In addition, we suggest that rate of returns be applied to all customer classes to discount the annual water usage for water not returned to the sewer system, which includes landscaping and other purposes. Thus the following modifications to the City's current rate structure are suggested:

1. All classes of users will pay an annual base charge based on the size of their water meter. The size of the water meter is used to allocate fixed costs based on the capacity that the user has purchased in the City's sewer system.
2. Recent industry standard rate of returns of water that flows through a water meter and returns to the sewer are applied on each customer class to determine sewer flow.

As shown in Table ES-1 a base charge has been established for all user classes to recover fixed costs and current industry standard strength allocations have been assigned to non-residential users. This results in the reduction of most non-residential commodity rates by removing fixed costs from the commodity rate and putting it in the base charge.

Table ES-1 Comparison of Current versus Proposed Sewer User Rates

Classes of Users	Current FY 2012/2013 Rates		Proposed FY 2013/2014 Rates	
	Base Charge	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)
Single Family	\$173.75	\$2.58	\$140.24	\$4.08
Non-Residential (Includes Multi-Family)				
Rest/Bakeries/Mort./Gro.		\$8.38	\$140.24	\$9.18
Small Commercial		\$4.35	\$140.24	\$3.65
Car Wash/Laundries		\$3.97	\$140.24	\$3.46
Public Agency/Institutional		\$3.67	\$140.24	\$3.33
Heavy Commercial		\$7.65	\$140.24	\$5.82
Mixed Use Light		\$4.44	\$140.24	\$4.37
Mixed Use Heavy		\$6.46	\$140.24	\$5.28
Navy		\$5.02	\$140.24	\$4.87
Multi-Family		\$4.38	\$140.24	\$4.08

Table ES-2 summarizes and contrasts the current FY 2012/2013 user rates for each class' average users to the proposed FY 2013/2014 annual rates.

Table ES-2 Comparison of Average User Rates

Class of Users	Average Annual Consumption (HCF)	FY 2012/2013 Rates & Structure			FY 2013/2014 Rates & Structure				% Change
		Base Charge	Commodity Charge	Total Annual Charge	Base Charge 5/8" Meter	Commodity Charge	Total Annual Charge	Dollars	
Single Family	96	\$173.75	\$247.49	\$421.23	\$140.24	\$293.75	\$433.99	\$12.76	3.0%
Multi-Family	212	\$0.00	\$927.88	\$927.88	\$140.24	\$821.68	\$961.92	\$34.04	3.7%
Small Commercial	114	\$0.00	\$495.93	\$495.93	\$140.24	\$374.04	\$514.29	\$18.35	3.7%
Restaurant	260	\$0.00	\$2,177.89	\$2,177.89	\$140.24	\$2,148.36	\$2,288.61	\$110.72	5.1%
Car Wash	621	\$0.00	\$2,462.45	\$2,462.45	\$140.24	\$2,149.35	\$2,289.59	-\$172.86	-7.0%
Public Agency	530	\$0.00	\$1,946.32	\$1,946.32	\$140.24	\$1,766.80	\$1,907.04	-\$39.28	-2.0%

ES.3 Overview of the Capacity Fee Rate Study

At the time of connection to a public agency's utility system, or at the expansion of existing units on a connection line, customers are typically charged a capacity fee. The capacity fee requires new users, to pay for their share of costs to construct facilities required to provide their utility

service or, in the case of increased density, their increased intensity of use. Revenues generated through capacity fees can be used to directly offset system expansion costs, repay debt issued to finance system expansion (if applicable), or for renewal and replacement of capital projects (depending on the capacity fee methodology). Use of capacity fee revenues to offset these capital and debt service costs reduces the amount of revenue required from rates assessed to existing users. This way, capacity fee revenues in effect, reimburse existing users (through lower rates) for costs they have incurred to build and maintain capacity for new users.

In discussions with City staff Atkins was requested to update the City's sewer capacity fees to reflect the true value of its capital facilities, to ensure that these fees are in accordance with current industry guidelines and practice, and to properly value the City's investment in the Metro System. The City's current capacity fee was set in June 2005 at \$1,230 per equivalent dwelling unit (EDU¹). The 2005 capacity fee did not include the full valuation of the Metro System or the replacement costs of the City's pipelines. It is a common practice to index capacity fees by the increased construction cost inflation as measured by the Engineering News Record Construction Cost Index (ENR-CCI). If the City had annually indexed their current fee the capacity fee would be \$1,479 (not including improvements and the Metro System capacity valuation).

Atkins reviewed capacity fee alternatives with City staff and ultimately the capacity fees were calculated using the buy-in approach² and are shown in Table ES-3. The buy-in approach requires a valuation of both the City's and the Metro wastewater systems. The two most common approaches are replacement costs and replacement cost less depreciation. These two valuation methods for capacity fees are often considered to represent the most accurate value of utility facilities. Original cost valuations are less common since the original cost of the wastewater system likely does not represent the true value of the system in today's dollars. An appropriate analogy is that a house is often worth more than its original purchase price.

Table ES-3 shows the three components of the City's capacity fee. The upper portion of the table shows the capacity fee based on the value of the City's wastewater system (line 2). The middle portion of the table shows the value of the City's pump stations and the related capacity fee (line 4). The lower portion of the table shows the Metro component of the capacity fee (line 6). Each component of the capacity fee is calculated by taking the value of facilities (under each valuation method) and dividing by the EDUs. Line 7 shows the total capacity fee for one sewer unit, summing all components, under each valuation method. For each new customer or for increased density, the City will ascertain, at the time of capacity fee assessment, the number of new EDUs required and charge the fee accordingly.

Figure ES-3 provides a summary of Metro agency capacity fees and shows the City's current and proposed capacity fees. It shows that the proposed fee of \$4,776 is in line with other Metro agencies that have recently updated their capacity fees and include the Metro component.

¹ One EDU is equivalent to the assumed gallons per day of a single family residential user. Imperial Beach uses 232 gallons per day for a single family residential user. All other users are assigned EDUs at the time they purchase a capacity fee in their proportional relationship to a single family user.

² The buy-in approach is appropriate for an older system which is mostly built-out. New customers are served by existing capacity in the current system. It is calculated as the value of current facilities divided by the equivalent dwelling units (or sewer units) which can be served by the existing system.

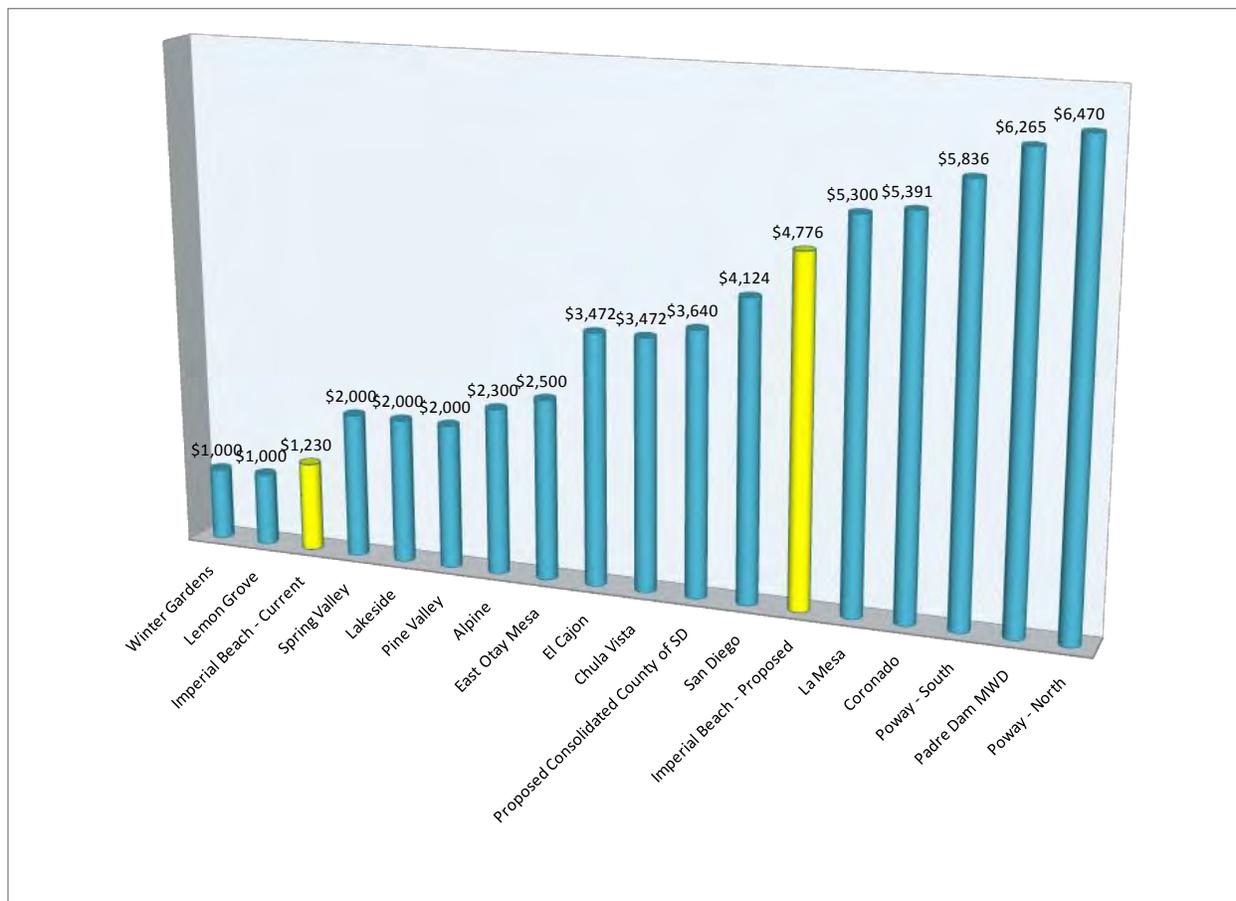
California state law regarding capacity fees requires a valuation of an agencies system as was prepared by this study. Once the total value of the system is established as shown in Table ES-3 an agency can establish their capacity fee up to the maximum valuation. However, an agency can choose to adopt a lower capacity fee. At the City Council Meeting of January 23, 2013, Council directed staff and consultant to adopt a capacity fee based on the replacement cost less depreciation methodology of \$4,000 per EDU and then phase in the remaining \$776.

Table ES-3 Proposed Sewer Capacity Fee

(A) Line No.	(B) Valuation Component	(C) Replacement Costs	(D) Replacement Cost Less Depreciation
1	Pipelines	\$46,031,303	\$23,015,652
2	Cost Per EDU (a)	\$4,352	\$2,176
3	Pump Stations	\$15,596,987	\$5,197,589
4	Cost Per EDU (a)	\$1,475	\$491
5	Metro Assets	\$32,818,033	\$22,300,011
6	Cost Per EDU (a)	\$3,103	\$2,108
7	Total Cost Per EDU	\$8,929	\$4,776
	(a) Total EDUs	\$10,577	\$10,577

Note: Pipelines and Pump Stations are based on replacement costs Metro Assets are valued as Reproduction Cost from Raftelis 2005 Study brought to present value using the June 2012 ENR

Figure ES-3 Sewer Capacity Fees for Metro Agencies



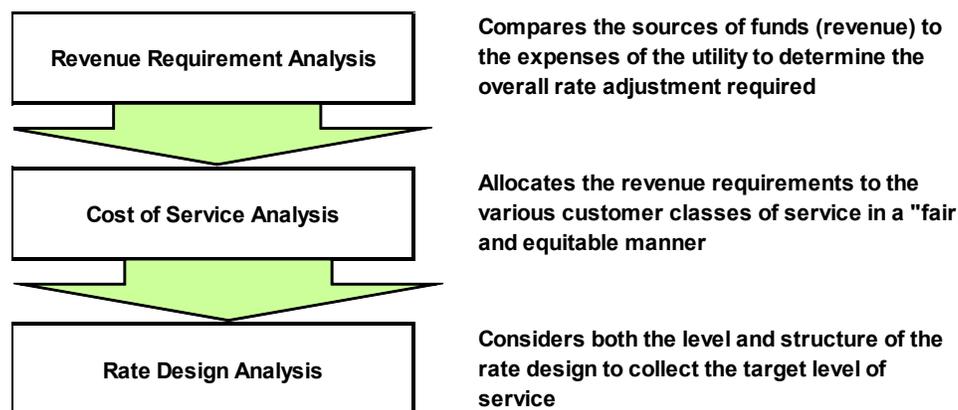
Section 1

Overview of the Sewer User Rate Setting Process

1.1 Overview of the Rate Study Process

A comprehensive rate study typically utilizes three interrelated analyses to address the adequacy and equity of the utility's rates. These three analyses are a revenue requirement analysis, a cost of service analysis, and a rate design analysis. The process is illustrated in Figure 1-1.

Figure 1-1 Overview of the Comprehensive Rate Study Analysis



The City's sewer utility was evaluated on a "stand-alone" basis. That is, no subsidies between the utility or other City funds occur. By viewing the utility on a stand-alone basis, the need to adequately fund both operations and maintenance (O&M) and capital infrastructure must be balanced against the rate impacts on utility customers.

1.2 Generally Accepted Rate Setting Principles

As a practical matter, utilities should consider setting their rates around some generally accepted or global principles and guidelines. Utility rates should be:

- Cost-based, equitable, and set at a level that meets the utility's full revenue requirement
- Easy to understand and administer

- Design to conform with generally accepted rate setting techniques
- Stable in their ability to provide adequate revenues for meeting the utility's financial, operating, and regulatory requirements
- Established at a level that is stable from year-to-year from a customer's perspective
- Established to meet any legal (e.g. Proposition 218) or regulatory requirements

These principles and guidelines were applied, to the degree possible, in the development of the rate analyses developed for the City.

1.3 Prudent Financial Planning

The establishment of financial planning and rate setting policies are intended to provide guidance in the financial planning and rate-setting process, and in the day-to-day financial management of the City's sewer utility.

Adoption and use of financial policies provides a strong foundation for the long-term sustainability of the utility and provides the outside financial community with a better understanding of the City's commitment to managing the utility in a financially prudent manner. Atkins also recommended some financial practices as part of developing the revenue requirement for the City's sewer utility. These recommended financial policies and practices are summarized below:

- **Establishing Minimum Rate Stabilization Fund Balance (Operating Reserve):** The City strives to maintain a cash balance sufficient to meet the day-to-day cash flow requirements and operating expenses of the utility. The City bills their sewer user charges on the San Diego County property tax roll and although the City's operating budget starts July 1st of each year the first time user revenue is received is in January of the following year. Thus prudent financial management would advise that the City should maintain six-months of operating cash to pay the bills in the first six months prior to receiving user rate revenue. The City's projected 2014 revenue requirement is \$4.2 million thus the Operating Reserve should be established at \$2 million.
- **Establishing Minimum Capital Reserve Funds:** Capital reserves are established to fulfill the cash flow requirements of capital infrastructure construction costs, which can vary significantly annually, depending on each year's projects and the funding sources available. Within the utility industry, capital reserves are generally established based on an average of projected annual capital expenditures, excluding unusually large "one-time" capital needs. The City should attempt to maintain a capital reserve approximately equal to one-year of renewal/replacement projects, or a six-year average of typical renewal and replacement (routine) type projects, not including large one-time expenses. Based on the City's historic renewal and replacement projects the minimum in this reserve should be \$400,000. This study incorporated the funding of this reserve over multiple years starting in FY 2015/2016. The recommended funding for this reserve is \$720,000 during the five- year planning period.
- **Rate Funding for Renewal and Replacement Capital Projects:** The funding of on-going renewal and replacement capital projects should primarily be funded from rates. The use of debt should be reserved for only extraordinarily large capital projects with a useful life of 30 years or more. In order to adequately support this funding method, the

City should budget and fund, at a minimum, an amount equal to or greater than annual replacement costs or depreciation expense. The City's projected replacement costs during the planning period are \$400,000 per year. It is recommended that funding for this should start in the 2014 revenue requirements and gradually increase to a level approaching depreciation over the next 10 years. Any capital money not spent should be placed in the Capital Reserve Fund to offset unanticipated capital projects.

1.4 Determining the Revenue Requirement

In developing the revenue requirement the City's 2013 budget was analyzed on a "stand-alone" basis. That is no other funds were used to subsidize utility services. The following paragraphs describe the general methodology and approach that Atkins used to develop the City's sewer user rate study.

1.4.1 Establishing a Projected Time Frame

Reviewing a multi-year period is recommended to identify any major expenses that may be on the horizon. The financial planning model developed by Atkins for the City contains a seven-year planning horizon. This is based on two-years after the five-year time period of FY2014 to FY2018 that was used for establishing rates. This was done to allow for planning of any additional Metro Costs associated with their waiver renewal process from secondary treatment that may arise but are unknown at this time.

1.4.2 Establishing a Methodology and Approach

The second step in determining the revenue requirement for the City was to decide on the basis of accumulating costs. For the City's revenue requirements, a "cash basis" approach was utilized. For municipal utilities, the cash basis approach is the most frequently used methodology. Table 1-1 provides a summary of the cash basis methodology used to develop the sewer revenue requirement.

Table 1-1 Overview of "Cash Basis" Revenue Requirement Methodology

+ Operations and Maintenance
+ Transfer Payments
<u>+ Capital Projects Based on Rates</u>
= Total Revenue Requirement
- <u>Miscellaneous Revenues</u>
= Net Revenue Requirement from Rates

In addition to the above cost components, some utilities may include a component for a "change in working capital" which is a use of, or additional funding for, operating or capital reserves. This component is either used to help mitigate the need for a rate adjustment, or to replenish operating and capital reserves. This is the case with the gradual increase in the rate for funding for renewal and replacement projects over the five year period.

1.5 Cost of Service Analysis

After the total revenue requirement is determined it is allocated to the users of the service. The equitable allocation of a utility's cost is usually accomplished via a cost of service analysis. A cost of service analysis allocates cost in a manner that fairly reflects the cost relationships for producing and delivering services.

A cost of service study requires three steps:

1. Costs are **functionalized** or grouped into the various cost categories related to providing service (for example for a sewer rate study costs are functionalized to customer, capacity, collection, and treatment).
2. The functionalized costs are then **classified** to specific cost components. Classification refers to the arrangement of the functionalized data into cost components. Sewer utility costs are typically classified between volume of flow, strength of wastewater, and customer related costs, etc.
3. Once costs are classified into cost components, they are **allocated** to the customer classes of service (residential, multi-family, commercial, etc.). The allocation is based on each customer class' relative contribution to the cost component. For example, customer-related costs are proportionally allocated to each class of service based on the total number of customer in that class of service. Once costs are allocated, the required revenues for achieving cost-based rates can be determined. Average unit costs (cost-based rates) are also determined within the cost of service and can be used as a starting point for establishing final proposed rate designs.

1.6 Designing Rates

The final step of the comprehensive rate study process is the development of rates to collect the desired levels of revenues, based on the results of the revenue requirement and cost of service analysis. In reviewing rate designs, consideration is give to the *level* of the rates and the *structure* of the rates. Level refers to the amount of revenue to be collected, while structure refers to the way in which the revenue is collected (e.g. fixed versus variable costs).

1.6.1 Rate Design Criteria

Prudent rate administration dictates that several criteria must be considered when setting utility rates. Some of the rate design criteria are listed below:

- Rates which are easy to understand from the customer's perspective
- Rates which are easy for the utility to administer
- Consideration of the customer's ability to pay
- Continuity, over time, of the rate making philosophy
- Policy considerations (encourage conservation, economic development, etc.)
- Yield the total revenue requirements
- Provide revenue stability from month to month and year to year
- Promote efficient allocation of the resource.
- Equitable and non-discriminatory (cost based)

OVERVIEW OF THE SEWER USER RATE SETTING PROCESS

It is impossible to achieve all of these rate design goals and objectives in a single rate. Given that, the rate design goals and objectives noted above need to be prioritized in order to be able to achieve the utility's overall rate design goals and objectives. For the most part, a major focus should be on establishing rates which are cost-based, equitable and generate sufficient revenues from year-to-year. For this particular study, we believe that each one of those three goals was achieved.

Section 2

Development of the Sewer User Rate Study

2.1 Introduction

This section describes the development of the sewer rate study for the City. One of the objectives of the study is to develop cost-based rates using current industry standard guidelines. The City has performed rate studies from time to time, most recently in 2005, to insure that its revenue requirements are met. Yet, the current sewer rate structure was established in 1992 and would benefit from the proposed updates.

2.2 Determining the Sewer Revenue Requirement

The sewer revenue requirement assumes the full and proper funding on a stand-alone basis needed to operate and maintain the system on a financially sound and prudent basis. The primary financial inputs in this process were the City's accounting and billing records, capital plan, and budget. Provided below is a detailed discussion of the steps and key assumptions contained within the development of the City's revenue requirement analysis.

2.2.1 Determination of Time Period and Method of Accumulating Costs

The initial step in calculating the revenue requirement for the City was to establish a "time period", or time frame of reference for the revenue requirement analysis. As discussed in Section 2, Atkins forecasted the City's sewer revenue requirements for the seven -year period of FY 2013/2014 to FY 2019/2020. By reviewing costs over an extended time period, the City can anticipate and plan around any significant changes or needs in operating and capital requirements. By planning around these anticipated needs, the City can minimize short-term rate impacts and overall long-term rates.

The second step in determining the revenue requirements for the City was to decide on the basis of accumulating costs. As noted in Section 1.4.2, a "cash basis" approach is typically used for this analysis.

Given a time period around which to develop the City's revenue requirements, and a method to accumulate those costs, the focus now shifts to the development of the revenues and expenses for the sewer utility, and ultimately to the development of a seven-year financial plan.

2.2.2 Capital Improvements

To forecast and examine the City's revenue requirements, Atkins and City Staff analyzed annual historical trends for replacement capital improvement plan (CIP) costs. The City has historically funded \$400,000 of capital improvements on a pay-as-you-go basis. CIP costs for future years were escalated at 3% annually beginning in FY 2014/2015 to keep up with construction inflation.

2.2.3 Projection of Operation and Maintenance Expenses

O&M expenses are incurred by the City to provide sewer service to the City's customers. O&M expenses are accounted for during the current year and are not capitalized or amortized over an extended period of years. For the purpose of forecasting O&M expenses, the City provided its latest budget estimates for FY 2012/2013.

The City groups its O&M expenses into categories including wages, benefits, professional series, utilities, materials and supplies, and other supplies necessary to maintain the City sewer collection system. Atkins reviewed escalation factors with City staff to use in budget forecasts for future years. The escalation factors used in this study range of 2.0% to 4% per year, depending on the type of cost and recent inflationary trends general inflation and employee related costs.

To project future O&M expenses, Atkins used the City's budget numbers from FY 2012/2013. Beyond FY 2012/2013, Atkins escalated O&M expenses based on the previously mentioned escalation factors.

Total sewer O&M expenses, less non-operating revenues, are projected to be approximately \$4.2 million in FY 2013/2014. This amount is projected to increase to approximately \$4.6 million by FY 2019/2020.

2.2.4 Projection of Direct Costs

The largest single item in the City's budget is the payment for transportation, treatment, and disposal of the wastewater generated by the City's customers. The City is a participating agency in the Metro system. Table 2-1 summarizes the current and projected Metro costs. For FY 2013/2014, sewer Metro costs were projected to be \$2.5 million which is \$100K higher than FY2012/2013 because of increased sewer flows. Sewer Metro costs were projected to remain constant until FY 2015/2016 when they will escalate with inflation. Any additional increases in direct costs above inflation are recommended to be addressed by the City as a "pass-through" cost and rates are adjusted at that time as discussed in Section 2.6.

Table 2-1 Summary of Projected San Diego Metro Transportation and Treatment Costs

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Treatment & Disposal	\$2,379,434	\$2,491,584	\$2,491,584	\$2,541,416	\$2,617,658	\$2,696,188	\$2,777,074	\$2,888,156
Transportation	\$6,030	\$6,151	\$6,274	\$6,399	\$6,591	\$6,789	\$6,993	\$7,272
Palm City Trunk Sewer	\$249,982	\$249,982	\$124,991					
Metro TAC	\$8,160	\$8,160	\$8,160	\$8,323	\$8,573	\$8,830	\$9,095	\$9,459
Total	\$2,643,606	\$2,755,877	\$2,631,009	\$2,556,138	\$2,632,822	\$2,711,807	\$2,793,161	\$2,904,888

2.2.5 Forecast of Sewer Non-Rate Revenues

The City collects non-rate revenues that reduce the revenue required from sewer rates. These non-rate revenues include Jurisdictional Urban Runoff Management Program charges (\$115,000) and other miscellaneous revenues. The City's miscellaneous sewer revenues are minimal. The City provided its FY 2012/2013 projection of \$32,000 in miscellaneous revenues. At the City's request, Atkins maintained that amount as the annual forecast of miscellaneous revenues for the entire planning period.

2.2.6 Summary of the Sewer Revenue Requirements

The prior components of the revenue requirements come together to develop the overall sewer revenue requirements for the City. In developing the final revenue requirements, consideration was given to the financial planning considerations of the City. In particular, emphasis was placed on attempting to minimize rates, yet still have adequate funds to support the operational activities and capital projects throughout the planning period.

The sewer financial planning model that Atkins developed for the City is designed to calculate the necessary overall adjustments to annual rate revenue in order to meet the City's existing and future revenue requirements. Based on the revenue requirements described above, less non-rate revenues, Atkins calculated annual rate revenue adjustments that met the City's goals including minimal annual impacts on Customers, while meeting all of the needs of the sewer utility's operations and capital infrastructure. Summaries of the annual sewer rate revenue adjustments and example single family customer impacts are shown in Table 2-2. An average single family customer in Imperial Beach uses 96 hundred cubic feet (HCF) of water per year. When adjusted for the single family rate of return for the sewer to exclude capturing outside irrigation in the sewer rate the average customer is billed on 72 HCF annually.

Table 2-2 Summary of Average Single Family Annual Bill Impacts

Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Rate Adjustment		3.0%	1.6%	1.6%	1.6%	1.6%
Example Annual Bill	\$421.23	\$433.99	\$441.12	\$448.27	\$455.38	\$462.88
Example Annual Change		\$12.76	\$7.13	\$7.15	\$7.11	\$7.49

Based on the annual rate revenue adjustments shown in Table 2-2, Atkins projected that the City will need to annually adjust their sewer revenue requirement by an average of 1.6% per year in order to meet its sewer revenue requirements for the planning period. A summary of the sewer revenue requirements is shown in Table 2-3. Note that total sources and uses of funds pertaining to the City's sewer revenue requirements match in each year of the forecast. Table 2-3 includes the proposed annual sewer rate adjustments.

Table 2-3 Summary of Annual Sewer Revenue Requirements

Expense Description	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Operation & Maintenance									
Total Sewer Enterprise Fund	\$3,648,402	\$3,802,958	\$3,939,933	\$3,840,369	\$3,791,417	\$3,902,190	\$4,016,287	\$4,133,806	\$4,291,024
Total	-	-	-	-	-	-	-	-	-
Nonoperating Expenditures									
Capital Improvements	-	-	\$400,000	\$412,000	\$424,360	\$437,091	\$450,204	\$463,710	\$477,621
Increase Operations Reserve	-	-	-	-	-	-	-	-	-
Establish Capital Reserve	-	-	-	\$150,000	\$250,000	\$190,000	\$130,000	-	-
Subtotal Expenditures	\$3,648,402	\$3,802,958	\$4,339,933	\$4,402,369	\$4,465,777	\$4,529,281	\$4,596,490	\$4,597,516	\$4,768,645
Less Non-Operating Revenues	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185
Revenue Requirement	\$3,501,217	\$3,655,773	\$4,192,748	\$4,255,184	\$4,318,592	\$4,382,096	\$4,449,305	\$4,450,331	\$4,621,460

2.2.7 Conclusions of the Sewer Revenue Requirements Analysis

Based on the revenue requirement analysis and rate revenue adjustments developed herein, assuming a 1.6% annual sewer revenue requirement adjustment, the City is projected to meet its revenue requirements for the planning period. The City should regularly review its revenue and expenses and recommend adjustments as necessary. The City will have Atkins's financial planning tool for use in these regular reviews in the future.

2.3 Sewer Cost of Service Analysis

A cost of service analysis is a method to equitably allocate the total sewer revenue requirements to the various customer groups (classes of service) served by the utility. For the sewer cost of service study, the customer classes of service were defined as residential single family, multi-family and commercial/industrial.

The cost of service analysis process functionalized, classified and allocated the sewer revenue requirement the customer classes in the manner in which the utility incurs the expense. When available, utility specific data was utilized. Where City specific data was not available, Atkins estimated the classification based upon its experience with previous sewer cost of service studies of a similar nature.

2.3.1 Classification of Costs

Classification determines why the expenses were incurred or what type of need is being met. The City's accounts and revenue requirement were reviewed and classified using the following cost classifiers:

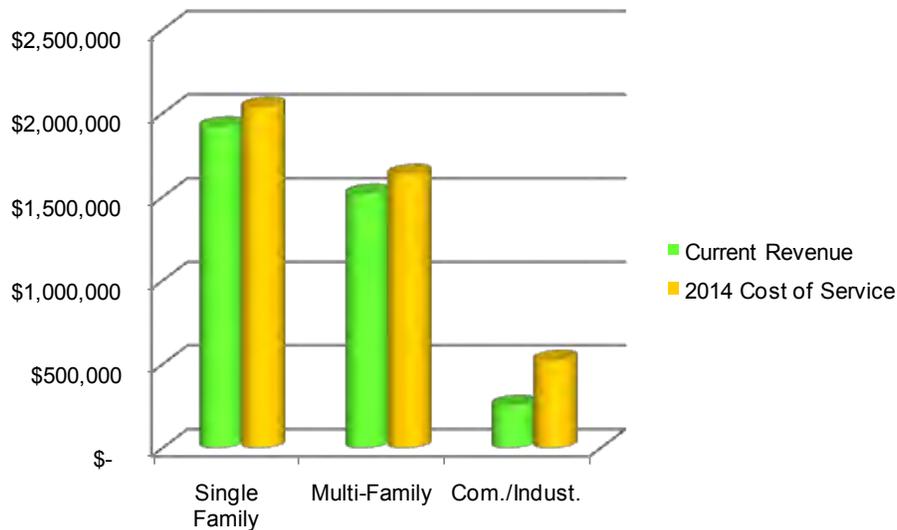
- Volume Related Costs
- Strength Related Costs
- Customer Related Costs
- Capacity Related Costs
- Revenue Related Costs
- Direct Assignments

2.3.2 Summary of the Cost of Service Results

In summary form, the sewer cost of service analysis began by functionalizing the utility's plant asset records and then the operating expenses. The functionalized plant and expense accounts were then classified into their various cost components.

The individual classification totals were then allocated to the various customer groups based upon the appropriate allocation factors. The allocated expenses for each customer group were aggregated to determine each customer group's overall revenue responsibility. The present rate revenue from each customer class of service, along with the equitably allocated costs were placed in the context of \$/HCF. A summary of the detailed cost responsibility developed by customer class is shown in Figure 2-1.

Terminology of a Sewer Cost of Service Analysis
Functionalization – The arrangement of the cost data by functional category (e.g. treatment, collection etc.)
Classification – The assignment of functionalized costs to cost components (e.g. volume, strength, and customer related).
Volume Costs – Costs that are classified as volume related vary with the total flow of wastewater (e.g. electrical use for pumping facilities).
Strength Costs – Costs classified as strength related refer to the wastewater treatment function. Typically, strength-related costs are further defined as biochemical oxygen demand (BOD) and total suspended solids (TSS).
Customer Costs – Costs classified as customer related vary with the number of customers on the system, e.g. billing costs.
Capacity Costs – If all customers used the utility in the same way over time (average annual daily volume flows), capacity costs would not need to be recognized. However various customer classes' peaks are realized throughout the year and even throughout the day. Residential customers peak during weekday mornings and commercial accounts tend to peak seasonally due to visitors (conventions or summer visitors). The costs associated with peaking (capacity) are allocated to these customers through the recognition of capacity costs. WW treatment plants and sewers are designed with peak flows in mind and thus a portion of O&M costs can also be attributed to peak flows (using the design basis cost allocation). Capacity cost can be more important when assigning capital costs to volume or capacity since sewers and treatment plants are designed with capacity in mind.
Direct Assignment – Costs that can be clearly identified as belonging to a specific customer group or group of customers.
Customer Classes of Service – The grouping of customers into similar groups based usage characteristics and/or facility requirements

Figure 2-1 Summary of Sewer Cost of Service Analysis

As part of this study a fresh approach to customer cost allocations was used to bring the City's rate structure up to recently adopted industry standards. Sewage strength levels were revised in the non-residential user class to equate to current industry standards. A full listing of non-residential customers and their estimated sewage strengths is included in Appendix A to this study.

The City should review cost of service at the time of the next rate study to determine whether these cost relationships are still appropriate. Details of the sewer cost of service analysis are provided in Appendix B.

2.3.3 Consultant's Conclusions and Recommendations

As was noted in Figure 2-1, some minor differences in cost appear to exist between the customer classes of service. Given the overall objective of the sewer utility financially standing on its own, it is recommended the overall level of rates be adjusted to collect the revenue requirements over the time period. All sewer customer classes of service should be adjusted based on their cost of service. Details of the cost of service analysis are provided in Appendix B.

2.4 Sewer Rate Design Analysis

The final step of the sewer rate study process is the design of sewer rates to collect the desired levels of revenues, based on the results of the revenue requirement analysis. In reviewing sewer rate designs, consideration is given to the level and the structure of the rates.

2.4.1 Review of the Overall Sewer Rate Adjustments

As indicated in the revenue requirement analyses, a priority for the sewer utility was to adjust and transition the overall level of the sewer rates to meet the overall financial needs of the utility for both operations and capital replacement needs.

2.4.2 Review of the Method of Determining Billing Units

Sewer customers are not metered for their wastewater discharge. As a result, the City must use an alternative method or approach to approximate wastewater flows. The City has historically used an approach in which the volume a customer is billed is based upon a review of the customer's Cal Am water account for the prior year and 100% of the prior year's annual water usage is used to establish the upcoming years sewer rate.

An initial step in the sewer rate design analysis was to review rate structure alternatives to the City's current rate structure. These included the following:

Flat Rate Method – A flat rate method simply ignores the volumetric use (as measured by the City's current methodology of using 100% of annual water usage) and charges each customer a flat rate. The advantage of this method is it simplifies the issue of volumetric contribution, but in doing so, some customers will perceive this method as being unfair. The individual living by themselves will pay the same flat rate as the family with five children. Flat rates were common many years ago when sewer rates were fairly low. However, as rates have risen, the use of flat rates has fallen out of favor. Atkins and City staff felt that while viable this is an antiquated rate structure and the City has progressively used annual water usage to establish their volumetric rate for many years.

Metered Water Consumption with a Rate of Return – This method is similar to the City's current rate structure. Annual metered water consumption is a surrogate for sewer wastewater flow (contributions). This approach addresses the short-comings of the flat rate method. It also updates the City's current rate structure to deal with interior versus exterior water usage. Sewer volumetric rates are based as closely as possible to equate to only indoor usage as water used for landscaping does not return to the sewer system and therefore does not contribute to the cost of service. Industry standard rates of return were applied to each customer class's annual water usage as shown in Table 2-4 in Column B.

Average Winter Water Usage – An alternative to address the problems associated with using metered water consumption, an alternative is to utilize a customer's average winter water use as a surrogate for their indoor use (i.e. wastewater contributions). This method uses a pre-defined winter period (e.g. November to February) and calculates an average monthly use. This average monthly water usage is then annualized to become the total volume to be included in each sewer user's rate. While this is widely used for single family it is not normally used for multi-family and commercial/industrial users as they normally do not have a large irrigate-able area and their usage is based more on tenant occupancy for multi-family and business cycles for commercial/industrial. In discussions with City staff it was determined that they were having very few customer complaints and that changing the way they determined the customer charge could lead to confusion with very little change in the outcome.

Table 2-4 Summary of Rate of Returns by User Class

Units of Service and Loadings:		Flow:		
User Group	No. of Accounts	(A) Annual Consumption per User Class (HCF)	(B) Rate of Return	(C) Adjust for Rate of Return (HCF)
Residential				
Single Family	4,682	450,570	75.0%	337,928
Subtotal Residential	4,682	450,570		337,928
Non-Residential				
Commercial				
Rest/Bakeries/Mort./Groc.	48	12,560	90.0%	11,304
Small Commercial	114	13,051	90.0%	11,746
Car Wash/Laundries	13	8,081	90.0%	7,273
Public Agency/Institutional	71	37,632	75.0%	28,224
Heavy Commercial	7	2,929	90.0%	2,636
Mixed Use Light	33	6,852	90.0%	6,167
Mixed Use Heavy	2	333	90.0%	300
Navy	5	30,180	90.0%	27,162
Multi-Family	1,627	346,541	95.0%	329,214
Subtotal Non-Residential	1,920	458,159		424,025
Total	6,602	908,729		761,953

Include a Base Charge for all Users –While customers may have very low use or vacant properties, it is still important to understand that a large proportion of the costs associated with the sewer system are generally fixed in nature. That is, even if a customer does not contribute any wastewater to the system, there are still costs associated with the system which should be met by all customers. These fixed charges are normally recovered from each customer based on their assumed capacity in the system as measured by the size of their water meter. Single family residential customers are assumed to all have a 5/8" water meter as any larger meters are for external usage such as landscape irrigation which is not assumed to be returned to the sewer system. Non-residential customers normally have little or no landscaping and thus their water meter is sized to provide system capacity for internal water usage. The distribution of the City's sewer customers by water meter size is shown in Table 2-5.

Table 2-5 Sewer Customers by User Class and Water Meter Size

User Group	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"
Single Family	4,682							
Multi-family	1,267		207	101	51	1		
Rest/Bakeries/Mort./Groc.	36		7	4	1			
Small Commercial	83		19	10	2			
Car Wash/Laundries	4	1	1	8				
Public Agency/Institutional	12		11	15	30		2	
Heavy Commercial	2		4		1			
Mixed Use Light	17		13	1	2			
Mixed Use Heavy	1		1					
Navy	1			2				2
Total	6,105	1	263	141	87	1	2	2

After review of the rate structure alternatives Atkins and City staff determined that the following changes to the City's current rate structure would establish an updated allocation of costs to your customers.

1. Include a Base Charge for all Users – Atkins developed a fixed variable analysis of the City's sewer costs and concluded that approximately 25% of the City's sewer costs are fixed in nature. In the past the City has only charged residential customers fixed or base charges. Atkins is recommending that every account should be charged a base charge and for non-residential (multi-family and commercial/industrial) this should be based on the size of their water meter.
2. Establish a Rate of Return for Each User Class – Atkins recommended and City staff concurred that the rates of return as shown per user class in Table 2-4 should be applied to each user's annual water usage. This will discount each customers annual water usage for water not returned to the sewer system, which includes landscaping and other purposes.

2.4.3 Review of the Sewer Charge Formula

The City serves three distinct sewer customer groups; single-family residential, multi-family and commercial/industrial. For each of these customer groups, the City has a specific sewer charge formula. This study has recommended changes in only the multi-family and commercial/industrial user's formulas to include base fees. In addition, industry standard rates of returns are applied to each user's annual water usage as discussed in Section 2.4.2. The following are the recommended sewer charge formulas:

Single-Family Residential Sewer Charge Formula

$$\begin{aligned} &\text{Annual Water Consumption} \times \text{Return to Sewer } 75\% = \text{Billing Units} \\ &(\text{Billing Units} \times \text{Residential Sewer Rate}) + (\text{Base Fee}) = \text{Total Sewer Monthly Bill} \end{aligned}$$

Multi-Family Sewer Charge Formula

$$\begin{aligned} &\text{Annual Water Consumption} \times \text{Return to Sewer } 95\% = \text{Billing Units} \\ &(\text{Billing Units} \times \text{Residential Sewer Rate}) + (\text{Base Fee per Water Meter Size}) = \text{Total Sewer} \\ &\text{Monthly Bill} \end{aligned}$$

Commercial Sewer Charge Formula

$$\begin{aligned} &\text{Annual Water consumption} \times \text{Return to Sewer } \% = \text{Billing Units} \\ &(\text{Billing Units} \times \text{Strength Rate}) + (\text{Base Fee per Water Meter Size}) = \text{Total Sewer Monthly Bill} \end{aligned}$$

As can be seen, for each of these groups (rate schedules) a slightly different sewer charge formula is used. Embedded within each of these formulas are a fixed base fee and a volumetric sewer rate. Provided in the following subsections is an overview of the present and proposed rates for each of these rate schedules.

2.4.4 Present and Proposed Single Family Sewer Rates

In developing the proposed rate designs, the City's existing rate structures were reviewed. As stated in subsection 3.4.3 then present single-family residential sewer rate is composed of a base sewer fee and a volumetric sewer rate. The base sewer fee is stated in \$/year as the City bills sewer service charges on the County of San Diego County Tax Assessor's Property Tax

Roll. The single family rate also has a cap of \$983.36 or 260 HCF annually. The dollar amount of the cap is indexed each year based on the change in the Consumer Price Index from the prior year.

The proposed single-family residential sewer rate has maintained the same structure including the cap except that a rate of return of 75% has been used to adjust for landscape irrigation. As shown on Table 2-6 the base charge is decreasing. This is because the fixed costs recovered by the base charge are being spread across all users. This will lower the residential rate for the low end users. The volumetric or commodity rate is increasing as are all other commodity rates for other user classes due to increased City of San Diego costs and the inclusion of funding for needed sewer collection system capital replacement projects. Table 2-6 shows the projected rate adjustments for all single family users up to the current cap of \$938.36 per year. The median single family user (87 HCF per year) will see a 2.1% rate increase or \$8.42 per year. The average single family user (96 HCF per year) will see a rate adjustment of 3% or \$12.76 per year. The table also summarizes how many single family users fall into each of the billing bins, the percentage of users in each bin, and the cumulative percentage of users.

Table 2-6 Summary of Proposed FY 2013/2014 Single Family Sewer User Rates

Annual Consumption (HCF)	Number of Users	Percent of Users	Cumulative Percent	FY2013 Current (At 100%)			FY2014 Proposed (At 75%)			Difference	
				Base Charge	Consumption Charge	Total Charge	Base Charge	Consumption Charge	Total Charge	Dollars	%
0	26	0.56%	0.56%	\$173.75	\$2.58	\$176.32	\$140.24	\$4.08	\$144.32	-\$32.00	-18.1%
5	45	0.96%	1.52%	\$173.75	\$12.89	\$186.64	\$140.24	\$15.30	\$155.54	-\$31.09	-16.7%
10	70	1.50%	3.01%	\$173.75	\$25.78	\$199.53	\$140.24	\$30.60	\$170.84	-\$28.68	-14.4%
15	74	1.58%	4.59%	\$173.75	\$38.67	\$212.42	\$140.24	\$45.90	\$186.14	-\$26.27	-12.4%
20	90	1.92%	6.51%	\$173.75	\$51.56	\$225.31	\$140.24	\$61.20	\$201.44	-\$23.87	-10.6%
25	107	2.29%	8.80%	\$173.75	\$64.45	\$238.20	\$140.24	\$76.50	\$216.74	-\$21.46	-9.0%
30	111	2.37%	11.17%	\$173.75	\$77.34	\$251.09	\$140.24	\$91.80	\$232.04	-\$19.05	-7.6%
35	125	2.67%	13.84%	\$173.75	\$90.23	\$263.98	\$140.24	\$107.10	\$247.34	-\$16.64	-6.3%
40	124	2.65%	16.49%	\$173.75	\$103.12	\$276.87	\$140.24	\$122.39	\$262.64	-\$14.23	-5.1%
45	162	3.46%	19.95%	\$173.75	\$116.01	\$289.76	\$140.24	\$137.69	\$277.94	-\$11.82	-4.1%
50	158	3.37%	23.32%	\$173.75	\$128.90	\$302.65	\$140.24	\$152.99	\$293.24	-\$9.41	-3.1%
55	152	3.25%	26.57%	\$173.75	\$141.79	\$315.54	\$140.24	\$168.29	\$308.54	-\$7.00	-2.2%
60	189	4.04%	30.61%	\$173.75	\$154.68	\$328.43	\$140.24	\$183.59	\$323.84	-\$4.59	-1.4%
65	168	3.59%	34.19%	\$173.75	\$167.57	\$341.32	\$140.24	\$198.89	\$339.14	-\$2.18	-0.6%
70	191	4.08%	38.27%	\$173.75	\$180.46	\$354.21	\$140.24	\$214.19	\$354.44	\$0.23	0.1%
75	173	3.70%	41.97%	\$173.75	\$193.35	\$367.10	\$140.24	\$229.49	\$369.73	\$2.64	0.7%
80	172	3.67%	45.64%	\$173.75	\$206.24	\$379.99	\$140.24	\$244.79	\$385.03	\$5.05	1.3%
87	164	3.50%	49.15%	\$173.75	\$224.29	\$398.03	\$140.24	\$266.21	\$406.45	\$8.42	2.1%
90	161	3.44%	52.58%	\$173.75	\$232.02	\$405.77	\$140.24	\$275.39	\$415.63	\$9.87	2.4%
96	144	3.08%	55.66%	\$173.75	\$247.49	\$421.23	\$140.24	\$293.75	\$433.99	\$12.76	3.0%
100	157	3.35%	59.01%	\$173.75	\$257.80	\$431.55	\$140.24	\$305.99	\$446.23	\$14.68	3.4%
105	152	3.25%	62.26%	\$173.75	\$270.69	\$444.44	\$140.24	\$321.29	\$461.53	\$17.09	3.8%
110	152	3.25%	65.51%	\$173.75	\$283.58	\$457.33	\$140.24	\$336.59	\$476.83	\$19.50	4.3%
115	119	2.54%	68.05%	\$173.75	\$296.47	\$470.22	\$140.24	\$351.89	\$492.13	\$21.91	4.7%
120	116	2.48%	70.53%	\$173.75	\$309.36	\$483.11	\$140.24	\$367.18	\$507.43	\$24.32	5.0%
125	119	2.54%	73.07%	\$173.75	\$322.25	\$496.00	\$140.24	\$382.48	\$522.73	\$26.73	5.4%
130	121	2.58%	75.65%	\$173.75	\$335.14	\$508.89	\$140.24	\$397.78	\$538.03	\$29.14	5.7%
135	99	2.11%	77.77%	\$173.75	\$348.03	\$521.78	\$140.24	\$413.08	\$553.33	\$31.55	6.0%
140	102	2.18%	79.94%	\$173.75	\$360.92	\$534.67	\$140.24	\$428.38	\$568.63	\$33.96	6.4%
145	84	1.79%	81.74%	\$173.75	\$373.81	\$547.56	\$140.24	\$443.68	\$583.93	\$36.37	6.6%
150	88	1.88%	83.62%	\$173.75	\$386.70	\$560.45	\$140.24	\$458.98	\$599.23	\$38.78	6.9%

DEVELOPMENT OF THE SEWER USER RATE STUDY

Annual Consumption (HCF)	Number of Users	Percent of Users	Cumulative Percent	FY2013 Current (At 100%)			FY2014 Proposed (At 75%)			Difference	
				Base Charge	Consumption Charge	Total Charge	Base Charge	Consumption Charge	Total Charge	Dollars	%
155	77	1.64%	85.26%	\$173.75	\$399.59	\$573.34	\$140.24	\$474.28	\$614.52	\$41.19	7.2%
160	71	1.52%	86.78%	\$173.75	\$412.48	\$586.23	\$140.24	\$489.58	\$629.82	\$43.60	7.4%
165	72	1.54%	88.32%	\$173.75	\$425.37	\$599.12	\$140.24	\$504.88	\$645.12	\$46.01	7.7%
170	49	1.05%	89.36%	\$173.75	\$438.26	\$612.01	\$140.24	\$520.18	\$660.42	\$48.42	7.9%
175	48	1.03%	90.39%	\$173.75	\$451.15	\$624.90	\$140.24	\$535.48	\$675.72	\$50.82	8.1%
180	46	0.98%	91.37%	\$173.75	\$464.04	\$637.79	\$140.24	\$550.78	\$691.02	\$53.23	8.3%
185	49	1.05%	92.42%	\$173.75	\$476.93	\$650.68	\$140.24	\$566.08	\$706.32	\$55.64	8.6%
190	33	0.70%	93.12%	\$173.75	\$489.82	\$663.57	\$140.24	\$581.38	\$721.62	\$58.05	8.7%
195	43	0.92%	94.04%	\$173.75	\$502.71	\$676.46	\$140.24	\$596.68	\$736.92	\$60.46	8.9%
200	26	0.56%	94.60%	\$173.75	\$515.60	\$689.35	\$140.24	\$611.97	\$752.22	\$62.87	9.1%
205	28	0.60%	95.19%	\$173.75	\$528.49	\$702.24	\$140.24	\$627.27	\$767.52	\$65.28	9.3%
210	21	0.45%	95.64%	\$173.75	\$541.38	\$715.13	\$140.24	\$642.57	\$782.82	\$67.69	9.5%
215	18	0.38%	96.03%	\$173.75	\$554.27	\$728.02	\$140.24	\$657.87	\$798.12	\$70.10	9.6%
220	18	0.38%	96.41%	\$173.75	\$567.16	\$740.91	\$140.24	\$673.17	\$813.42	\$72.51	9.8%
225	18	0.38%	96.80%	\$173.75	\$580.05	\$753.80	\$140.24	\$688.47	\$828.72	\$74.92	9.9%
230	16	0.34%	97.14%	\$173.75	\$592.94	\$766.69	\$140.24	\$703.77	\$844.01	\$77.33	10.1%
235	11	0.23%	97.37%	\$173.75	\$605.83	\$779.58	\$140.24	\$719.07	\$859.31	\$79.74	10.2%
240	16	0.34%	97.71%	\$173.75	\$618.72	\$792.47	\$140.24	\$734.37	\$874.61	\$82.15	10.4%
245	10	0.21%	97.93%	\$173.75	\$631.61	\$805.36	\$140.24	\$749.67	\$889.91	\$84.56	10.5%
250	12	0.26%	98.18%	\$173.75	\$644.50	\$818.25	\$140.24	\$764.97	\$905.21	\$86.97	10.6%
255	9	0.19%	98.38%	\$173.75	\$657.39	\$831.14	\$140.24	\$780.27	\$920.51	\$89.37	10.8%
260	7	0.15%	98.53%	\$173.75	\$670.28	\$844.03	\$140.24	\$795.57	\$935.81	\$91.78	10.9%
260+	69	1.47%	100.00%	\$173.75	\$764.61	\$938.36	\$140.24	\$798.12	\$938.36	\$0.00	0.0%

As can be seen, the bill comparison indicates that there will be little change in the typical bills for median and average customers. This bill comparison is for FY 2013/2014, or the time period of the initial rate adjustment.

The proposed single-family residential sewer rates have been developed for a five-year period of 2014 through 2018. It is the intent of the City to have these rates become effective July 1 of each year. Presented below in Table 2-7 is the City's proposed single-family residential sewer rates for the five year period. It is the current policy of the City to cap their single family sewer rates. The cap is currently \$938.36 per customer per year. The City should continue to follow its current practice of increasing the cap based on change of inflation from year to year starting in FY 2014/15.

The rate adjustments in the following years should provide similar bill comparisons since all components of the sewer rate were adjusted by the overall targeted rate adjustment of 1.6% per year.

Table 2-7 Summary of the Proposed Single-Family Residential Sewer Rate

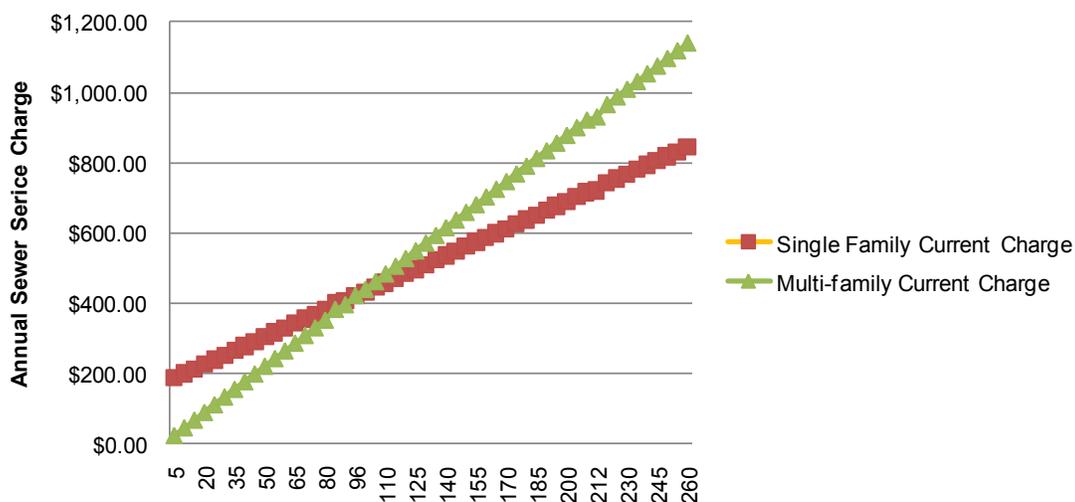
	Current		Proposed			
	2013	2014	2015	2016	2017	2018
Base Sewer Fee (\$/Year)	\$173.75	\$140.24	\$143.47	\$146.78	\$150.89	\$155.13
Sewer Rates (\$/HCF)	\$2.58	\$4.08	\$4.13	\$4.19	\$4.23	\$4.27

Note: Residential Sewer Charge Formula: Base Sewer Fee plus previous year's annual water usage X 75% X \$/HCF.

2.4.5 Present and Proposed Multi-Family Sewer Rates

The present multi-family sewer rate is similar in structure to the single-family residential rate structure except that it does not include a base charge and recovers a portion of fixed costs in the volumetric (commodity) rate. As both are residential users and have the same sewage strength they should be paying the same commodity charge and have the same base charge. The current rate structure does not have the multi-family users at the same level of HCF annually paying the same amounts for sewer service. This is illustrated in Figure 2-2 which shows the current annual charges paid by single family and multi-family for FY 2012/2013. In a comparison between Table 2-7 (Single Family Rates) and Table 2-10 (multi-family rates) the commodity rate is lower for single family but a base charge is included. This causes the average and median single family users to be paying more than multi-family users and less at higher HCF per year.

Figure 2-2 Single Family Versus Multi-Family Annual Charges



As shown in Table 2-8 when full cost of service is applied the non-residential over-all annual rate will increase 3.7% or \$34.04 per year. It should be noted that this increase will be spread over multiple living units and thus should be similar to the impacts on single family residences.

The proposed multi-family sewer rate structure has been revised to include a base charge based on the size of the property's water meter. In addition a 95% rate of return has been applied to discount for exterior water usage. As discussed earlier this base charge is established using the size of each customer's water meter. Table 2-9 illustrates the American Water Works Association (AWWA) hydraulic capacities for each meter size, the adjusted billing equivalencies which are applied to each meter size, and the resulting annual base charge per meter size. This same base charge is used for commercial/industrial users.

Table 2-8 Summary of the Present and Proposed Multi-Family Sewer Rate

Annual Consumption (HCF)	FY2013 Current (At 100%)			FY2014 Proposed (At 95%)			Difference	
	Base Charge	Commodity Charge	Total Charge	Base Charge (5/8" Meter)	Commodity Charge	Total Charge	Dollars	%
100	\$0.00	\$437.68	\$437.68	\$140.24	\$387.58	\$527.83	\$90.15	20.6%
105	\$0.00	\$459.56	\$459.56	\$140.24	\$406.96	\$547.21	\$87.64	19.1%
110	\$0.00	\$481.45	\$481.45	\$140.24	\$426.34	\$566.59	\$85.14	17.7%
120	\$0.00	\$525.22	\$525.22	\$140.24	\$465.10	\$605.34	\$80.13	15.3%
125	\$0.00	\$547.10	\$547.10	\$140.24	\$484.48	\$624.72	\$77.62	14.2%
130	\$0.00	\$568.98	\$568.98	\$140.24	\$503.86	\$644.10	\$75.12	13.2%
135	\$0.00	\$590.87	\$590.87	\$140.24	\$523.24	\$663.48	\$72.61	12.3%
140	\$0.00	\$612.75	\$612.75	\$140.24	\$542.62	\$682.86	\$70.11	11.4%
145	\$0.00	\$634.64	\$634.64	\$140.24	\$562.00	\$702.24	\$67.60	10.7%
150	\$0.00	\$656.52	\$656.52	\$140.24	\$581.38	\$721.62	\$65.10	9.9%
155	\$0.00	\$678.40	\$678.40	\$140.24	\$600.76	\$741.00	\$62.60	9.2%
160	\$0.00	\$700.29	\$700.29	\$140.24	\$620.13	\$760.38	\$60.09	8.6%
165	\$0.00	\$722.17	\$722.17	\$140.24	\$639.51	\$779.76	\$57.59	8.0%
170	\$0.00	\$744.06	\$744.06	\$140.24	\$658.89	\$799.14	\$55.08	7.4%
175	\$0.00	\$765.94	\$765.94	\$140.24	\$678.27	\$818.52	\$52.58	6.9%
180	\$0.00	\$787.82	\$787.82	\$140.24	\$697.65	\$837.90	\$50.07	6.4%
185	\$0.00	\$809.71	\$809.71	\$140.24	\$717.03	\$857.27	\$47.57	5.9%
190	\$0.00	\$831.59	\$831.59	\$140.24	\$736.41	\$876.65	\$45.06	5.4%
200	\$0.00	\$875.36	\$875.36	\$140.24	\$775.17	\$915.41	\$40.05	4.6%
205	\$0.00	\$897.24	\$897.24	\$140.24	\$794.55	\$934.79	\$37.55	4.2%
210	\$0.00	\$919.13	\$919.13	\$140.24	\$813.93	\$954.17	\$35.04	3.8%
212	\$0.00	\$927.88	\$927.88	\$140.24	\$821.68	\$961.92	\$34.04	3.7%
215	\$0.00	\$941.01	\$941.01	\$140.24	\$833.31	\$973.55	\$32.54	3.5%
225	\$0.00	\$984.78	\$984.78	\$140.24	\$872.06	\$1,012.31	\$27.53	2.8%
230	\$0.00	\$1,006.66	\$1,006.66	\$140.24	\$891.44	\$1,031.69	\$25.02	2.5%
235	\$0.00	\$1,028.55	\$1,028.55	\$140.24	\$910.82	\$1,051.07	\$22.52	2.2%
240	\$0.00	\$1,050.43	\$1,050.43	\$140.24	\$930.20	\$1,070.45	\$20.01	1.9%
245	\$0.00	\$1,072.32	\$1,072.32	\$140.24	\$949.58	\$1,089.82	\$17.51	1.6%
250	\$0.00	\$1,094.20	\$1,094.20	\$140.24	\$968.96	\$1,109.20	\$15.00	1.4%
255	\$0.00	\$1,116.08	\$1,116.08	\$140.24	\$988.34	\$1,128.58	\$12.50	1.1%
260	\$0.00	\$1,137.97	\$1,137.97	\$140.24	\$1,007.72	\$1,147.96	\$9.99	0.9%
265	\$0.00	\$1,159.85	\$1,159.85	\$140.24	\$1,027.10	\$1,167.34	\$7.49	0.6%
270	\$0.00	\$1,181.74	\$1,181.74	\$140.24	\$1,046.48	\$1,186.72	\$4.98	0.4%

Table 2-9 Multi-Family and Commercial/Industrial 2014 Base Charge Per Meter Size

Size of Water Meter	AWWA Hydraulic Capacity	Billing Equivalence Based on Customer & Capacity Costs	2014 Annual Base Charge Per Meter Size
5/8 inch	1.00	1.00	\$140.24
3/4 inch	1.00	1.00	\$140.24
1 inch	1.67	1.50	\$209.83
1 1/2 inch	3.33	2.74	\$383.78
2 inch	5.33	4.23	\$592.53
3 inch	10.00	7.70	\$1,079.61
4 inch	16.67	12.66	\$1,775.44
6 inch	33.33	25.06	\$3,515.02

Table 2-10 uses the base rate for a 5/8" meter as this is the most frequent multi-family meter size. Rates have been developed for a five-year period of 2014 through 2018. Presented in Table 2-10 is the City's proposed multi-family sewer rates.

Table 2-10 Summary of the Proposed Multi-Family Sewer Rate

	Current		Proposed			
	2013	2014	2015	2016	2017	2018
Base Sewer Fee (\$/Year)	-	\$140.24	\$143.47	\$146.78	\$150.89	\$155.13
Sewer Rates (\$/HCF)	\$4.38	\$4.08	\$4.13	\$4.19	\$4.23	\$4.27

Note: Example is based on a 5/8" water meter.

Multi-Family Sewer Charge Formula: Base Sewer Fee plus previous year's annual water usage X 95% X \$/HCF

As footnoted in Table 2-10 the example of the projected multi-family base sewer fees per year is based on a 5/8" water meter size which is the most common multi-family water meter size. However, multi-family and commercial sewer customer's base fees are established on their actual water meter size. Table 2-11 summarizes the annual base charge per water meter size for multi-family and commercial users (non-residential meters).

Table 2-11 Summary of Non-Residential Base Charges by Meter Size

Meter Size	No. of Meters	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
5/8"	6,105	\$140.24	\$143.47	\$146.78	\$150.89	\$155.13
3/4"	1	\$140.24	\$143.47	\$146.78	\$150.89	\$155.13
1"	263	\$209.83	\$214.65	\$219.60	\$225.76	\$232.11
1 1/2"	141	\$383.78	\$392.61	\$401.66	\$412.93	\$424.53
2"	87	\$592.53	\$606.16	\$620.13	\$637.53	\$655.45
3"	1	\$1,079.61	\$1,104.44	\$1,129.90	\$1,161.60	\$1,194.25
4"	2	\$1,775.44	\$1,816.27	\$1,858.14	\$1,910.26	\$1,963.96
6"	2	\$3,515.02	\$3,595.84	\$3,678.73	\$3,781.93	\$3,888.24
Total	6,602					

As noted in Table 2-5 the larger meters are for the Navy and large commercial or multi-family complexes which have multiple units connected to one water meter.

2.4.6 Present and Proposed Commercial Sewer Rates

The present commercial rates contain a volumetric rate which varies by strength level. As will be recalled from the sewer cost of service analysis, “strength” refers to the characteristics of the wastewater. Strength is generally defined in terms of biochemical oxygen demand (BOD) and total suspended solids (TSS). The City uses these same measures to categorize customers into the various strength related parameters.

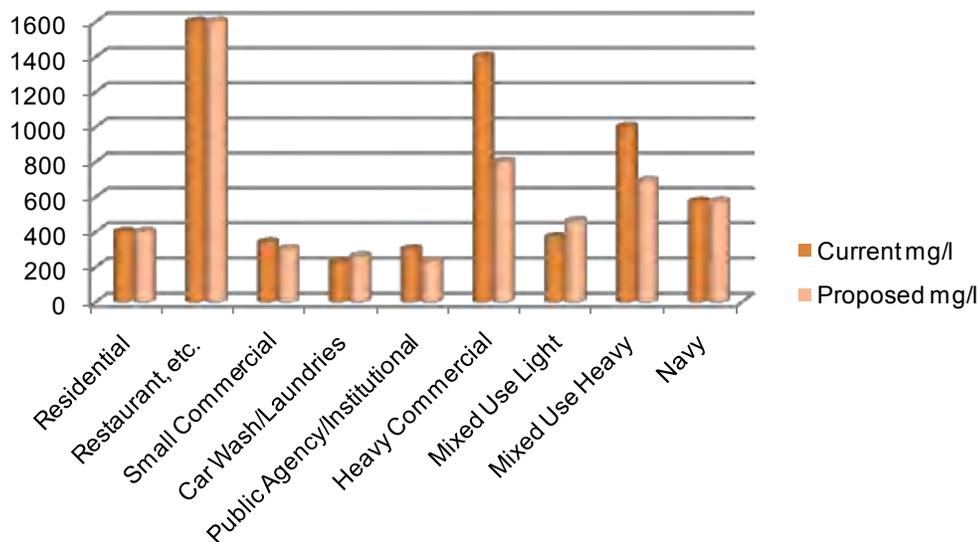
It should be noted that the proposed rates will maintain the same strength categories and no change in the categorization of customers has been proposed within this study. However the commercial/ industrial user strength classifications have been update to current industry standards. Table 2-12 illustrates the strength factors shown in milligrams per liter (mg/l) that are used in determining the strength coefficient of commercial/industrial user rates.

Table 2-12 Combined BOD and TSS Strength Coefficients

User Class	Current mg/l	Proposed mg/l
Residential	400	400
Restaurant, etc.	1600	1600
Small Commercial	340	300
Car Wash/Laundries	230	260
Public Agency/Institutional	300	230
Heavy Commercial	1400	800
Mixed Use Light	370	460
Mixed Use Heavy	1000	690
Navy	572	572

It is sometimes easier to understand the relationships of sewage strengths and billing rates when viewed graphically. The City of San Diego charge’s Imperial Beach based on a formula of 47.8% for volumetric flow and 52.2% for sewage strengths. Higher strength sewage such as restaurants’ cost more to treat than a single family’s sewage and thus the strength portion of their volumetric rate of must be based proportionately. Figure 2-3 not only shows the proportions of the sewage strength between the user classes but also illustrates graphically the proposed sewage strength adjustments in the commercial/industrial user classes.

Table 2-13 summarizes the current and proposed commercial/industrial user rates during the planning period. The example is based on a 5/8” water meter which is the most prevalent meter size in this user class. For larger meter sizes please refer to Table 2-11. It should be noted that while most of the general commercial rates increase slightly each year the higher strength users (restaurants and heavy commercial) go down in FY 2015 because of decreased San Diego Metro costs as shown on Table 2-1. Higher strength commercial pick up proportionately larger share of treatment costs and since these rates are set on cost of service as are other user classes they vary with the annual treatment costs more significantly than a lower strength user.

Figure 2-3 Current versus Proposed Changes in Commercial/Industrial Sewage Strengths

Imperial Beach, as do other cities, has strip malls with multi-use businesses of various sewage strength categories attached to the same water meter. The City currently classifies strip malls with a proportionate mixture of higher and lower strength users as a heavy commercial user. However in a case where the predominance of the water usage through the water meter is for a higher strength user such as a restaurant then the City classifies them as a restaurant. This policy of classifying a commercial/industrial user based on the highest water usage and highest strength is appropriate and the City should continue with this practice.

Table 2-13 Summary of Proposed Commercial/Industrial Rates

	Current		Proposed			
	2013	2014	2015	2016	2017	2018
Base Sewer Fee (\$/Year)⁽¹⁾	\$0.00	\$140.24	\$143.47	\$146.78	\$150.89	\$155.13
Sewer Rates (\$/HCF)						
Rest/Bakeries/Mort./Groc.	\$8.38	\$9.18	\$8.99	\$8.90	\$9.09	\$9.29
Small Commercial	\$4.35	\$3.65	\$3.72	\$3.79	\$3.82	\$3.85
Car Wash/Laundries	\$3.97	\$3.46	\$3.54	\$3.62	\$3.64	\$3.67
Public Agency/Institutional	\$3.67	\$3.33	\$3.42	\$3.50	\$3.52	\$3.54
Heavy Commercial	\$7.65	\$5.82	\$5.79	\$5.79	\$5.88	\$5.98
Mixed Use Light	\$4.44	\$4.37	\$4.41	\$4.45	\$4.50	\$4.56
Mixed Use Heavy	\$6.46	\$5.28	\$5.28	\$5.30	\$5.37	\$5.46
Navy	\$5.02	\$4.87	\$4.89	\$4.92	\$4.99	\$5.05

⁽¹⁾ Example is based on a 5/8" water meter.

Commercial/Industrial Sewer Charge Formula: Base Sewer Fee plus previous year's annual water usage X rate of return per user class X \$/HCF

2.5 Other Billing Issues

As part of this study City staff requested that the City's current definition of a multi-family unit. The City's definition of multi-family is:

- **Multi-family residential** means the residential customer classification with more than one living unit served by a single water meter, and shall include all residential accounts other than single-family residential.
- **Single-family residential** means the residential customer classification where one living unit is served by one water meter with the exception of that where four or more living units are attached then they are treated as multi-family residential regardless of the number of water meters.

Atkins gathered multi-family definitions from other Metro member agencies. One of the clearer definitions provided by other agencies is from the Otay Water District (Section 53.09 Basis for Determination of EDUs).

- **Residential Facilities EDUs** – The number of EDUs for sewer service shall be determined on the following basis:
 - Single-Family Residence (Includes manufactured homes, and mobile homes which are on private lots. A secondary structure with a kitchen is considered an additional EDU;
 - Apartments and Multiple Family Housing – Each individual living unit;
 - Residential condominiums – Each individual living unit;
 - Mobile Home and Trailer Parks – Per each individual space
- **Multi-Residential Rate Charges** – Defined as sewer service for master metered water service for multiple-residential households including for example; duplex, townhomes, apartments, and mobile homes.

The City of La Mesa further defines what a single dwelling unit is. One dwelling unit would be what Otay refers to as “an EDU”. It should be noted that La Mesa considers a duplex to be a single family living unit (in other words a duplex is considered to be two single family units). Accessory dwelling units are also considered to be single family as long as they comply with the definitions that follow:

- **Dwelling unit** is one independent living facility in a building or buildings intended for or providing permanent residence. The presence of independent living facilities for purposes of this title may be based on the existence of such facilities as:
 - Kitchen facilities (room or space used, intended for, or designated for food preparation, cooking and eating)
 - Toilet facilities
 - Bathing facilities
 - Separate connections to, or separate metering of, any utility
 - Separate access from outdoors
 - Lack of access from the interior of any other dwelling or structure
- **Accessory dwelling unit** means either a detached or attached dwelling unit which provides complete, independent living facilities for one or two persons. It shall include

permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel or parcels as the primary unit is situated.

City staff should continue discussions with their planning consultants to see if the description of multi-family should be amended to include some of the suggested wording of this subsection.

2.6 Sewer Pass-Through Costs

The sewer rates as shown and proposed within this study do not include any increases to rates from direct costs and sewer treatment providers except for adjustments for inflation. Actual future pass-through rate information is not available at this time. The City in their enabling ordinance should establish the ability “pass-through” higher than anticipated costs in the following areas:

1. Any increase in the cost to treat and dispose of the City’s wastewater by the City of San Diego or year-end closeout adjustments for prior years based upon billings to Imperial Beach by the City of San Diego. This study only identifies projected costs based on inflationary factors as determined in discussions with City of San Diego staff. It does not include any costs associate with San Diego’s waiver process from secondary treatment at Pt. Loma wastewater treatment plant and the possible outcome of year-end adjustments due to delayed City of San Diego audits from fiscal year 2010 forward and any other billing issues.

It should be noted that San Diego’s waiver is the only one remaining in the United States as the only other waiver holder was Honolulu, Hawaii. Honolulu gave up their waiver last year and will be moving forward with upgrading their treatment plants to secondary treatment and is required to achieve it by the Federal Environmental Protection Agency (EPA) to have designed and constructed the facilities within 10 years. If San Diego is forced to give up their waiver by the State of California, the Coastal Commission, and/or EPA the estimated cost is \$1 billion. Imperial Beach is currently responsible for 1.3% of the total costs of the Metro System. This would equate to a total cost to Imperial Beach customer of \$13 million. These costs of course would be spread over years and the construction portion would be financed but San Diego staff is predicting that sewer rates will double for all users in the Metro System. Per San Diego staff the waiver is due no later than 7/30/15. The ruling on the application would come sometime during FY 2015/2016.

2. Any increase in energy rates imposed on the City by energy providers for the pumping of water. SDG&E has numerous rate cases before the Public Utilities Commission of the State of California that could impact public agency clients significantly.

If either higher cost should materialize the City would only pass-through the costs needed to pay for unknown increases at the time this study was prepared. Pass-through increases are necessary in order to maintain the safety and reliability of the City’s sewer system and avoid deficits and depletion of financial reserves when costs arise that is out of the City’s control.

2.7 Summary of the Sewer Rate Study

This completes the analysis for the City's sewer utility. The proposed sewer rate adjustments and corresponding rate design were developed using generally accepted rate setting methodologies and are based on accounting, budgeting and customer records information provided by the City. The proposed rates are intended to provide adequate revenue to maintain the sewer utility system in a sustainable manner.

Section 3

Introduction to Capacity Fees

3.1 Capacity Fee Methodologies

There are three main capacity fee methodologies:

- Buy-in method,
- Incremental (growth) method, and
- Combined method.

Each one of these methodologies is defined in the next three subsections.

3.1.1 System Buy-In Method

The system buy-in method is based on the average investment in the wastewater system by current customers. Raffelis in the Comprehensive Guide to Water and Wastewater Finance and Pricing, Second Edition (1993) describes the system buy-in methodology as follows:

"Under this approach, capital recovery charges are based upon the 'buy-in' concept that existing users, through service charges, tax contributions, and other up-front charges, have developed a valuable public capital facility. The charge to users is designed to recognize the current value of providing the capacity necessary to serve additional users."

The American Water Works Association (AWWA) Manual M26 suggests that a system buy-in charge be calculated by taking the net equity investment (net investment less depreciation) and dividing by the number of customers (or equivalent customers). Once new customers have paid their fee, they become equivalent to (or on par with) existing customers and share equally in the responsibility for existing and future facilities.

The system buy-in methodology has several distinct advantages:

- The buy-in methodology is a common, easily explained and well-accepted methodology for calculating capacity fees. The method is popular with developers because it can result in lower capacity fees than other methods (depending on valuation methods used).

- The buy-in methodology includes only cost of existing facilities and excludes costs of future or planned facilities; it therefore does not require a formal capital improvement program. The buy-in methodology does not necessarily depend on an assessment of existing capacity availability, and therefore does not require more detailed analyses required to justify fees based on other methodologies.
- Capacity fees based on the buy-in method are a reimbursement for past capital costs; therefore, the use of fees is to reimburse the agency (or existing customers). Once reimbursed, a utility is able to spend capacity fee revenue as it desires on either replacement or expansion capital facilities. As a result, detailed accounting of capacity fee expenditures is greatly simplified.

The buy-in fee calculation is:

$$\frac{\text{Existing Asset Value}}{\text{Existing EDUs or Equivalent Meters}}$$

3.1.2 Growth (Incremental Cost) Method

The growth methodology is also a fairly common approach for establishing capacity fees, particularly for communities experiencing considerable new growth. The approach is based on the cost of future capital facilities. The cost of growth-related future facilities is allocated to new development that is to be served by the facilities. No allowance is made for existing capacity that may also serve new connections. Under this approach, new customers pay for the incremental investment necessary for system expansion. The incremental approach is most commonly applied when extensive new facilities are required to provide capacity for new development.

The calculation of capacity fees using the growth method is:

$$\frac{\text{Value of Future Facilities}}{\text{Future EDUs or Equivalent Meters}}$$

Revenue from growth capacity fees must be set aside and used only for funding growth related capital projects.

3.1.3 Combined Approach

Frequently, aspects of both system buy-in and growth methodologies are combined when calculating capacity fees. This might occur when the wastewater system has excess capacity in some elements but insufficient capacity in other elements (e.g., wastewater treatment plant). Under this example, a combined approach might include cost of existing capital facilities in a buy-in component and cost of upsizing of the treatment plant through an incremental cost component. A combined or hybrid approach is not the sum of the buy-in and incremental fees but rather the weighted average. The combined capacity fee is calculated as:

$$\frac{\text{Existing and Future Asses Value}}{\text{Existing and Future EDUs or Equivalent Meters}}$$

The future asset value in the numerator is the present value in today's dollars. The combined approach does complicate accounting of capacity fees since the growth portion of combined fee revenue must be spent on growth related projects.

3.2 Applicability of Each Capacity Fee Methodology

The suitability of each of the methods mentioned in Section 3.1 normally depends on the degree to which future customers can be served by the existing utility system, which is also related to where a utility is in its growth cycle.

The incremental method is most suitable for a young agency and/or an agency which requires extensive new infrastructure to serve new customers or those with increased density. The buy-in method is most appropriate when an agency is mostly built-out and/or when new customers or those with increased density can be served by the existing system. An agency that falls somewhere in between, in which customers will use existing system capacity while also requiring capacity in newly constructed facilities, would be best served by the combined methodology which is most appropriate up until the 80% percentile of build-out.

After examining all three methodologies it was determined by Atkins and City Staff that the buy-in methodology is the most appropriate for the City since the City is essentially built-out and new customers or those with increased density would be served by the existing wastewater system.

3.3 Valuation Methodologies Used in Capacity Fee Calculation

The buy-in methodology requires a valuation of the utility system. The most prevalent cost-based valuation methods for utility systems are:

- Original cost,
- Reproduction cost,
- Reproduction cost less depreciation,
- Replacement cost, and
- Replacement cost less depreciation

Capacity fees using original cost valuation methods are usually the least popular since original cost usually does not reflect the true, current asset value. There is a subtle difference between reproduction cost and replacement cost. Reproduction cost is the cost to reproduce an *exact* replica of existing assets. Replacement cost is the cost to replace the *functionality* of an asset given any technological advances that may have come about since the asset was originally constructed. A relevant example for wastewater utilities is the cost of pipelines. Reproduction cost normally involves (but is not limited to) escalating the original cost of pipelines using a construction cost index: the ENR-CCI. Since the computed cost is for the exact same pipeline assets, it constitutes a reproduction cost. When a cost per linear foot by diameter (obtained from recent construction cost estimates) is applied to the current pipeline inventory, it more than likely represents replacement cost since the construction costs often represent the latest pipeline materials (e.g. PVC, HDPE) and construction methods which were used to a lesser degree in the past. Valuations using construction cost estimates are rarely close to those constructed using escalated original costs.

Some agencies choose to subtract depreciation from the reproduction or replacement costs of their assets. While this is not a scientific condition assessment, depreciation does recognize that the asset is not new and has been subject to wear and tear. There are arguments for and against using depreciation. Arguments for include the fact that the existing assets that a new user is connecting to have been subject to wear and tear. Arguments against include the fact that ongoing maintenance that keeps the assets at required service levels is not capitalized and thus is not included in an agency's fixed asset records.

Section 4

Capacity Fees

4.1 Current Capacity Fee

The City's current wastewater capacity fee is \$1,230 per single family residence and \$1,230 for each EDU for non-residential users. This fee was established in 2005 and has not been updated since that time. In addition it does not include the full valuation of the City's capacity in the Metro System.

4.2 Collection System Buy-in Capacity Fee

As discussed previously, the City is best suited for a capacity fee calculated under the buy-in approach. The buy-in capacity fee is based on the premise that new customers, or those with increased density, should pay a fee equal to the equity in the system attributable to existing customers. Under capacity fee revenue regulations, the City is free to use buy-in capacity fee revenue for any capital projects (growth or non-growth related). The basic buy-in capacity calculation is:

$$\frac{\text{Value of Existing System}}{\text{Total EDUs Served by Existing System}}$$

The buy-in capacity fee methodology requires a utility asset valuation. Atkins valued the City's assets using the two methods shown in Table 4-1. Note that only the City's pipes and manholes were valued using replacement cost and replacement cost less depreciation. The length of pipe and number of manholes were obtained from the City's Geographical Information System (GIS). The remaining assets (pump stations) were valued using the values from an insurance appraisal.

Using replacement cost (recent unit pipeline construction estimates applied to a pipeline inventory) to value pipelines is quite common since pipeline construction estimates are readily available, easy to use and likely produce a more accurate cost to construct pipeline networks for a particular area. Replacement cost is also used because, in many cases, a wastewater agency may not have an accurate or up-to-date inventory of pipes in its financial statements (balance sheet) but often has a more accurate piping inventory in its GIS database. Therefore, the ease and accuracy with which the calculation can be performed makes it a preferred capacity fee alternative for many agencies.

Table 4-1 shows the three components of the City's capacity fee. The upper portion of the table shows the capacity fee based on the replacement value of the City's sewer system (line 2). The middle portion of the table shows the value of the City's pump stations and the related capacity fee (line 4). Each of the two components value is divided by the current number of EDUs in the City's sewer system as shown on line 8 (10,577). Per the City's master plan one sewer EDU is equal to 232 gallons per day. The estimated total EDUs as shown on line 8 are determined by dividing the current system flow by the average EDU.

4.3 San Diego Metro Component of the Capacity Fee

The City has purchased capacity to treat wastewater in San Diego's Metro System. The value of this capacity is considered an asset which must be incorporated into the total wastewater capacity fee. The bottom half of Table 4-1 shows the Metro component of the capacity fee. The value of capacity in the Metro System has been initially assessed by Raftelis Financial Consultants, Inc. (RFC) (2005), and updated by Atkins (2012).

Table 4-1, line 5, shows the updated value of capacity in the Metro System under each of the valuation method. The Metro component of the capacity fee is calculated by dividing the sewer units into the value of the City's portion of the Metro System (line 6). Line 7 shows the total capacity fee under each valuation alternative for a single family residence or one sewer EDU. The fee for each customer would vary with the number of sewer EDUs as prescribed by the City's Director of Public Services.

Table 4-1 Buy-in Capacity Fee Calculation

(A) Line No.	(B) Valuation Component	(C) Replacement Costs	(D) Replacement Cost Less Depreciation
1	Pipelines	\$46,031,303	\$23,015,652
2	Cost Per EDU (a)	\$4,352	\$2,176
3	Pump Stations	\$15,596,987	\$5,197,589
4	Cost Per EDU (a)	\$1,475	\$491
5	Metro Assets	\$32,818,033	\$22,300,011
6	Cost Per EDU (a)	\$3,103	\$2,108
7	Total Cost Per EDU	\$8,929	\$4,776
8	(a) Total EDUs	10,577	10,577

Note: Pipelines and Pump Stations are based on replacement costs Metro Assets are valued as Reproduction Cost from Raftelis 2005 Study brought to present value using the June 2012 ENR

Section 5

User Rate and Capacity Fee Comparisons

5.1 Sewer User Rate Comparison

Comparing two public agencies rate for sewer service is an imprecise science because it requires an apple to apples comparison and no two agencies have the same footprint. Gathering financial information is challenging because no two agencies prepare their budgets in the same format or account for their revenue and expenses in the same manner. Thus results from the use rate and capacity fee comparison must be used with care because the data is often misleading and most general surveys inaccurately use and compare data for many reasons. Utilities recover different portions of costs in user rates or have off-setting non-rate revenues. Examples of this are:

- Some agencies are growth agencies and can fund significant portions of their replacement and expansion costs through capacity fees while agencies that are close to build out have to fund all of their capital replacement costs in their user rates.
- Some special districts receive property taxes or standby fees which allow them to lower their revenue requirement recovered by user rates and thus have lower fees.
- Some agencies recover the costs of pumping through direct charges to the user based on pump zones while other agencies spread the costs to all users and thus their user rates are higher to reflect these costs.

Other significant factors that can influence rates and thus make rate comparisons challenging are:

- Sewage Treatment Costs. Sewage treatment costs are based on whether an agency treats their own sewage or is part of a regional system. There are definite economies of scale as multiple studies have shown that larger treatment facilities normally are more cost effective than small treatment plants. In this rate comparison we have three different treatment facilities. The first is a small treatment facility but was paid for 100% by a developer and then turned over to the District. The second is the Encina system where the original facilities were paid for 94% with U.S. Environmental Protection Agency (EPA) grants. And the final, of which Imperial Beach is a member, is the Metro system. As opposed to the two other systems, Metro did not take advantage of EPA grants and has incurred \$1 billion in debt to finance the existing facilities.

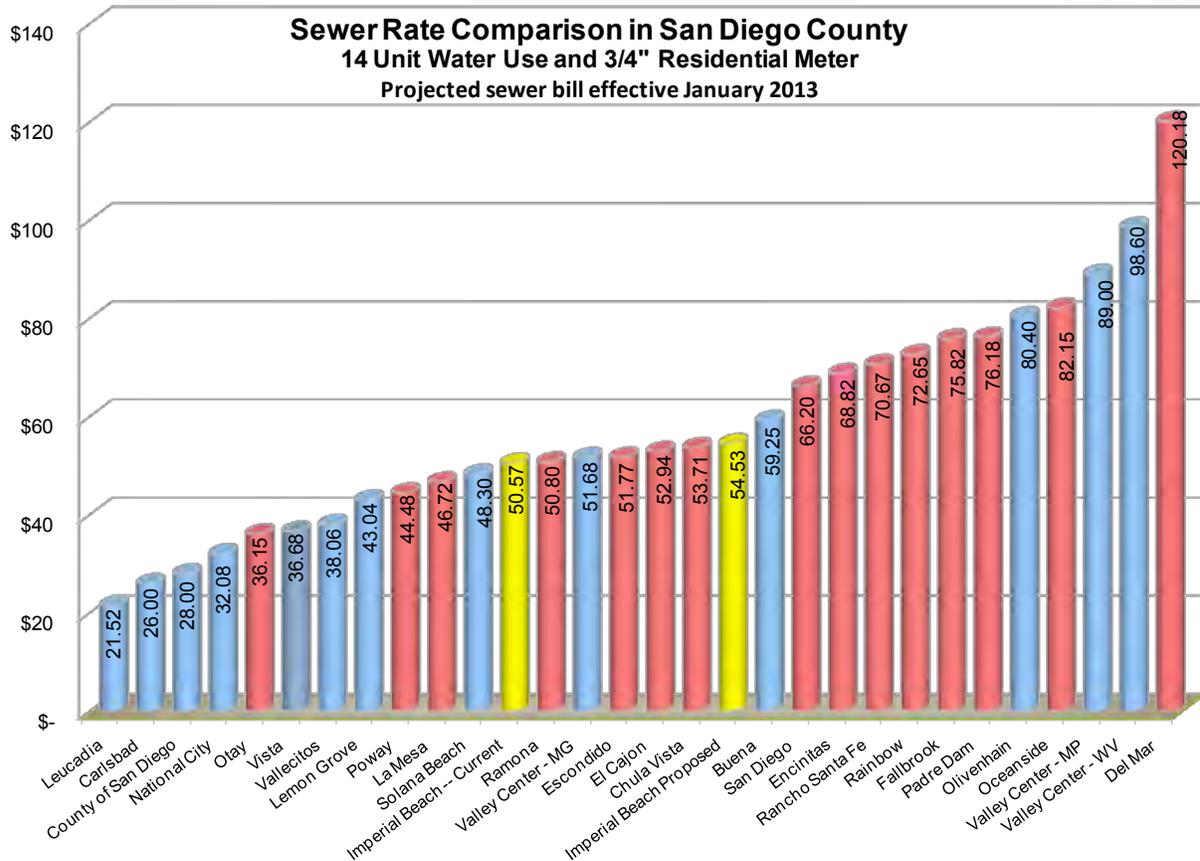
- **Debt Service on Facilities.** Not only do the costs of regional facilities influence the rate to the end user but also internal debt costs for each agency comes into play. All agencies differ in their policies for funding capital facilities. Some agencies require all developers to put in their required facilities while others only require in-tract facilities. Some agencies are aggressive in securing grants and low interest loans or fund capital facilities on pay-as-you-go and others rely on debt financing for major capital facilities. The amount of debt included in user rates can have a significant impact on low versus higher user rates.
- **Reserve Funds.** An agencies reserve policies and the amount of money in their reserves can have a significant impact on user fees. For instance if an agency has a fully funded replacement reserve then they will not need to incur debt for replacement capital projects and pay the associated interest expense that is associated with bond issues. But this can mean either higher or lower rates than surrounding agencies based on the level of funding versus bond expense.
- **Geographical Location.** The location and topography of an agency can have major impacts on user rates. If an agency is sprawling and has significantly more miles of pipeline and pump stations than a dense flat urban area the maintenance cost per customer will increase. In addition the maintenance policy of each agency differs. If an agency maintains their service facilities to a higher level of standards than another their maintenance expense per customer may be higher. However, deferred maintenance of facilities, especially pipelines, has shown to cost an agency more because of breakages and replacements in their system.
- **Timing of last rate adjustment.** Some agencies keep up with their cost of service by having annual rate adjustments and others do not. This is important in the comparison because if an agency is using reserves to moderate their rate adjustments or not adjusting their rates to keep up with their cost-of-service then their rates cannot be compared to an agency that is annually recovering their cost-of-service.
- **Budget Documents are not in the Same Format.** Although there are guidelines for public agencies through the Government Finance of America no two agencies use the same format to exhibit their budget. In addition operational costs are not classified and exhibit uniformly.
- **Require Information Not Always Available.** To create apples-to-apples metric similar information is required. But as with the format of budget documents this information is not always readily available based on the transparency of the particular agency.

However public agencies like to see how they compare to other surrounding communities user rates. Figure 5-1 is a recent survey as of January 1, 2013 of County of San Diego sewer agencies user rates. The Otay Water District prepares this survey annually and circulates it to all of the listed agencies. As such it is considered the “go-to” for a sewer rate survey.

The survey is based on 14 HCF monthly for single family residences. The average is \$47.97 monthly for all users and the median is \$50.68. When calculating the average and median for just Metro members the average increases to \$54.90 while the median decreases to \$46.72.

The yellow bars represent Imperial Beach’s single family user showing both the current and the proposed FY2013/2014 monthly rates. It also shows that the City’s proposed rates are very close to the average Metro member rates and thus in-line with other Metro member agencies.

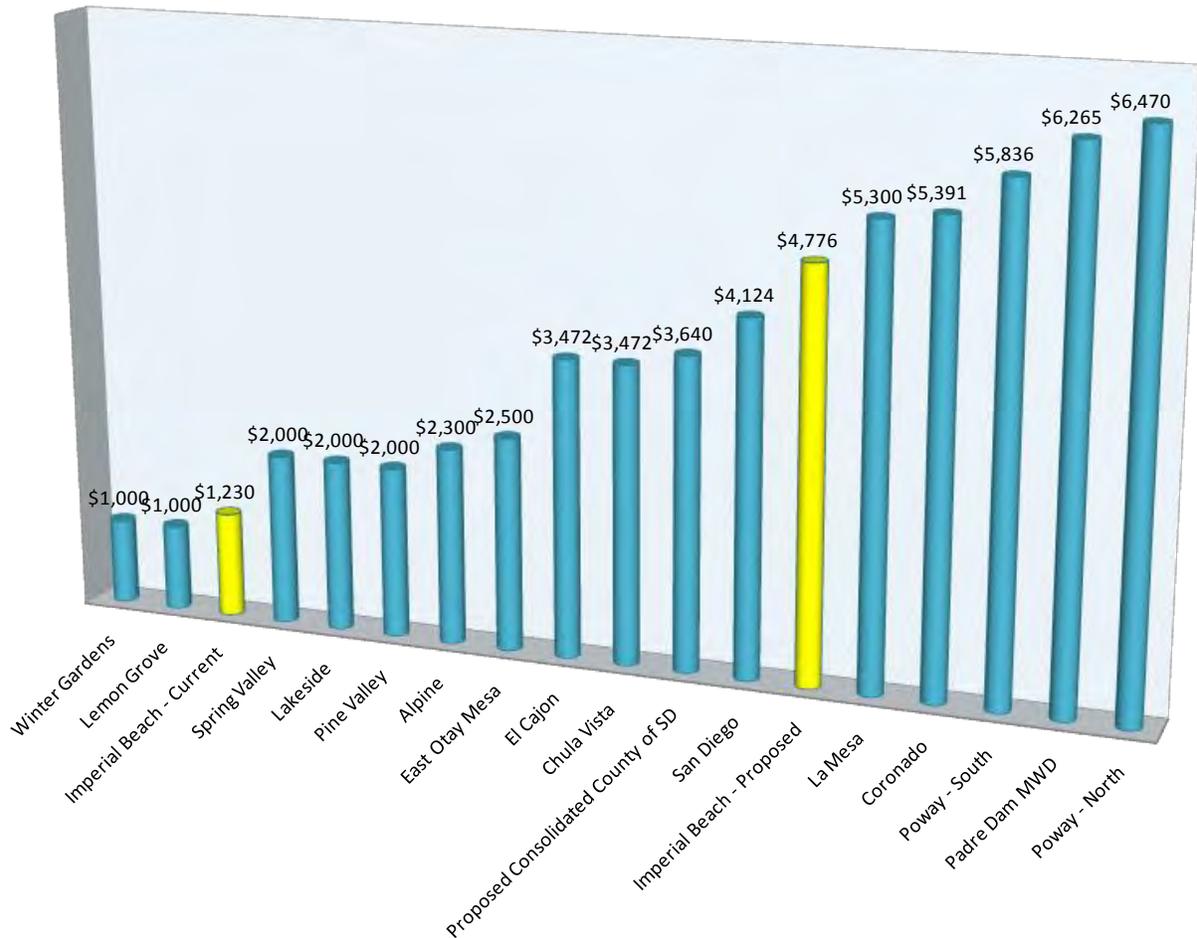
Figure 5-1 Sewer User Survey



5.2 Capacity Fee Comparison

This section compares Imperial Beach’s proposed capacity fees with those of other San Diego Metro agencies. The yellow bar on Figure 5-2 show the proposed City capacity fee using replacement cost less depreciation cost, including the Metro component of the fee. The median and mean (average) for the distribution below is \$3,472 and \$3,488 respectively.

Figure 5-2 Sewer Capacity Fees of San Diego Metro Agencies



It should be noted that the proposed capacity fee for the City of Imperial Beach is comparable to other Metro Agencies that have updated their capacity fees to include the Metro components and valued their assets based on replacement cost or replacement cost less depreciation. These include La Mesa, Coronado, Poway, and Padre Dam. The City of San Diego is currently updating their capacity fees and their study should be complete by mid-2013. The lower end of the capacity fees have not been updated in years and therefore do not provide a valid point of comparison to the capacity fees calculated for this report.

Section 6

Summary and Conclusions

The City proposes to update its sewer user rates and capacity fees. This report proposes several changes to both.

6.1 Sewer User Fee Assumptions and Recommendations

The sewer user fee study made the following assumption:

1. The base year for the study is FY 2012/2013. The budget for FY 2012/2013 is inflated during the planning period as shown in Table 6-1.

Table 6-1 Annual Inflation Rates

Inflation Rates	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Interest Earnings (on Cash Balances)	Actual	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
General Inflation	Actual	2.0%	2.0%	2.0%	3.0%	3.0%	3.0%	4.0%
Construction Inflation (ENR-CCI-LA)	Actual	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compound Construction Inflation	Actual	100.0%	100.0%	103.0%	106.1%	109.3%	112.6%	115.9%
Inflation - Labor	Actual	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

2. All user classes will have a base fee to recover fixed costs proportionately. Non-single family (multi-family) and commercial industrial customer's base fee will be established on the size of their water meter.
3. Current industry standard sewage strengths will be used for commercial/industrial users.
4. Industry standard rates of returns to the sewer will be used for all user classes to eliminate charging sewer user rates for external irrigations which does not return to the sewer.

The sewer user fees study makes the following recommendations:

1. Continue to use annual water usage for each customer but Include appropriate rates of return to the sewer by user class.
2. Update commercial/industrial user's sewer user strengths to industry standards.

3. Include a base charge for each user. The base charge for non-residential users (multi-family and commercial/industrial users) should be based on the size of each customer's water meter.
4. Adopt a "pass-through" ordinance as discussed in Section 2-6.
5. Adopt the reserve policies contained in this report and establish a formal replacement reserve.
6. Review annual actual revenue to projected revenue to maintain financial stability should use patterns change.
7. Continue the current policy of the City to cap single family sewer rates. The cap is currently \$938.36 per customer per year. The City should continue to follow its current practice of increasing the cap based on change of inflation from year to year starting in FY 2014/15.

The output from the sewer user model is included as Appendix B.

6.2 Capacity Fee Assumptions and Recommendations

The capacity fee study made the following assumptions:

1. The City's pipelines and manholes were valued at replacement costs. Depreciation of each asset was applied to account for system wear and tear.
2. The City's pump stations were valued based on an insurance appraisal. Depreciation was also applied to these assets.
3. The value of the City's investment in the City of San Diego Metro Wastewater System was determined from a report prepared for San Diego and the PAs by Raffetis Consultancy.
4. Total EDUs for the system were determined by dividing the current total system flow by the average single family user (one EDU).
5. The buy-in methodology was used where the total value of the City's assets less depreciation is divided by the total system EDUs.

This report proposes several changes to the City capacity fees:

1. Adopt new fee based on the replacement cost less depreciation buy-in method including the Metro capacity fee.
2. Review capacity fees every three to five years to reflect changes in depreciation, asset additions and construction costs. In between formal capacity fee studies, we suggest escalating the fees using the ENR-CCI for Los Angeles.
3. Based on input from the City Council at their January 23, 2013 it is recommended that the capacity fee be adopted at \$4,000 per EDU and the remainder of the fee phased in over the five year period of this study. Thus from fiscal year 2014/2015 to 2017/18 the capacity fee would be increased by \$191.50 plus inflationary increases.

The output from the capacity fee model is included in the Appendix C.

APPENDIX A

**APPENDIX A
SEWER CLASSIFICATIONS**

USER Category	CLASS NO.	DESCRIPTON	BOD	SS
Single-Family Residence	1.0		200	200
		Residential: SFR/duplex/condo/townhouse		
Mult-Residential	2.0		200	200
		Homeless Shelter	200	200
		Hospital-Psychiatric	250	100
		Residential: Artist (2/3 area)	200	200
		Residential: Artist Residence	200	200
		Residential: Boarding House	200	200
		Residential: Apts.	200	200
		Residential: Condos	200	200
		Residential: Dorm: College or Res.	200	200
		Residential: Mobile Home	200	200
		School: Dormitory	200	200
		Spa/Jacuzzi (residential)	200	200
		Swimming Pool	200	200
Restaurants / Bakeries / Mortuaries / Groceries	3.0		1,000	600
		Banquet Room/Ballroom	1,000	600
		Bar: Cockerel, Public Table Area	1,000	600
		Bar: Juice, Pastry Only	1,000	600
		Bowling Facility: Arcade/Bar/Restaurant	1,000	600
		Cafeteria: Fixed Seat	1,000	600
		Caterers	1,000	600
		Coffee House: Pastry Only	1,000	600
		Coffee House: Serves cooked food	1,000	600
		Doughnut Shop	1,000	600
		Golf Course Facility: Lobby/Office/Restaurant	1,000	600
		Restaurant: Drive-up	1,000	600
		Restaurant: Fast food (indoor/outdoor)	1,000	600
		Restaurant: Full Service (indoor/outdoor)	1,000	600
		Restaurant: Take out	1,000	600
		Rifle range Facility: Bar/restaurant	1,000	600
		Store: Ice Cream	1,000	600
		Mortuaries: Embalming	800	800
		Markets: Retail	800	800
		Markets: Wholesale	800	800
		Manufacturing -- Baked Foods	1000	600
		Restaurant/Bar (W/Food Preparation)	1000	600
		Manufacturing -- Beverages	1500	300
		Manufacturing -- Paint	1300	1100
		Manufacturing -- Other Chemical Products	1300	1100
		Manufacturing -- Dairy Products	2369	922
		Steam Cleaning -- Auto	1150	2150
		Manufacturing -- Other Food Products	2213	1453
		Septage	5400	12000
Small Commercial	4.0		160	140
		Arcade - Video game (no food preparation)	150	150
		Auditorium/Theater	150	150
		Auto Parking	150	150

**APPENDIX A
SEWER CLASSIFICATIONS**

USER Category	CLASS NO.	DESCRIPTON	BOD	SS
		Auto Body/Mechanical Shop (domestic)	150	150
		Bar: Fixed Seat (no food preparation)	200	200
		Bar: Juice, No Food & Pastry	200	200
		Barber Shop	150	150
		Beauty Parlor	150	150
		Bowling Alley: Alley & Lobby area	150	150
		Building Construction/Field Office	150	150
		Camp, Park	150	150
		Chapel: Fixed seat (no kitchen)	150	150
		Church: Fixed seat (no kitchen)	150	150
		Cocktail Lounge: Fixed seat (no food preparation)	200	200
		Coffee House: No Food & Pastry	200	200
		Comfort Station	150	150
		Commercial use	150	150
		Community Center	150	150
		Convention Center, Fairground (no food preparation)	150	150
		Dairy: Retail area	150	150
		Dance Studio	150	150
		Equipment Booth	150	150
		Filming Processing: Industrial	130	150
		Gas Station: Self Service (no repair or food preparation)	150	150
		Golf Course: 18 hole/9 hole green area	150	150
		Gold Course: Driving range	150	150
		Gymnasium: Basketball, volleyball	150	150
		Health Club/Spa	150	150
		Hospital	250	100
		Hospital: Convalescent	250	100
		Hospital: Surgical	250	100
		Hospital: Animal	150	150
		Hotel (no restaurant or kitchens)	310	120
		Kennel: Dog Kennel/Open	150	150
		Library: Public Area	150	150
		Library: Back, storage	150	150
		Lobby of Retail	150	150
		Lodge Hall (LACSDs - "Club") (no food preparation)	150	150
		Lounge (Bar) (no food preparation)	200	200
		Markets without Garbage Disposals (prepackaged food only)	150	150
		Massage parlor	150	150
		Mortuary: Chapel only	150	150
		Museum: All Area	150	150
		Night Club: Fixed Seats (no food preparation)	200	200
		Night Club: Dancing area (no food preparation)	200	200
		Night Club: Public Table Area (no food preparation)	200	200
		Nurseries	150	150
		Office: Trailer - Construction/Field Office	150	150
		Office: Credit Union	150	150
		Office: Bank Branch	150	150
		Office: Acupuncture	130	80
		Office: Bank Headquarters	130	80
		Office: Chiropractic Office	130	80

**APPENDIX A
SEWER CLASSIFICATIONS**

USER Category	CLASS NO.	DESCRIPTON	BOD	SS
		Office: Conference Room of Office Bldg.	130	80
		Office: Counseling Center	130	80
		Office: Dental Office Center	130	80
		Office: Drug Abuse	130	80
		Office: Medical Bldg.	130	80
		Office: Medical Office/Clinic	130	80
		Office Building	130	80
		Office Building with Cooling Tower	108	87
		Office: Public Administration	130	80
		Office: Veterinarian	130	80
		Pool Hall (No alcohol or food)	150	150
		Post Office: Full Service	150	150
		Post Office: Private Mail Box Rental	150	150
		Recreation Facility	150	150
		Rest Home	250	100
		Retail area	150	150
		Rifle Range: Shooting stalls, Lobby	150	150
		Skating Rink: Ice or Roller (no food preparation)	150	150
		Spa/Jacuzzi (commercial)	150	150
		Storage: Self serve	150	150
		Store: Retail	150	150
		Studio: Film/TV - Audience Viewing Room	150	150
		Studio: Film/TV - Regular Use Indoor	150	150
		Studio: Film/TV - Industrial Use Film Processing	150	150
		Studio: Recording	150	150
		Swimming Pool (Commercial)	0	0
		Tanning Salon: Within a Health Spa/Club	150	150
		Theatre: Drive-In	150	150
		Theatre: Live/Music/Opera	150	150
		Theatre: Cinema	150	150
		Waste Dump: Residential	150	150
		Wine Tasting Room (no food preparation)	200	200
Car Washes / Laundries	5.0		150	110
		Auto Laundry	20	150
		Car Wash: Automatic	20	150
		Car Wash: Coin Operated	20	150
		Car Wash: In Bay	20	150
		Laundromat	150	110
Public Agency / Institutional	6.0		130	100
		Church School: Day Care/Elementary	130	100
		Church School: One Day Use	130	100
		School: Arts/Dancing/Music	130	100
		School: Nursery/Day Care Center	130	100
		School: Kindergarten/Elementary/Jr. High/High School	130	100
		School: Martial Arts	130	100
		School: Special Class-LAC	130	100
		School: Trade or Vocation	130	100

**APPENDIX A
SEWER CLASSIFICATIONS**

USER Category	CLASS NO.	DESCRIPTON	BOD	SS
		School: Training	130	100
		School: University/College	130	100
		Camp Surf	130	100
		Estuary	130	100
Heavy Commercial	7.0		400	400
		Combined Comm. & Retail Shop(including food preparation)	400	400
		Mini-Mall(including food preparation)	400	400
		Regional Mall (including food preparation)	400	400
		Machine Shop	290	550
		Manufacturing -- Metal Industry	330	550
		Manufacturing -- Lumber & Wood Products	240	431
		Manufacturing -- Stone, Clay, Glass Products	320	700
		Reproduction/Mailing Service	733	400
		Hotel (With Restaurant)	701	600
		Manufacturing -- Paper/Containers	260	500
		Manufacturing -- Printing & Publishing	270	500
		Laundry (Industrial)	721	680
Mixed Use Light - Low Strength	8.0		200	170
		Auto Repair Residential w/commercial	180	280
		Auto Body/Mechanical Shop (Industrial)	180	280
		Auto Mfg., Serv. Maint	180	280
		Bus. Mfg. & Servicing	180	280
		Gas Station: With service area drained to sewer	180	280
		Hanger (Aircraft)	180	280
		Heliport	180	280
		Misc. Repair Shops	250	250
		Truck Repair & Service	180	280
Mixed Use - High Strength	8.5		450	240
		Laundry: Linen & General	450	240
		Laundry: Towel & Uniform	450	240
		Manufacturing -- Electric/Electronic Equipment	300	350
		Manufacturing - Instruments	300	350
		Manufacturing -- Fabricated Metal Products	300	350
		Manufacturing -- Transport Equipment	400	250
		Transportation -- Bus/Air Terminal	350	350
U.S. Navy	9.0	Navy	200	372

APPENDIX B

City of Imperial Beach
Wastewater Rate Study
Assumptions

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Inflation Rates								
Interest Earnings (on Cash Balances)	Actual	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
General Inflation	Actual	2.0%	2.0%	2.0%	3.0%	3.0%	3.0%	4.0%
Construction Inflation (ENR-CCI-LA)	Actual	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compound Construction Inflation	Actual	100.0%	100.0%	103.0%	106.1%	109.3%	112.6%	115.9%
Inflation - Labor	Actual	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Reserve Assumptions								
Operating Reserve Goal	\$	1,659,253						
Projected Increase		0%	Add to ORG					
Account Growth Projections								
		Number of Accounts						
User Class	FY13	Growth per Year	Growth per Year	Growth per Year	Growth per Year	Growth per Year	Growth per Year	Growth per Year
Single Family	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682
Multi-Family	1,627	1,627	1,627	1,627	1,627	1,627	1,627	1,627
Commercial								
Rest/Bakeries/Mort./Gro.	48	48	48	48	48	48	48	48
Small Commercial	114	114	114	114	114	114	114	114
Car Wash/Laundries	13	13	13	13	13	13	13	13
Public Agency/Institutional	71	71	71	71	71	71	71	71
Heavy Commercial	7	7	7	7	7	7	7	7
Mixed Use Light	33	33	33	33	33	33	33	33
Mixed Use Heavy	2	2	2	2	2	2	2	2
Navy	5	5	5	5	5	5	5	5
Total	6,602	6,602	6,602	6,602	6,602	6,602	6,602	6,602
Hydraulic Capacity Growth Projections								
		Number of Accounts						
User Class	FY13	Growth per Year	Growth per Year	Growth per Year	Growth per Year	Growth per Year	Growth per Year	Growth per Year
Single Family	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682
Multi-Family	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231
Commercial								
Rest/Bakeries/Mort./Gro.	66	66	66	66	66	66	66	66
Small Commercial	159	159	159	159	159	159	159	159
Car Wash/Laundries	33	33	33	33	33	33	33	33
Public Agency/Institutional	274	274	274	274	274	274	274	274
Heavy Commercial	14	14	14	14	14	14	14	14
Mixed Use Light	53	53	53	53	53	53	53	53
Mixed Use Heavy	3	3	3	3	3	3	3	3
Navy	74	74	74	74	74	74	74	74
Total	7,588	7,588	7,588	7,588	7,588	7,588	7,588	7,588
Annual Water Usage (HCF)								
Single Family	450,570	450,570	450,570	450,570	450,570	450,570	450,570	450,570
Multi-Family	346,541	346,541	346,541	346,541	346,541	346,541	346,541	346,541
Commercial								
Rest/Bakeries/Mort./Gro.	12,560	12,560	12,560	12,560	12,560	12,560	12,560	12,560
Small Commercial	13,051	13,051	13,051	13,051	13,051	13,051	13,051	13,051
Car Wash/Laundries	8,081	8,081	8,081	8,081	8,081	8,081	8,081	8,081
Public Agency/Institutional	37,632	37,632	37,632	37,632	37,632	37,632	37,632	37,632
Heavy Commercial	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929
Mixed Use Light	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852
Mixed Use Heavy	333	333	333	333	333	333	333	333
Navy	30,180	30,180	30,180	30,180	30,180	30,180	30,180	30,180
Total	908,729	908,729	908,729	908,729	908,729	908,729	908,729	908,729

6 months Operating Cash Requirements:

2009	\$	1,496,394.0
2010	\$	1,097,749.0
2011	\$	2,256,102.0
2012	\$	1,786,768.0
Average	\$	1,659,253.3

City of Imperial Beach
 FY 13-14 Base Year Model
 Step 1 – Customer Summary and Estimated Flows

FY14

Units of Service and Loadings	No. of Accounts	FLOW:			Total Flow in MGD	BOD:		SS:	
		(A)	(B)	(C)		(E)	(F)	(G)	(H)
		Annual Consumption per User Class (HCF)	Rate of Return	Adjust for Rate of Return (HCF)		BOD User (MG/L)	Annual BOD Load (LBS/YR)	SS per User (MG/L)	Annual Load (LBS/YR)
Single Family	4,682	450,570	75.0%	337,928	0.693	200	421,921	200	421,921
Subtotal- Residential	4,682	450,570		337,928	0.693		421,921		421,921
Commercial									
Rest/Bakeries/Mort./Groc.	48	12,560	90.0%	11,304	0.023	1,000	70,568	600	42,341
Small Commercial	114	13,051	90.0%	11,746	0.024	150	10,999	150	10,999
Car Wash/Laundries	13	8,081	90.0%	7,273	0.015	150	6,810	110	4,994
Public Agency/Institutional	71	37,632	75.0%	28,224	0.058	130	22,906	100	17,620
Heavy Commercial	7	2,929	90.0%	2,636	0.005	400	6,583	400	6,583
Mixed Use Light	33	6,852	90.0%	6,167	0.013	180	6,930	280	10,779
Mixed Use Heavy	2	333	90.0%	300	0.001	450	842	240	449
Navy	5	30,180	90.0%	27,162	0.056	200	33,913	372	63,079
Multi-Family	1,627	346,541	95.0%	329,214	0.675	200	411,042	200	411,042
Subtotal Non-Residential	1,920	458,159		424,025	0.869		570,593		567,886
TOTAL	6,602	908,729		761,953	1.562		992,514		989,807

Conversion Factors	
2.205E-06	lbs/mg
3.7854118	liters/gal
	days/year
748.05	gal/HCF

EDUs for Capacity Fee	
Flow	1,561,585.83
Average	147.92
EDUs	<u>10,556.89</u>

City of Imperial Beach
 FY 13-14 Base Year Model
 Step 2 – Determination of Unit Costs

Cost Category		FY14	FY15	FY16	FY17	FY18	FY19	FY20
		Unit Cost						
1. Customer Related Costs		\$ 236,811	\$ 241,872	\$ 247,056	\$ 253,874	\$ 260,896	\$ 268,129	\$ 277,227
Number of Customers		6,602	6,602	6,602	6,602	6,602	6,602	6,602
Unit Cost (\$ / Customer)		\$ 35.87	\$ 36.64	\$ 37.42	\$ 38.45	\$ 39.52	\$ 40.61	\$ 41.99
2. Capacity Related Costs		\$ 792,028	\$ 810,680	\$ 829,819	\$ 853,229	\$ 877,342	\$ 902,177	\$ 931,878
Number of Hydraulic Equivalencies		7,588	7,588	7,588	7,588	7,588	7,588	7,588
Unit Cost		\$ 104.37	\$ 106.83	\$ 109.35	\$ 112.44	\$ 115.62	\$ 118.89	\$ 122.80
Total Fixed Charge Based on Hydraulic Meters		\$ 140.24	\$ 143.47	\$ 146.78	\$ 150.89	\$ 155.13	\$ 159.50	\$ 164.80
Accounts		6,602	6,602	6,602	6,602	6,602	6,602	6,602
Base Charge (Fixed costs divided by total accounts)		\$ 155.84	\$ 159.43	\$ 163.11	\$ 167.69	\$ 172.41	\$ 177.27	\$ 183.14
3. Collection System Volume Related Costs		\$ 523,032	\$ 686,623	\$ 800,579	\$ 757,171	\$ 714,261	\$ 601,863	\$ 622,466
Annual Flow (HCF)		761,953	761,953	761,953	761,953	761,953	761,953	761,953
Unit Cost (\$ / HCF)		\$ 0.69	\$ 0.90	\$ 1.05	\$ 0.99	\$ 0.94	\$ 0.79	\$ 0.82
4. Treatment Plant - Wastewater Strength Related		\$ 2,640,877	\$ 2,516,009	\$ 2,441,138	\$ 2,517,822	\$ 2,596,807	\$ 2,678,161	\$ 2,789,888
	Parameter Allocation %'s							
Flow (HCF)	47.8%	\$ 1,262,339	\$ 1,202,652	\$ 1,166,864	\$ 1,203,519	\$ 1,241,274	\$ 1,280,161	\$ 1,333,566
BOD (LBS.)	24.5%	\$ 647,015	\$ 616,422	\$ 598,079	\$ 616,866	\$ 636,218	\$ 656,149	\$ 683,522
SS (LBS.)	27.7%	\$ 731,523	\$ 696,934	\$ 676,195	\$ 697,437	\$ 719,316	\$ 741,851	\$ 772,799
	100.00%							
Annual Flow (HCF)		761,953	761,953	761,953	761,953	761,953	761,953	761,953
Pounds of BOD (lbs)	52.2%	992,514	992,514	992,514	992,514	992,514	992,514	992,514
Pounds of SS (lbs)		989,807	989,807	989,807	989,807	989,807	989,807	989,807
Unit Cost (\$ / HCF)		\$ 1.66	\$ 1.58	\$ 1.53	\$ 1.58	\$ 1.63	\$ 1.68	\$ 1.75
Unit Cost (\$ / lb)		\$ 0.65	\$ 0.62	\$ 0.60	\$ 0.62	\$ 0.64	\$ 0.66	\$ 0.69
Unit Cost (\$ / lb)		\$ 0.74	\$ 0.70	\$ 0.68	\$ 0.70	\$ 0.73	\$ 0.75	\$ 0.78
Total Revenue Requirement For Rates		\$ 4,192,748	\$ 4,255,184	\$ 4,318,592	\$ 4,382,096	\$ 4,449,305	\$ 4,450,331	\$ 4,621,460
Add ___Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add Fog Program Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 4,192,748	\$ 4,255,184	\$ 4,318,592	\$ 4,382,096	\$ 4,449,305	\$ 4,450,331	\$ 4,621,460
Check		-	-	-	-	-	-	-

**City of Imperial Beach
Metro Budget**

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Treatment & Disposal	\$2,379,434	\$2,491,584	\$2,491,584	\$2,541,416	\$2,617,658	\$2,696,188	\$2,777,074	\$2,888,156
Transportation	\$6,030	\$6,151	\$6,274	\$6,399	\$6,591	\$6,789	\$6,993	\$7,272
Palm City Trunk Sewer	\$249,982	\$249,982	\$124,991					
Metro TAC	\$8,160	\$8,160	\$8,160	\$8,323	\$8,573	\$8,830	\$9,095	\$9,459
Total	\$2,643,606	\$2,755,877	\$2,631,009	\$2,556,138	\$2,632,822	\$2,711,807	\$2,793,161	\$2,904,888
<hr/>								
	FY09	Recycled	FY10	Total				
Year-end Adjustments	\$ 270,921	\$ (88,616)	\$ 191,663	\$ 373,968				
Note: Year-end adjustments have not been included in this rate case								

**City of Imperial Beach
Budget Summary
TABLE 3-2**

Expense Description	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
OPERATION & MAINTENANCE									
TOTAL SEWER ENTERPRISE FUND	\$3,648,402	\$3,802,958	\$3,939,933	\$3,840,369	\$3,791,417	\$3,902,190	\$4,016,287	\$4,133,806	\$4,291,024
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NONOPERATING EXPENDITURES									
CAPITAL IMPROVEMENTS	\$0	\$0	\$400,000	\$412,000	\$424,360	\$437,091	\$450,204	\$463,710	\$477,621
INCREASE OPERATIONS RESERV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ESTABLISH CAPITAL RESERVE	\$0	\$0	\$0	\$150,000	\$250,000	\$190,000	\$130,000	\$0	\$0
Subtotal Expenditures	\$3,648,402	\$3,802,958	\$4,339,933	\$4,402,369	\$4,465,777	\$4,529,281	\$4,596,490	\$4,597,516	\$4,768,645
Less Non-Operating Revenues	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185	\$147,185
Revenue Requirement	\$3,501,217	\$3,655,773	\$4,192,748	\$4,255,184	\$4,318,592	\$4,382,096	\$4,449,305	\$4,450,331	\$4,621,460

City of Imperial Beach
 FY 13-14 Base Year Model
 Step 3 – Sewer User Rate Calculation By Fund and Cost

FY14 User Group	No. of Accounts	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$ Cust)	(\$ Cust)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 35.87	\$ 104.37	\$ 0.69	\$ 1.66	\$ 0.85	\$ 0.74	
Single Family	4,682	4,682	337,928	421,921	421,921	\$ 167,942	\$ 488,681	\$ 231,966	\$ 559,850	\$ 275,048	\$ 311,823	\$ 2,035,310
Subtotal- Residential	4,682	4,682	337,928	421,921	421,921	\$ 167,942	\$ 488,681	\$ 231,966	\$ 559,850	\$ 275,048	\$ 311,823	\$ 2,035,310
Rest/Bakeries/Mort./Groc.	48	66	11,304	70,568	42,341	\$ 1,722	\$ 6,924	\$ 7,759	\$ 18,728	\$ 46,003	\$ 31,292	\$ 112,428
Small Commercial	114	159	11,746	10,999	10,999	\$ 4,089	\$ 16,561	\$ 8,063	\$ 19,460	\$ 7,170	\$ 8,129	\$ 63,471
Car Wash/Laundries	13	33	7,273	6,810	4,994	\$ 466	\$ 3,479	\$ 4,992	\$ 12,049	\$ 4,440	\$ 3,691	\$ 29,118
Public Agency/Institutional	71	274	28,224	22,906	17,620	\$ 2,547	\$ 28,564	\$ 19,374	\$ 46,759	\$ 14,932	\$ 13,022	\$ 125,198
Heavy Commercial	7	14	2,636	8,583	6,583	\$ 251	\$ 1,461	\$ 1,810	\$ 4,367	\$ 4,291	\$ 4,865	\$ 17,045
Mixed Use Light	33	53	6,167	6,930	10,779	\$ 1,184	\$ 5,497	\$ 4,233	\$ 10,217	\$ 4,517	\$ 7,967	\$ 33,614
Mixed Use Heavy	2	3	300	842	449	\$ 72	\$ 278	\$ 206	\$ 497	\$ 549	\$ 332	\$ 1,933
Navy	5	74	27,162	33,913	63,079	\$ 179	\$ 7,759	\$ 18,645	\$ 45,000	\$ 22,108	\$ 46,619	\$ 140,309
Multi-Family	1,627	2,231	329,214	411,042	411,042	\$ 58,360	\$ 232,825	\$ 225,984	\$ 545,414	\$ 267,956	\$ 303,783	\$ 1,634,322
Subtotal Non-Residential	1,920	2,906	424,025	570,593	567,886	\$ 68,870	\$ 303,347	\$ 291,066	\$ 702,489	\$ 371,966	\$ 419,699	\$ 2,157,438
Total	6,602	7,588	761,953	992,514	989,807	\$ 236,811	\$ 792,028	\$ 523,032	\$ 1,262,339	\$ 647,015	\$ 731,523	\$ 4,192,748
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	-

City of Imperial Beach
 FY 13-14 Base Year Model
 Step 4 – Sewer Rate Determination

Months
 12

FY14				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate				Revenue - Fixed/ Flat Charges			
User Group	No. of Cust. Accts	Hydraulic Equivalents	Adjusted Yrly Consumption (HCF)	Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$ /HCF)	Cust Fixed Charge	Cap Fixed Charge (5/8")	Total Fixed Charge (5/8")	Commodity Rate (\$ /HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,682	4,682	337,928	\$ 434.71	\$ 36.23	\$ 155.84	\$ 4.08	\$ 2.99	\$ 8.70	\$ 11.69	\$ 4.08	\$ 656,623	\$ 1,378,687	\$ 2,035,310	48.5%
Subtotal- Residential	4,682	4,682	337,928									\$ 656,623	\$ 1,378,687	\$ 2,035,310	
Non-Residential (Includes Multi-Family)															
Rest/Bakeries/Mort./Groc.	48	86	11,304			\$ 155.84	\$ 9.18	\$ 2.99	\$ 8.70	\$ 11.69	\$ 9.18	\$ 8,645	\$ 103,783	\$ 112,428	2.7%
Small Commercial	114	159	11,746			\$ 155.84	\$ 3.65	\$ 2.99	\$ 8.70	\$ 11.69	\$ 3.65	\$ 20,650	\$ 42,822	\$ 63,471	1.5%
Car Wash/Laundries	13	33	7,273			\$ 155.84	\$ 3.46	\$ 2.99	\$ 8.70	\$ 11.69	\$ 3.46	\$ 3,945	\$ 25,172	\$ 29,118	0.7%
Public Agency/Institutional	71	274	28,224			\$ 155.84	\$ 3.33	\$ 2.99	\$ 8.70	\$ 11.69	\$ 3.33	\$ 31,111	\$ 94,087	\$ 125,198	3.0%
Heavy Commercial	7	14	2,636			\$ 155.84	\$ 5.82	\$ 2.99	\$ 8.70	\$ 11.69	\$ 5.82	\$ 1,712	\$ 15,333	\$ 17,045	0.4%
Mixed Use Light	33	53	6,167			\$ 155.84	\$ 4.37	\$ 2.99	\$ 8.70	\$ 11.69	\$ 4.37	\$ 6,681	\$ 26,934	\$ 33,614	0.8%
Mixed Use Heavy	2	3	300			\$ 155.84	\$ 5.28	\$ 2.99	\$ 8.70	\$ 11.69	\$ 5.28	\$ 350	\$ 1,583	\$ 1,933	0.0%
Navy	5	74	27,162			\$ 155.84	\$ 4.87	\$ 2.99	\$ 8.70	\$ 11.69	\$ 4.87	\$ 7,938	\$ 132,371	\$ 140,309	3.3%
Multi-Family	1,627	2,231	329,214			\$ 155.84	\$ 4.08	\$ 2.99	\$ 8.70	\$ 11.69	\$ 4.08	\$ 291,184	\$ 1,343,137	\$ 1,634,322	39.0%
Subtotal Non-Residential	1,920	2,906	424,025									\$ 372,217	\$ 1,785,222	\$ 2,157,438	51.5%
TOTAL	6,602	7,588	761,953									\$ 1,028,839	\$ 3,163,909	\$ 4,192,748	100%
Check												25%	75%	\$ -	

APPENDIX C

**City of Imperial Beach
Capacity Fee Calculation**

(A) Line No.	(B) Valuation Component	(C) Replacement Costs	(D) Replacement Cost Less Depreciation
1	Pipelines	\$46,031,303	\$23,015,652
2	Cost Per EDU (a)	\$4,352	\$2,176
3	Pump Stations	\$15,596,987	\$5,197,589
4	Cost Per EDU (a)	\$1,475	\$491
5	Metro Assets	\$32,818,033	\$22,300,011
6	Cost Per EDU (a)	\$3,103	\$2,108
7	Total Cost Per EDU	\$8,929	\$4,776
	(a) Total EDUs	10,577	10,577

Note: Pipelines and Pump Stations are based on replacement costs Metro Assets are valued as Reproduction Cost from Raftelis 2005 Study brought to present value using the June 2012 ENR

City of Imperial Beach
 Pipeline Replacement Cost Valuation

	Diameter	Material	Count	Length	Unit Costs (\$/LF)	Cost / In-Ft	Estimated Replacement Costs
	4	PVC	1	95	\$ 85.00	\$ 21.25	\$ 8,075.00
	4	VCP	1	517	\$ 100.00	\$ 25.00	\$ 51,700.00
Total	4		2	612			
	6	CIP	2	186	\$ 135.00	\$ 22.50	\$ 25,110.00
	6	PVC	3	841	\$ 160.00	\$ 26.67	\$ 134,560.00
	6	VCP	178	45,514	\$ 155.00	\$ 25.83	\$ 7,054,670.00
Total	6		183	46,541			
	8	CIP	1	147	\$ 175.00	\$ 21.88	\$ 25,725.00
	8	PVC	20	6,149	\$ 180.00	\$ 22.50	\$ 1,106,820.00
	8	VCP	584	143,407	\$ 195.00	\$ 24.38	\$ 27,964,365.00
Total	8		605	149,703			
	10	CIP	1	2,146	\$ 180.00	\$ 18.00	\$ 386,280.00
	10	PVC	3	1,712	\$ 185.00	\$ 18.50	\$ 316,720.00
	10	VCP	44	6,766	\$ 195.00	\$ 19.50	\$ 1,319,370.00
Total	10		48	10,624			
	12	PVC	9	20,726	\$ 198.00	\$ 16.50	\$ 4,103,748.00
	12	VCP	28	7,405	\$ 215.00	\$ 17.92	\$ 1,592,075.00
Total	12		37	28,131			
	15	VCP	15	3,781	\$ 250.00	\$ 16.67	\$ 945,250.00
Total	15		15	3,781			
	16	CIP	1	229	\$ 260.00	\$ 16.25	\$ 59,540.00
	16	VCP	1	58	\$ 295.00	\$ 18.44	\$ 17,110.00
Total	16		2	287			
	18	VCP	1	148	\$ 295.00	\$ 16.39	\$ 43,660.00
Total			1	148			
	21	VCP	6	1,227	\$ 335.00	\$ 15.95	\$ 411,045.00
Total	21		6	1,227			
	24	VCP	3	1,293	\$ 360.00	\$ 15.00	\$ 465,480.00
Total	24		3	1,293			
Total All Lines			902	242,347			\$ 46,031,303.00

Grand Total	242,347
Force main	25,043
Gravity Main - Feet	217,304
Gravity Main - Miles	41.16
Force main - Feet	25,043
Force main - Miles	4.74

City of Imperial Beach
 Replacement Costs: Pump Stations

Valuation Component		Replacement Cost				Replacement Costs Less Depreciation					
Pump Station Name	Pump Station Location	Construction Cost	2008 Equipment	ENR Equipment	Total	Year Built	Remaining	Remaining	Construction	2008	Total RCLD
			Replacement	Replacement	Replacement		Life	Life		Equipment	
Pump Station 1A	862 Seacoast Dr	\$1,500,000	\$150,000	\$157,274	\$1,657,274	1952	-10	16		\$ 125,819	\$ 125,819
Pump Station 1B	1098 Seacoast Dr	\$1,500,000	\$150,000	\$157,274	\$1,657,274	1992	30	16	\$ 900,000	\$ 125,819	\$ 1,025,819
Pump Station 2	1306 Seacoast Dr	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1989	27	16	\$ 540,000	\$ 125,819	\$ 665,819
Pump Station 3	501 elm	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1952	-10	16		\$ 125,819	\$ 125,819
Pump Station 4	755 Delaware	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1952	-10	16		\$ 125,819	\$ 125,819
Pump Station 5	133 Dahlia Ave	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1979	17	16	\$ 340,000	\$ 125,819	\$ 465,819
Pump Station 6	498 Rainbow Dr	\$1,500,000	\$150,000	\$157,274	\$1,657,274	1954	-8	16		\$ 125,819	\$ 125,819
Pump Station 7	504 Oneonta Ave	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1979	17	16	\$ 340,000	\$ 125,819	\$ 465,819
Pump Station 8	895 Imperial Beach Blvd	\$2,000,000	\$300,000	\$314,548	\$2,314,548	1962	0	16		\$ 251,638	\$ 251,638
Pump Station 9	1025 9th St	\$1,000,000	\$150,000	\$157,274	\$1,157,274	2005	43	16	\$ 860,000	\$ 125,819	\$ 985,819
Pump Station 10	814 Cypress Ave	\$1,000,000	\$350,000	\$366,973	\$1,366,973	1989	27	16	\$ 540,000	\$ 293,578	\$ 833,578
		\$13,500,000	\$2,000,000	\$2,096,987	\$15,596,987				\$3,520,000	\$1,677,589	\$5,197,589

Note:
 Useful lives: Pump Stations 50
 Equipment 20

City of Imperial Beach
Metro Capacity Fee Calculation

Value Approach/Pricing Perspective	Total Value (2009)	Divisor	Original Study Price per gpd (2005)	Price per gpd (2012)	% Increase (2005 to 2012)
Asset Approach (reproduction costs)	(billion)	(mgd)		(\$/gpd)	
- Without depreciation adjustment	\$2.20	255	\$ 7.27	\$ 8.74	20.2%
- With depreciation adjustment	\$1.25	255	\$ 4.94	\$ 5.94	20.2%
Other Drivers of Investment Value					
Prior Sale					
- Without inflationary adjustment	\$3.36	255	\$ 13.19	\$ 15.85	20.2%
- With inflationary adjustment	\$4.19	255	\$ 15.21	\$ 18.29	20.2%
Buyer's Avoided Cost					
Stand-Alone (B&C Report)					
- Best case alternative	\$4.37	255	\$ 15.87	\$ 19.08	20.2%
- Worst case alternative	\$7.10	255	\$ 25.78	\$ 30.99	20.2%
Collaboration (RMC Report)					
- Best case alternative	\$3.87	255	\$ 14.06	\$ 16.90	20.2%
- Worst case alternative	\$5.84	255	\$ 21.20	\$ 25.49	20.2%
Seller's Potential Future Cost					
- Without upgrade adjustment	\$5.25	255	\$ 23.08	\$ 27.75	20.2%
- With upgrade adjustment*	\$6.36	255	\$ 19.08	\$ 22.94	20.2%
Alternative Investment Value	\$4.15	255	\$ 12.70	\$ 15.27	20.2%

* Adjustment to Remove Secondary Treatment Costs

Line No.	Valuation Component	Reproduction Costs (\$/gpd)	Reproduction Cost Less Depreciation (\$/gpd)	Replacement Costs (\$/gpd)
1	Metro System Valuation (a)	\$ 8.74	\$ 5.94	\$ 15.27
2	Imperial Beach Capacity (MGD)	3,755	3,755	3,755
3	Value of Imperial Beach Capacity (\$)	\$ 32,818,033	\$ 22,300,011	\$ 57,329,989
4	Sewer Equivalent Dwelling Units	10,577	10,577	10,577
5	<u>Metro Component of Capacity Fee</u>	<u>\$ 3,103</u>	<u>\$ 2,108</u>	<u>\$ 5,420</u>

(a) Alternative Value was used to calculate replacement costs as this is the most popular valuation methodology

**City of Imperial Beach
Construction Cost Index -- Los Angeles, CA**

Current (June 30,2012): 10,299.55

YEAR	MONTH	CCI	%CHG
2012	Jun	10,299.55	1.0000000
2011	Dec	10,088.80	1.0208895
2010	Dec	10,004.30	1.0295123
2009	Dec	9,763.69	1.0548829
2008	Dec	9,823.19	1.0484934
2007	Dec	9,181.67	1.1217513
2006	Dec	8,878.97	1.1599938
2005	Dec	8,567.42	1.2021764
2004	Dec	8,192.14	1.2572478
2003	Dec	7,531.77	1.3674807
2002	Dec	7,402.75	1.3913140
2001	Dec	7,226.92	1.4251645
2000	Dec	7,068.04	1.4572003
1999	Dec	6,825.97	1.5088771
1998	Dec	6,851.95	1.5031560
1997	Dec	6,663.55	1.5456551
1996	Dec	6,558.44	1.5704268
1995	Dec	6,526.22	1.5781800
1994	Dec	6,532.95	1.5765542
1993	Dec	6,477.84	1.5899667
1992	Dec	6,348.55	1.6223468
1991	Dec	6,090.12	1.6911900
1990	Dec	5,994.55	1.7181523
1989	Dec	5,789.77	1.7789221
1988	Dec	5,770.84	1.7847575
1987	Dec	5,474.14	1.8814919
1986	Dec	5,452.20	1.8890631
1985	Dec	5,446.69	1.8909742
1984	Dec	5,259.93	1.9581154
1983	Dec	5,063.89	2.0339206
1982	Dec	4,934.14	2.0874053
1981	Dec	4,530.96	2.2731496
1980	Dec	4,102.37	2.5106341
1979	Dec	3,638.81	2.8304720
1978	Dec	3,421.25	3.0104640



Sewer Service Charge and Capacity Fee Study

Prepared for:
City of Imperial Beach

March 9, 2016

Sewer Service Charge and Capacity Fee Update

City of Imperial Beach

March 9, 2016

Prepared for:
City of Imperial Beach
825 Imperial Beach Boulevard
Imperial Beach, California 91932

Prepared by:



4653 Carmel Mountain Road
San Diego, California 92130

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Abbreviations

AWWA	American Water Works Association
BMP	Best Management Practices as Prescribed by the State of California
BOD	Biochemical Oxygen Demand – A Measure of Sewage Strength
CIP	Capital Improvement Plan
EDU	Equivalent Dwelling Unit
ENR-CCI	Engineering News Record Construction Cost Index
EPA	U.S. Environmental Protection Agency
FYE	Fiscal Year Ending
GIS	Geographical Information System
HCF	Hundred Cubic Feet
Metro	City of San Diego Metropolitan Wastewater System
mg/l	Milligrams per Liter
O&M	Operations and Maintenance
PA	Participating Agency in the San Diego Metro System
TSS	Total Suspended Solids – A Measure of Sewage Strength

Executive Summary

ES.1 Introduction

The Keze Group, LLC was retained by the City of Imperial Beach (City) to perform a comprehensive sewer user and capacity fee rate update study. A comprehensive rate study determines the adequacy of the existing rates and provides the basis for adjustments to maintain cost-based rates. This report describes the methodology, findings, and conclusions of the sewer user and capacity fee rate update study (rate study).

ES.2 Sewer Service Charge Update

The City completed their last rate study in 2013. Since that time several factors have affected the City's adopted five-year rate case and the following changes have occurred:

- As with other communities in San Diego County and Southern California the City's citizens and businesses have decreased their water usage by 18.4% over the FYE 2012 water usage utilized by the 2013 study. This has decreased revenues from the adopted commodity rates.
- After the adoption of the 2013 study City staff determined that the Navy NOLF accounts flowed directly into the City of San Diego and therefore should not be assessed sewer service charges by the City of Imperial Beach. This reduced the City's overall revenue by \$140,000 or 3.3%.
- The adopted FYE 2016 budget contained \$2,124,360 in needed capital projects. The 2013 rate study only anticipated the continued historic funding of \$400,000 per year for capital projects in the sewer revenue requirement. The City has a rate stabilization/fund balance reserve of \$2 million established by the City Council. Monies from this reserve are being used to pay for these capital repairs and the reserve is being rapidly depleted. It is anticipated that the reserve will drop to \$500,000 by the end of FYE 2016. Replenishment of this reserve over a five-year period is included in this rate update.
- As stated, increased capital spending for required capital projects has been identified. In discussions with City utility staff it has been determined the need to increase the annual CIP funding from \$400,000 to \$600,000 per year. This increased funding level is included in this rate update.
- The planning phase of the City of San Diego's Pure Water Program have begun and during FYE 2017 to FYE 2022 additional Metro costs are anticipated. City of San Diego staff has identified the increased funding level for the participating agencies from \$65 million to \$75 million per year over the next three-years. This increased funding level is included in this rate update.

These changes in the revenue requirement of the City's sewer utility produce the following rates for the upcoming five-year period from FYE 2017 to FYE 2021:

Table ES-1 Comparison of Current versus Proposed Sewer User Rates

Classes of Users	Current FYE 2016 Rates		FYE 2017 Projected Rates		FYE 2018 Projected Rates	
	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)
Single Family	\$146.78	\$4.19	\$211.71	\$4.35	\$216.22	\$4.71
Non-Residential (Includes Multi-Family)						
Rest/Bakeries/Mort./Groc.	\$146.78	\$8.90	\$211.71	\$9.26	\$216.22	\$9.83
Small Commercial	\$146.78	\$3.79	\$211.71	\$4.05	\$216.22	\$4.27
Car Wash/Laundries	\$146.78	\$3.62	\$211.71	\$3.88	\$216.22	\$4.08
Public Agency/Institutional	\$146.78	\$3.50	\$211.71	\$3.76	\$216.22	\$3.96
Heavy Commercial	\$146.78	\$5.79	\$211.71	\$6.10	\$216.22	\$6.46
Mixed Use Light	\$146.78	\$4.45	\$211.71	\$4.74	\$216.22	\$5.00
Mixed Use Heavy	\$146.78	\$5.30	\$211.71	\$5.59	\$216.22	\$5.91
Navy	\$146.78	\$4.92	\$211.71	\$5.22	\$216.22	\$5.52
Multi-Family	\$146.78	\$4.19	\$211.71	\$4.46	\$216.22	\$4.71

Table ES-2 Comparison of Current versus Proposed Sewer User Rates (Continued)

Classes of Users	FYE 2019 Projected Rates		FYE 2020 Projected Rates		FYE 2021 Projected Rates	
	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)
Single Family	\$220.86	\$4.98	\$226.55	\$5.25	\$232.41	\$5.40
Non-Residential (Includes Multi-Family)						
Rest/Bakeries/Mort./Groc.	\$220.86	\$10.45	\$226.55	\$10.88	\$232.41	\$11.21
Small Commercial	\$220.86	\$4.51	\$226.55	\$4.77	\$232.41	\$4.91
Car Wash/Laundries	\$220.86	\$4.31	\$226.55	\$4.56	\$232.41	\$4.70
Public Agency/Institutional	\$220.86	\$4.18	\$226.55	\$4.42	\$232.41	\$4.55
Heavy Commercial	\$220.86	\$6.85	\$226.55	\$7.17	\$232.41	\$7.39
Mixed Use Light	\$220.86	\$5.29	\$226.55	\$5.57	\$232.41	\$5.74
Mixed Use Heavy	\$220.86	\$6.26	\$226.55	\$6.57	\$232.41	\$6.77
Navy	\$220.86	\$5.84	\$226.55	\$6.14	\$232.41	\$6.32
Multi-Family	\$220.86	\$4.98	\$226.55	\$5.25	\$232.41	\$5.40

ES.3 Capacity Fee Update

In 2013 discussions with City staff, The Keze Group was requested to update the City's sewer capacity fees to reflect the true value of its capital facilities, to ensure that these fees are in accordance with current industry guidelines and practice, and to properly value the City's investment in the Metro System and create a capacity fee per equivalent dwelling unit (EDU¹). Due to the economic climate at that time the City Council adopted only the Imperial Beach portion of the capacity fee (\$2,667 per EDU) and deferred the Metro portion of the capacity fee (\$2,108 per EDU) to be potentially phased-in over future years.

The City's economic climate has much improved since 2013 and the City would like to move forward with the adoption of the Metro portion of the capacity fee. In addition the valuation numbers for both the Imperial Beach and the Metro portion of the capacity fee have been updated based on the change in the San Diego Consumer Price Index since 2013 to reflect a 12.5% increase in inflation. The recommended total capacity fee including all cost factors is \$5,373 per EDU.

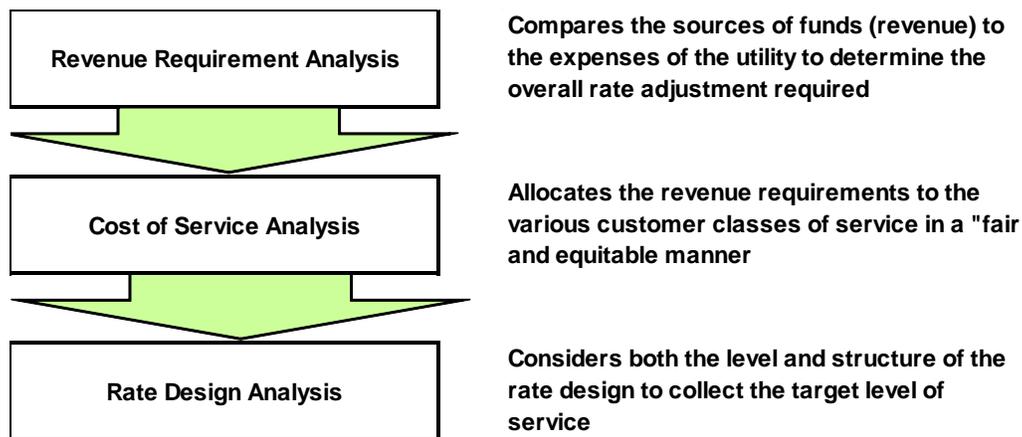
¹ One EDU is equivalent to the assumed gallons per day of a single family residential user. Imperial Beach uses 232 gallons per day for a single family residential user. All other users are assigned EDUs at the time they purchase a capacity fee in their proportional relationship to a single family user.

Section 1 - Sewer User Rate Update

1.1 Overview of the Sewer Service Charge Update Process

A comprehensive rate study typically utilizes three interrelated analyses to address the adequacy and equity of the utility's rates. These three analyses are a revenue requirement analysis, a cost of service analysis, and a rate design analysis. The process is illustrated in Figure 1 -1.

Figure 1-1 Overview of the Comprehensive Rate Study Analysis



The City's sewer utility was evaluated on a "stand-alone" basis. That is, no subsidies between the utility or other City funds occur. By viewing the utility on a stand-alone basis, the need to adequately fund both operations and maintenance (O&M) and capital infrastructure (CIP) must be balanced against the rate impacts on utility customers.

A detailed and comprehensive process was used to review the City's rates. As a part of the rate study process a number of on-site project meeting and conference calls were used to review the results with City management, staff, and the City Council. From this process, final proposed rates were developed and their development is reviewed in this section of the report. Following is a summary of each step in the process.

Revenue Requirement Analysis: The revenue requirement analysis revealed that several significant financial changes have occurred that were not anticipated by the City's 2013 rate study and subsequently adopted sewer user rates. The significant changes are:

- The adopted FYE 2016 budget contained \$2,124,360 in needed capital projects. The 2013 rate study only anticipated the continued historic funding of \$400,000 per year for capital projects in the sewer revenue requirement. The City has a rate stabilization/fund balance reserve of \$2 million established by the City Council. Monies from this reserve are being used to pay for these capital repairs and the reserve is being rapidly depleted. It is anticipated that the reserve will drop to \$500,000 by the end of FYE 2016. Replenishment of this reserve over a five-year period is included in this rate update at the level of \$300,000 per year.
- As stated, increased capital spending for required capital projects needed to maintain the integrity of the City's sewer collection system has been identified. In discussions with City utility staff it has been determined the need to increase the annual CIP funding from \$400,000 to \$600,000 per year. This increased funding level is included in this rate update.
- The planning phase of the City of San Diego's Pure Water Program have begun and during FYE 2017 to FYE 2022 additional Metro costs are anticipated. City of San Diego staff has identified the increased funding level for the participating agencies from \$65 million to \$75 million per year over the next three-years. The City's portion of this budget is currently 3.57%. Imperial Beaches increased funding level for the Pure Water Program is included in this rate update.

The largest component of the City of Imperial Beach's revenue requirement is the costs associated with transportation, treatment, and disposal of the City's wastewater by the Metro facilities and associated City technical services. A summary of the projected expenses associated with these costs follows as Table 1-1.

Table 1-1 San Diego Metro Projections

	FYE17	FYE18	FYE19	FYE20	FYE21	FYE22
Treatment/Disposal/CIP	\$2,337,120	\$2,499,000	\$2,677,500	\$2,757,825	\$2,840,560	\$2,925,777
Transportation	\$3,570	\$3,641	\$3,714	\$3,826	\$3,940	\$4,059
Metro TAC	\$10,032	\$10,233	\$10,437	\$10,750	\$11,073	\$11,405
City Technical Services	\$122,850	\$125,307	\$127,813	\$131,648	\$135,597	\$139,665
Total	\$2,473,572	\$2,638,181	\$2,819,464	\$2,904,049	\$2,991,170	\$3,080,906
	5.9%	6.7%	6.9%	3.0%	3.0%	3.0%

As Table 1-1 shows during FYE's 2017 to 2019 the planning phases of the Pure Water Program are being transitioned. Per a protocol adopted by the City of San Diego and the Metro Commission six-years ago the participating agencies (PAs) portion of the annual Metro budget is currently \$65 million per year. This budgeted amount is audited and adjusted at year-end and the PAs either receive a refund if their actual costs are less than the budget or an invoice if their costs are more.

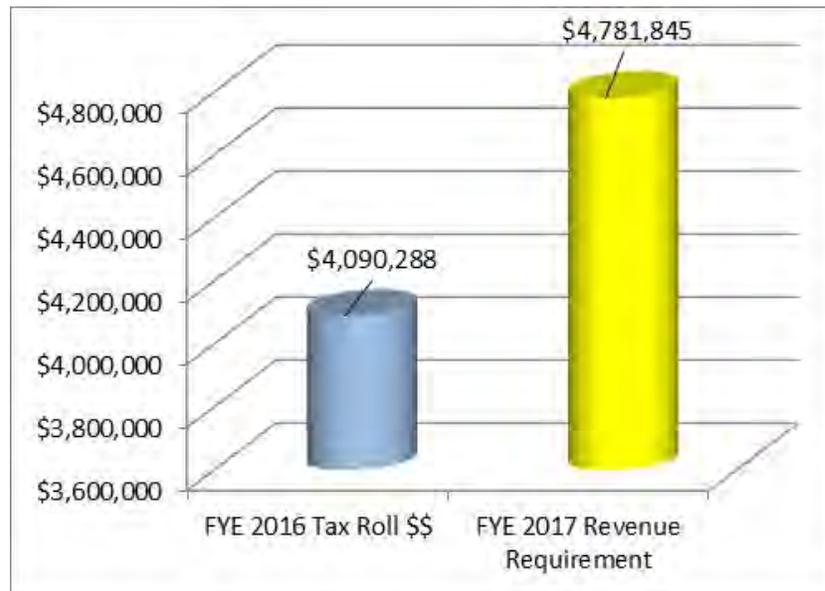
During FYE 2017 to FYE 2019 the City of San Diego will be transitioning the planning costs for the wastewater portion of the Pure Water Program and the PAs share will increase from \$65 to \$75 million annually. It should be noted that the percent increases shown in Table 1-1 comprise a large portion of the rate adjustments proposed for the City's sewer rates.

The City's FYE 2017 adopted sewer enterprise fund budget was updated to respond to these changed costs to create the revenue requirement for the updated rate case. Table 1-2 summarizes the major portions of the revenue requirement which includes all updated costs.

Table 1-2 Updated Five-Year Rate Case Revenue Requirement

Expense Description	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Operation & Maintenance Expenditures					
City O&M Budget	\$1,271,182	\$1,301,547	\$1,332,650	\$1,373,530	\$1,415,635
San Diego Metro Costs	\$2,473,572	\$2,638,181	\$2,819,465	\$2,904,049	\$2,991,170
Total Sewer Enterprise Fund	\$3,744,754	\$3,939,728	\$4,152,115	\$4,277,579	\$4,406,805
Non-operating Expenditures					
Capital Improvements	\$637,091	\$656,204	\$675,890	\$696,166	\$717,051
Rebuild Operations Reserve	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Establish Replacement Reserve	\$100,000	\$103,000	\$106,090	\$200,000	\$206,000
Total Non-Operating Expenditures	\$1,037,091	\$1,059,204	\$1,081,980	\$1,196,166	\$1,223,051
Revenue Requirement	\$4,781,845	\$4,998,932	\$5,234,095	\$5,473,745	\$5,629,856

Figure 1-2 shows the FYE 2016 sewer user revenue that has been placed on the San Diego County Property Tax Roll or hand-billed to government agencies of \$4,090,288. With the inclusion of the increased costs the FYE 2017 revenue requirement (modified budget less non-operating revenues) increases to \$4,781,845. The sewer user rates included in this study are established based on this increased revenue requirement of 17%. A detailed copy of the five-year revenue requirement is included in Appendix A to this report.

Figure 1-2 FYE 2016 Tax Roll Revenue versus FYE 2017 Revenue Requirement

Cost of Service Analysis: The cost of service analysis also revealed that several major changes have occurred in users and use that were not anticipated by the City's 2013 rate study and subsequently adopted sewer user rates. The significant changes are:

- As with other communities in San Diego County and Southern California the City's citizens and businesses have decreased their water usage by 18.4% over the FYE 2012 water usage utilized by the 2013 study. This has decreased revenues from the adopted commodity rates.
- After the adoption of the 2013 study City staff determined that the Navy NOLF accounts flowed directly into the City of San Diego and therefore should not be assessed sewer service charges by the City of Imperial Beach. This reduced the City's overall revenue by \$140,000 or 3.3%.

Table 1-3 summarizes the current number of City users and their projected sewer flows based on the current tax roll water use data for FYE 2016.

Table 1-3 Summary of Current Users and Estimated Sewer Flow

Units of Service and Loadings		FLOW:		
		(A)	(B)	(C)
User Group	No. of Accounts	Annual Consumption per User Class	Rate of Return	Adjust for Rate of Return
Residential:		(HCF)		(HCF)
Single Family	4,361	487,284	75.0%	365,463
Subtotal- Residential	4,361	487,284		365,463
Commercial				
Rest/Bakeries/Mort./Groc.	41	12,377	90.0%	11,139
Small Commercial	103	11,991	90.0%	10,792
Car Wash/Laundries	10	10,173	90.0%	9,156
Public Agency/Institutional	49	25,185	75.0%	18,889
Heavy Commercial	12	11,591	90.0%	10,432
Mixed Use Light	30	6,679	90.0%	6,011
Mixed Use Heavy	2	336	90.0%	302
Navy	1	5	90.0%	5
Multi-Family	1,546	322,084	95.0%	305,980
Subtotal Non-Residential	1,794	400,421		372,705
TOTAL	6,155	887,705		738,168

Rate Design Analysis: In September 2015, the City Council held a planning workshop to review history of the sewer industry's as well as the City's sewer rate structures. Included in this review were alternative rate structures to the City's current structure and alternate ways of estimating sewer flow for user rates. In addition, the cost allocation process was reviewed.

The outcome of this review was that the Council approved continuing with the City's current rate structures and methodologies. The current sewer rate structures meet industry and Federal Government (EPA) standards and follows Best Management Practices (BMP's) established by the State of California. The only request for additional review was to compare increasing the fixed cost allocation in the base rate to 30% from its current 26.4% level to potentially provide for additional revenue stability. This alternative was reviewed with the City Council at their February meeting and due to the impact on the small user this change was not approved.

All classes of users will continue to be billed a base fee and a commodity fee based on their annual water usage and sewage strength category. The single family user class is subject to a “cap” on their sewer service charge. The cap for FYE 2016 was \$961.03. This equates to 200 HCF of water usage/sewer flow annually. It is the City’s current policy that the cap increases each year by inflation. This study assumes the cap will increase annually by 3% inflation. This equates to a single family cap of \$989.86 for FYE 2017. Overview of FYE 2017 Rate Case

Table 1-4 compares the current FYE 2016 adopted sewer rates with the proposed FYE 2017 and 2018 rates. Table 1-5 shows the remaining years of the FYE 2017 Rate Case (through FYE 2021).

Table 1-4 Comparison of Current versus Proposed Sewer User Rates

Classes of Users	Current FYE 2016 Rates		FYE 2017 Projected Rates		FYE 2018 Projected Rates	
	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)
Single Family	\$146.78	\$4.19	\$211.71	\$4.35	\$216.22	\$4.71
Non-Residential (Includes Multi-Family)						
Rest/Bakeries/Mort./Groc.	\$146.78	\$8.90	\$211.71	\$9.26	\$216.22	\$9.83
Small Commercial	\$146.78	\$3.79	\$211.71	\$4.05	\$216.22	\$4.27
Car Wash/Laundries	\$146.78	\$3.62	\$211.71	\$3.88	\$216.22	\$4.08
Public Agency/Institutional	\$146.78	\$3.50	\$211.71	\$3.76	\$216.22	\$3.96
Heavy Commercial	\$146.78	\$5.79	\$211.71	\$6.10	\$216.22	\$6.46
Mixed Use Light	\$146.78	\$4.45	\$211.71	\$4.74	\$216.22	\$5.00
Mixed Use Heavy	\$146.78	\$5.30	\$211.71	\$5.59	\$216.22	\$5.91
Navy	\$146.78	\$4.92	\$211.71	\$5.22	\$216.22	\$5.52
Multi-Family	\$146.78	\$4.19	\$211.71	\$4.46	\$216.22	\$4.71

Table 1-5 Comparison of Current versus Proposed Sewer User Rates

Classes of Users	FYE 2019 Projected Rates		FYE 2020 Projected Rates		FYE 2021 Projected Rates	
	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)	Base Charge (5/8" Water Meter)	Commodity Rate (\$ /HCF)
Single Family	\$220.86	\$4.98	\$226.55	\$5.25	\$232.41	\$5.40
Non-Residential (Includes Multi-Family)						
Rest/Bakeries/Mort./Groceries	\$220.86	\$10.45	\$226.55	\$10.88	\$232.41	\$11.21
Small Commercial	\$220.86	\$4.51	\$226.55	\$4.77	\$232.41	\$4.91
Car Wash/Laundries	\$220.86	\$4.31	\$226.55	\$4.56	\$232.41	\$4.70
Public Agency/Institutional	\$220.86	\$4.18	\$226.55	\$4.42	\$232.41	\$4.55
Heavy Commercial	\$220.86	\$6.85	\$226.55	\$7.17	\$232.41	\$7.39
Mixed Use Light	\$220.86	\$5.29	\$226.55	\$5.57	\$232.41	\$5.74
Mixed Use Heavy	\$220.86	\$6.26	\$226.55	\$6.57	\$232.41	\$6.77
Navy	\$220.86	\$5.84	\$226.55	\$6.14	\$232.41	\$6.32
Multi-Family	\$220.86	\$4.98	\$226.55	\$5.25	\$232.41	\$5.40

It should be noted that 91% of the City's current users have either a 5/8" or 3/4" water meter and thus pay the average base rate as shown on the prior tables. Large water meters are used by multi-family with a large number of living units attached to the same water meter and large commercial properties. Table 1-6 shows the number of water meters by size as well as the projected rates for each size during the planning period.

Table 1-6 Comparison of Current versus Proposed Base Rates by Meter Size

Size of Water Meter	Number of Meters	AWWA Hydraulic Capacity	Current 2016 Base Rate	2017 Proposed Base Charge	2018 Proposed Base Charge	2019 Proposed Base Charge	2020 Proposed Base Charge	2021 Proposed Base Charge
5/8"	5,622	1.00	\$146.78	\$211.71	\$216.22	\$220.86	\$226.55	\$232.41
3/4"	3	1.00	\$146.78	\$211.71	\$216.22	\$220.86	\$226.55	\$232.41
1"	341	1.67	\$219.60	\$316.80	\$323.56	\$330.50	\$339.01	\$347.79
1 1/2"	110	3.33	\$401.66	\$579.55	\$591.91	\$604.60	\$620.17	\$636.22
2"	76	5.33	\$620.13	\$894.84	\$913.93	\$933.51	\$957.57	\$982.35
3"	1	10.00	\$1,129.90	\$1,630.51	\$1,665.30	\$1,700.99	\$1,744.82	\$1,789.97
4"	2	16.67	\$1,858.14	\$2,681.48	\$2,738.69	\$2,797.38	\$2,869.46	\$2,943.71
Total	6,155							

Table 1-7 summarizes the rate impacts on an average single family when the items discussed in the Overview subsection are applied.

Table 1-7 Determination of Average Single Family User Rates FYE 2017

	A	B	C	D	E	F	G	H
	Annual HCF	Rate of Return	Sewer Flow HCF	Base Charge	Commodity Charge	Total Annual	Total Monthly	Percent Change
Current 2016 Charges	112	75%	84	\$146.78	\$4.19	D+(E*C)	F/12	
2017 Approved Rates				\$150.89	\$4.23	\$506.21	\$42.18	1.5%
2017 Updated Rates				\$211.71	\$4.46	\$586.44	\$48.87	
Change from 2017 Approved						\$80.23	\$6.69	15.8%
Total Change from 2016						\$87.70	\$7.31	17.6%

The average Imperial Beach single family customer uses 112 HCF annually. For rate setting purposes this is reduced by an industry standard rate of return to the sewer of 25% to convert water usage to a sewer flow of 84 HCF annually. This can further be converted to monthly of 9 HCF and 7 HCF respectively. The following rates are shown on the 1-6 chart in the order they appear:

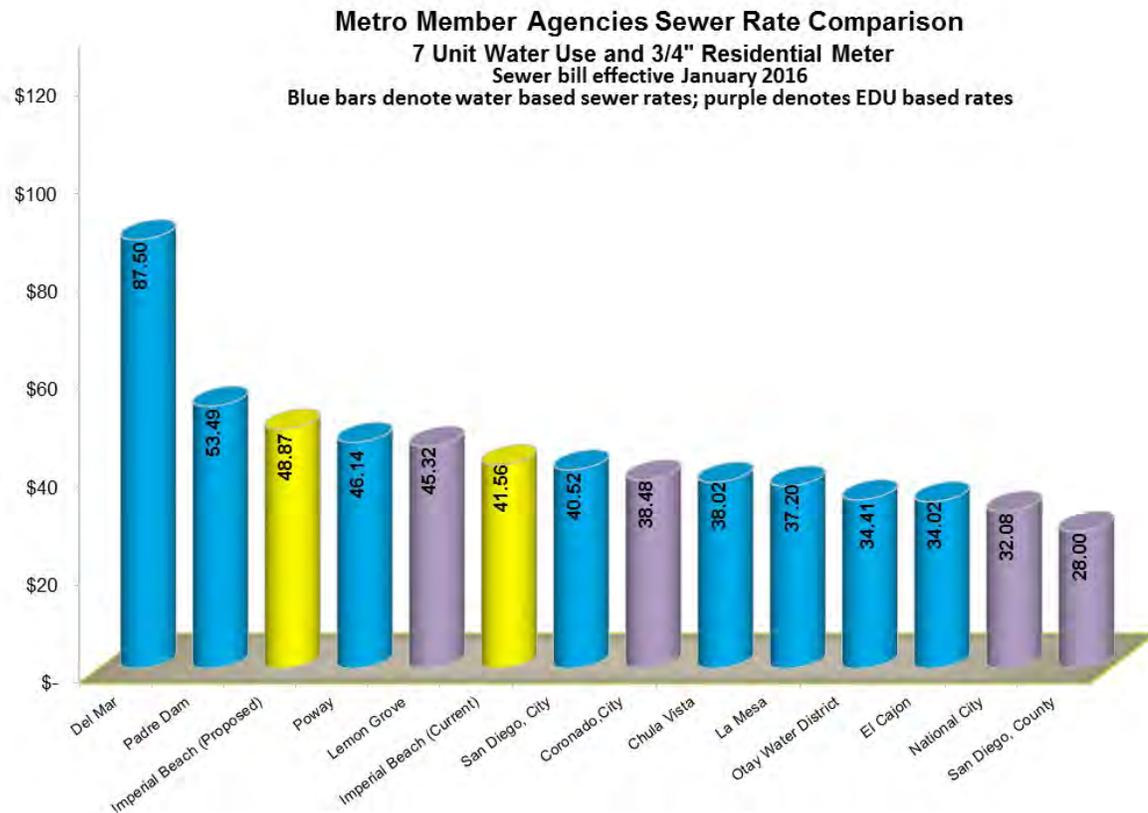
- Current adopted FYE 2016 rates of \$498.74 annually or \$41.56 monthly.
- Currently approved FYE 2017 rates adopted in the 2013 study which will be implemented January 2017.
- FYE 2017 adopted rates updated to current costs, users, and flow to create proposed annual rates.

It should be noted that the revised FYE 2017 rate adjustment includes two parts. The first is the 2013 adopted increase of \$.62 per month. The second is an additional \$6.69 per month to cover the increased Metro, Imperial Beach CIP, and reserve fund replenishment costs as well as the

adjustment for decreased water usage and loss of Navy revenue for a total of \$7.31 per month. It should be noted the increased Metro costs account for 5.9% of this proposed 17.6% rate adjustment.

Figure 1-3 summarizes all San Diego Metro Member Agencies comparative sewer user rates based on 7 HCF of water usage/sewer flow and a residential monthly base fee. It should be noted that the majority of the Metro agencies are in the process of updating their sewer user rates to include funding for the Pure Water Program.

Figure 1-3 Metro Member Agencies Sewer Rate Comparison



1.3 Other Billing Issues

As part of this study, City staff requested that the City's current definition of a multi-family unit versus single family be reviewed and potentially revised. The City's current definitions of single family and multi-family are:

- **Single-family residential** means the residential customer classification where one living unit is served by one water meter with the exception of that where four or more living units are attached then they are treated as multi-family residential regardless of the number of water meters.
- **Multi-family residential** means the residential customer classification with more than one living unit served by a single water meter, and shall include all residential accounts other than single-family residential.

A Review of These Definitions

As will be noted the current definitions are not clear in defining what is considered a single family residence and what a multi-family complex is. This is further complicated by the fact that the City does not have control over sizing and/or numbers of water meters attached to a residential or multi-family unit. This has been determined by Cal Am Water Company in the past and has not been consistent over the years. The City and Cal Am are currently in agreement that all living units, whether they are single family or multi-family, will be individually metered going forward. However, to individually meter all existing units would be costly and in many cases not feasible due to the installed plumbing. Thus, an update to the current definitions is more realistic and can be done by amending the City's code.

TKG gathered multi-family definitions from other Metro member agencies. One of the clearer definitions provided by other agencies is from the Otay Water District (Section 53.09 Basis for Determination of EDUs).

- **Residential Facilities EDUs** – The number of EDUs for sewer service shall be determined on the following basis:
 - Single-Family Residence (Includes manufactured homes, and mobile homes which are on private lots). A secondary structure with a kitchen is considered an additional EDU;
 - Apartments and Multiple Family Housing – Each individual living unit;
 - Residential condominiums – Each individual living unit;
 - Mobile Home and Trailer Parks – Per each individual space
- **Multi-Residential Rate Charges** – Defined as sewer service for master metered water service for multiple-residential households including for example; duplex, townhomes, apartments, and mobile homes.

The City of La Mesa further defines what a single dwelling unit is. One dwelling unit would be what Otay refers to as “an EDU”. It should be noted that La Mesa considers a duplex to be a single family living unit (in other words a duplex is considered to be two single family units). Accessory dwelling units are also considered to be single family as long as they comply with the definitions that follow:

- **Dwelling unit** is one independent living facility in a building or buildings intended for or providing permanent residence. The presence of independent living facilities for purposes of this title may be based on the existence of such facilities as:
 - Kitchen facilities (room or space used, intended for, or designated for food preparation, cooking and eating)
 - Toilet facilities
 - Bathing facilities
 - Separate connections to, or separate metering of, any utility
 - Separate access from outdoors
 - Lack of access from the interior of any other dwelling or structure
- **Accessory dwelling unit** means either a detached or attached dwelling unit which provides complete, independent living facilities for one or two persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel or parcels as the primary unit is situated.

Due to the configuration of multiple types of residential units on one parcel it is recommended that the La Mesa definition of a single family residential unit, modified for the City's water metering anomalies should be adopted. It could read as follows:

- **Dwelling unit** is one independent living facility in a building or buildings intended for or providing permanent residence. The presence of independent living facilities for purposes of this title may be based on the existence of such facilities as:
 - Kitchen facilities (room or space used, intended for, or designated for food preparation, cooking and eating)
 - Toilet facilities
 - Bathing facilities
 - Separate access from outdoors
 - Lack of access from the interior of any other dwelling or structure
- **Accessory dwelling unit** means either a detached or attached dwelling unit which provides complete, independent living facilities for one or two persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the primary unit is situated.

It is further recommended that the City, like La Mesa, consider a duplex to be two single family residences. A multi-family living unit would follow the definition of a dwelling unit as described above but would be a tri-plex or larger or more than two living units on a parcel. The City should base these definitions on a per parcel basis not a per water meter basis due to the inconsistencies in the installation of water meters in the past.

City staff may wish to continue discussions with their planning consultants to see if the description of single versus multi-family should be further amended to include additional criteria in the definitions.

Section 2 - Capacity Fee Update

At the time of connection to a public agency's utility system, or at the expansion of existing units on a connection line, customers are typically charged a capacity fee. The capacity fee requires new users to pay for their share of costs to construct facilities required to provide their utility service or in the case of increased density their increased intensity of use. Revenues generated through capacity fees can be used to directly offset system expansion costs and/or for renewal and replacement capital projects. Use of capacity fee revenues to offset these CIP costs reduces the amount of revenue required from rates assessed to existing users. This way, capacity fee revenues in effect, reimburse existing users (through lower rates) for costs they have incurred to build and maintain capacity for new users to connect to.

2.1 Overview of the Capacity Fee Rate Update Study

In 2013 discussions with City staff, The Keze Group was requested to update the City's sewer capacity fees to reflect the true value of its capital facilities, to ensure that these fees are in accordance with current industry guidelines and practice, and to properly value the City's investment in the Metro System and create a capacity fee per equivalent dwelling unit (EDU²)

Table 2-1 shows the three components of the 2013 developed capacity fee. The upper portion of the table shows the capacity fee based on the value of the City's wastewater system (line 2). The middle portion of the table shows the value of the City's pump stations and the related capacity fee (line 4). The lower portion of the table shows the San Diego Metro component of the capacity fee (line 6). Each component of the capacity fee is calculated by taking the value of facilities and dividing by the current total EDUs. Line 7 shows the total capacity fee for one sewer unit (EDU), summing all components, under each valuation method. For each new customer or for increased density, the City will ascertain, at the time of capacity fee assessment, the number of new EDUs required and charge the fee accordingly.

California state law regarding capacity fees requires a valuation of an agencies system as was prepared by the 2013 study. Once the total value of the system is established as shown in Table 2-1 an agency can establish their capacity fee up to the maximum valuation determined by the valuation. However, an agency can choose to adopt a lower capacity fee. In 2013 the City Council directed staff and consultant to adopt a capacity fee based on the replacement cost less depreciation methodology for only the City's assets of \$2,667 per EDU and then potentially phase in the remaining \$2,108 per EDU for the valuation of the Metro System due to the 2013 economic climate.

² One EDU is equivalent to the assumed gallons per day of a single family residential user. Imperial Beach uses 232 gallons per day for a single family residential user. All other users are assigned EDUs at the time they purchase a capacity fee in their proportional relationship to a single family user.

Table 2-1 Sewer Capacity Fee Determination

(A)	(B)	(C)	(D)
Line No.	Valuation Component	Replacement Costs	Replacement Cost Less Depreciation
1	Pipelines	\$46,031,303	\$23,015,652
2	Cost Per EDU (a)	\$4,352	\$2,176
3	Pump Stations	\$15,596,987	\$5,197,589
4	Cost Per EDU (a)	\$1,475	\$491
5	Metro Assets	\$32,818,033	\$22,300,011
6	Cost Per EDU (a)	\$3,103	\$2,108
7	<u>Total Cost Per EDU</u>	\$8,929	\$4,776

(a) Total EDUs

10,577

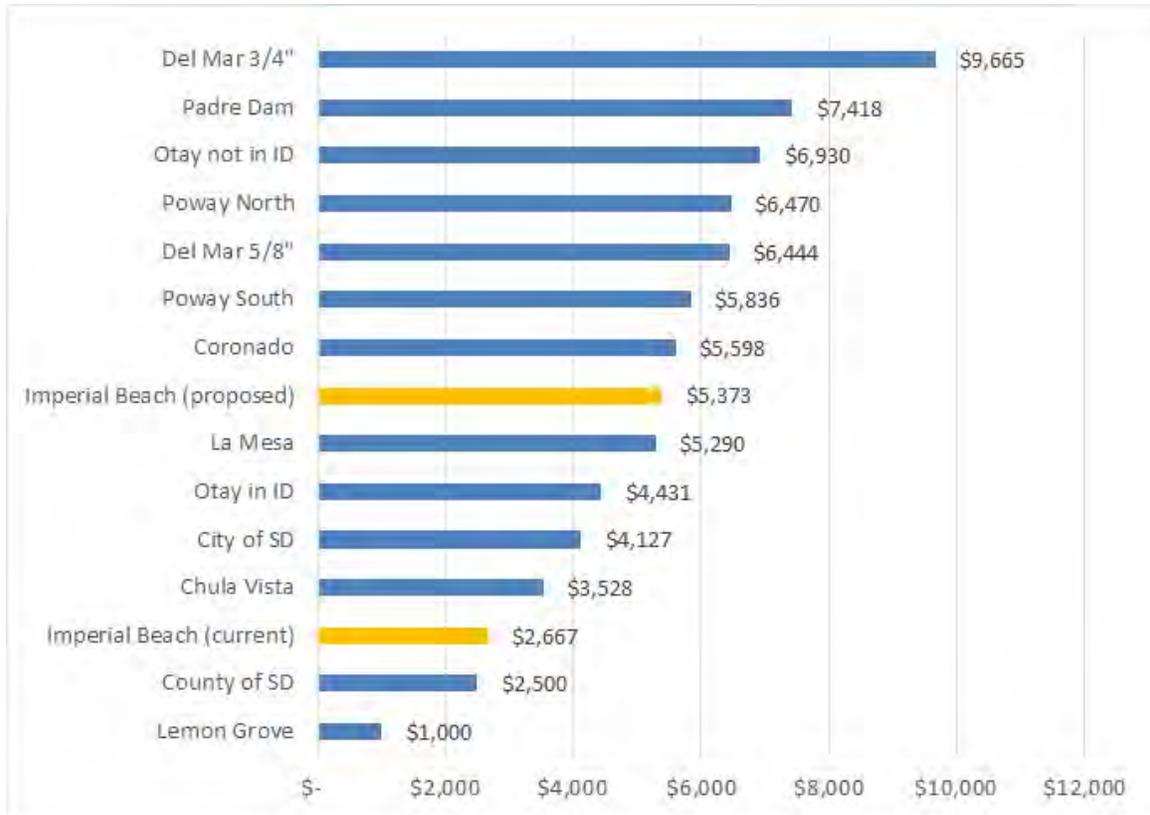
10,577

Note: Pipelines and Pump Stations are based on replacement costs
Metro Assets are valued as Reproduction Cost from Raftelis 2005 Study
brought to present value using the June 2012 ENR

The City's economic climate has much improved since 2013 and staff and the City Council would like to move forward with the adoption of the Metro portion of the capacity fee. In addition the valuation numbers for both the City's and the Metro assets have been updated based on the change in the San Diego Consumer Price Index to reflect inflation since 2013 (12.5%). This produces a fee per EDU of \$5,373.

The following figure summarizes the capacity fees per EDU for each of the Metro member agencies. It should be noted that all of the fees that are \$5,000 and above include one of the Metro system valuation scenarios. Otay uses a special financing method called Improvement Districts and since those costs are already being paid by a property owner in their property taxes they cannot be included in a capacity fee – thus the in ID fee just includes San Diego Metro. In addition, the City of Lemon Grove is in the process of updating their capacity fee that was originally set in the early 1980s.

Figure 2-1 Metro Member Agency Capacity Fee Survey



The City's adopted FYE 2017 budget projects \$30,000 in capacity fee revenue. The implementation of the Metro portion of the capacity fee would serve to double this projected revenue and provide much needed capital financing for capacity expansion and rehabilitation repairs. As stated earlier, every \$100,000 in change to the sewer user revenue requirement is \$1.10 per month per average single family user. This applies to revenue requirement decreases as well as increases. Thus, increased revenue from capacity fees would help moderate future user rate adjustments.

Section 3 - Summary and Conclusions

The City proposes to update its sewer service charges and capacity fees. This report proposes several potential changes to both. This report includes two appendices to provide for detailed data of the final rates. Appendix A contains the full output from the economic model used to create the user rates. Appendix B contains the full output from the capacity fee model. The following recommendations are presented for Council's review, discussion, and potential adoption.

3.1 Sewer User Fee Recommendations

1. Update 2013 adopted rate case to reflect current budget and financial forecasts
2. Update 2013 adopted rate case to reflect current users, use, and revenue requirement
3. Adopt a revised "pass-through" ordinance to protect the City from unknown future costs
4. Formally adopt and implement reserve policies
 - Rate stabilization reserve: 6-months operating cash
 - Rebuild to \$2 million minimum over five-years as per Council policy
 - Capital reserve: Increase from \$400,000 to \$600,000 annually for required major capital repairs
 - Replacement reserve: establish based on annual depreciation (+\$200,000) to provide a reserve for replacement projects. Phase in reserve over five-years.
5. Review annual actual revenue to projected revenue to maintain financial stability should use patterns or revenue requirement change.
 - Especially review in FYE 2018 and FYE 2019 for change in adjustments by the Pure Water Program

3.2 Capacity Fee Recommendations

Fully implement 2013 fee recommendations to include Metro portion of the capacity fee

1. Update 2013 fee to reflect inflation
 - San Diego Consumer Price Index shows 12.5% inflation since 2013 valuation study

APPENDIX A

City of Imperial Beach
Sewer Enterprise Fund

Non - Operating Revenue	Old Model	FY16	FY17	FY18	FY19	FY20	FY21
	FY16	1	2	3	4	5	6
NOLF-REAM FLD-SEWER FEES							
SEWER CAPACITY FEES							
SEWER FEES SPECIAL BILLED							
SEWER BLDG PERMITS							
OTHER	32,185	30,000	30,000	30,000	30,000	30,000	30,000
JURMP CHARGES	115,000						
	147,185	30,000	30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
601-5060 SEWER ENTERPRISE FUND							
Employee Costs							
436.10-01 SALARIES FULL-TIME	\$240,933	\$252,693	\$ 262,011	\$ 269,871	\$ 277,967	\$ 286,306	\$ 294,896
436.10-03 OVERTIME	\$13,331	\$12,200	\$ 12,200	\$ 12,566	\$ 12,943	\$ 13,331	\$ 13,731
436.10-07 STAND-BY PAY	\$20,762	\$21,000	\$ 21,000	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636
436.11-01 PERS-CITY PORTION	\$29,675	\$48,138	\$ 51,092	\$ 52,625	\$ 54,204	\$ 55,830	\$ 57,504
436.11-02 PERS-EMPLOYEE PORTION	\$4,819	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
436.11-03 SECTION 125 CAFETERIA	\$48,845	\$57,094	\$ 57,094	\$ 58,807	\$ 60,571	\$ 62,388	\$ 64,260
436.11-04 LIFE INSURANCE	\$437	\$664	\$ 664	\$ 684	\$ 704	\$ 726	\$ 747
436.11-05 UNEMPLOYMENT INSURANCE	\$2,371	\$2,170	\$ 2,170	\$ 2,235	\$ 2,302	\$ 2,371	\$ 2,442
436.11-06 WORKER'S COMP INSURANCE	\$1,748	\$6,532	\$ 6,532	\$ 6,728	\$ 6,930	\$ 7,138	\$ 7,352
436.11-07 FICA	\$19,217	\$20,686	\$ 21,399	\$ 22,041	\$ 22,702	\$ 23,383	\$ 24,085
Other Costs							
436.20-06 PROFESSIONAL SERVICES	\$10,612	\$10,000	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,716	\$ 11,038
436.20-23 SECURITY & ALARM	\$3,820	\$4,000	\$ 4,000	\$ 4,080	\$ 4,162	\$ 4,286	\$ 4,415
436.21-01 TEMPORARY STAFFING	\$26,530	\$30,000	\$ 30,000	\$ 30,600	\$ 31,212	\$ 32,148	\$ 33,113
436.21-04 TECHNICAL SERVICES	\$2,556,138	\$2,336,709	\$2,473,572	\$2,638,181	\$2,819,465	\$2,904,049	\$2,991,170
436.21-23 TRAFFIC CONTROL	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
436.25-02 RENT-EQUIPMENT	\$1,061	\$1,000	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,072	\$ 1,104
436.26-03 PUBLIC WORKS ADMIN	\$247,501	\$348,882	\$ 348,882	\$ 355,860	\$ 362,977	\$ 373,866	\$ 385,082
436.26-04 ABC-ADMIN SVC CHARGE	\$242,249	\$146,527	\$ 146,527	\$ 149,458	\$ 152,447	\$ 157,020	\$ 161,731
436.26-05 ABC-TECHNOLOGY SVC CHARGE	\$7,527	\$25,590	\$ 25,590	\$ 26,102	\$ 26,624	\$ 27,423	\$ 28,245
436.26-06 ABC-RISK MGMT SVC CHARGE	\$19,049	\$10,419	\$ 10,419	\$ 10,627	\$ 10,840	\$ 11,165	\$ 11,500
436.26-07 ABC-FMP EQUIPMENT CHARGE	\$43,987	\$93,709	\$ 93,709	\$ 95,583	\$ 97,495	\$ 100,420	\$ 103,432
436.26-08 ABC-FACILITIES CHARGE		\$9,083	\$ 9,083	\$ 9,265	\$ 9,450	\$ 9,733	\$ 10,025
436.27-01 GAS & ELECTRIC (SDG&E)	\$72,162	\$68,000	\$ 70,000	\$ 71,400	\$ 72,828	\$ 75,013	\$ 77,263
436.27-02 UTILITIES-WATER	\$3,714	\$6,700	\$ 7,200	\$ 7,344	\$ 7,491	\$ 7,716	\$ 7,947
436.27-04 UTILITIES-TELEPHONE	\$3,820	\$2,500	\$ 2,500	\$ 2,550	\$ 2,601	\$ 2,679	\$ 2,759
436.28-01 MAINTENANCE & REPAIR	\$40,750	\$40,800	\$ 38,800	\$ 39,576	\$ 40,368	\$ 41,579	\$ 42,826
436.28-04 TRAVEL, TRAINING, MEETING	\$0	\$5,200	\$ 5,700	\$ 5,814	\$ 5,930	\$ 6,108	\$ 6,291
436.28-09 POSTAGE & FREIGHT	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
436.28-12 MEMBERSHIP DUES	\$849	\$900	\$ 900	\$ 918	\$ 936	\$ 964	\$ 993
436.28-13 FEES & LICENSES	\$4,563	\$2,950	\$ 2,950	\$ 3,009	\$ 3,069	\$ 3,161	\$ 3,256
436.29-04 OTHER SERVICES & CHARGES	\$8,914	\$8,400	\$ 8,400	\$ 8,568	\$ 8,739	\$ 9,002	\$ 9,272
436.30-02 OPERATING SUPPLIES	\$15,541	\$13,895	\$ 13,960	\$ 14,239	\$ 14,524	\$ 14,960	\$ 15,408
436.30-22 SMALL TOOLS/NON-CAPITAL	\$1,486	\$1,400	\$ 1,400	\$ 1,428	\$ 1,457	\$ 1,500	\$ 1,545
436.50-04 EQUIPMENT	\$0	\$42,000	\$ 36,000	\$ 36,720	\$ 37,454	\$ 38,578	\$ 39,735
436.00-00 REBUILD OPERATIONS RESERVE	\$99,002		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
436.90-01 TRANSFER OUT	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL SEWER ENTERPRISE FUND	3,791,417	3,629,841	4,074,754	\$ 4,269,728	\$ 4,482,115	\$ 4,607,578	\$ 4,736,806

City of Imperial Beach
Sewer Enterprise Fund

	Old Model	FY16	FY17	FY18	FY19	FY20	FY21
TOTAL O&M	3,791,417	3,629,841	4,074,754	4,269,728	4,482,115	4,607,578	4,736,806
Historic Capital Reserve Annual Funding (\$400K inflated)							
Transfer to Capital Reserve for CIP Funding	424,360	424,360	637,091	656,204	675,890	696,166	717,051
	-	-	-	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL RESERVE	\$ 424,360	\$ 424,360	\$ 637,091	\$ 656,204	\$ 675,890	\$ 696,166	\$ 717,051
Transfers							
Establish Minimum Capital Reserve Fund	250,000	204,928	100,000	103,000	106,090	200,000	206,000
Note: Based on 2015 depreciation plus construction inflation							
TOTAL TRANSFERS	\$ 250,000	\$ 204,928	\$ 100,000	\$ 103,000	\$ 106,090	\$ 200,000	\$ 206,000
TOTAL NONOPERATING EXPENDITURES	\$ 674,360	\$ 629,288	\$ 737,091	\$ 759,204	\$ 781,980	\$ 896,166	\$ 923,051
RESERVES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE REQUIREMENTS	\$ 4,318,592	\$ 4,229,129	\$ 4,781,845	\$ 4,998,932	\$ 5,234,094	\$ 5,473,744	\$ 5,629,857
PERCENTAGE ALLOCATED to EACH COMPONENT							
TOTAL BUDGET PRIOR TO TRANSFERS	4,318,592	4,229,129	4,781,845	4,998,932	5,234,094	5,473,744	5,629,857

City of Imperial Beach
 FY 16 Base Year Model
 Step 2 -- Determination of Unit Costs

		FY16	FY17	FY18	FY19	FY20	FY21
Cost Category		Unit Cost					
1. Customer Related Costs		\$ 258,626	\$ 320,236	\$ 326,309	\$ 332,530	\$ 340,706	\$ 349,127
Number of Customers		6,155	6,155	6,155	6,155	6,155	6,155
Unit Cost (\$ / Customer)		\$ 42.02	\$ 52.03	\$ 53.02	\$ 54.03	\$ 55.35	\$ 56.72
2. Capacity Related Costs		\$ 858,746	\$ 1,119,136	\$ 1,143,875	\$ 1,169,270	\$ 1,199,848	\$ 1,231,343
Number of Hydraulic Equivalencies		7,009	7,009	7,009	7,009	7,009	7,009
Unit Cost		\$ 122.53	\$ 159.68	\$ 163.21	\$ 166.83	\$ 171.19	\$ 175.69
Total Fixed Charge Based on Hydraulic Meters		\$ 164.55	\$ 211.71	\$ 216.22	\$ 220.86	\$ 226.55	\$ 232.41
Accounts		6,155	6,155	6,155	6,155	6,155	6,155
Base Charge (Fixed costs divided by total accounts)		\$ 181.54	\$ 233.85	\$ 238.86	\$ 244.00	\$ 250.29	\$ 256.78
3. Collection System Volume Related Costs		\$ 775,048	\$ 868,900	\$ 890,566	\$ 912,830	\$ 1,029,142	\$ 1,058,216
Annual Flow (HCF)		738,168	738,168	738,168	738,168	738,168	738,168
Unit Cost (\$ / HCF)		\$ 1.05	\$ 1.18	\$ 1.21	\$ 1.24	\$ 1.39	\$ 1.43
4. Treatment Plant - Wastewater Strength Related		\$ 2,336,709	\$ 2,473,572	\$ 2,638,181	\$ 2,819,465	\$ 2,904,049	\$ 2,991,170
	Parameter Allocation %'s						
Flow (HCF)	49.1%	\$ 1,147,324	\$ 1,214,524	\$ 1,295,347	\$ 1,384,357	\$ 1,425,888	\$ 1,468,664
BOD (LBS.)	24.0%	\$ 560,810	\$ 593,657	\$ 633,163	\$ 676,672	\$ 696,972	\$ 717,881
SS (LBS.)	26.9%	\$ 628,575	\$ 665,391	\$ 709,671	\$ 758,436	\$ 781,189	\$ 804,625
	100.00%						
Annual Flow (HCF)		738,168	738,168	738,168	738,168	738,168	738,168
Pounds of BOD (lbs)	50.9%	975,542	975,542	975,542	975,542	975,542	975,542
Pounds of SS (lbs)		945,263	945,263	945,263	945,263	945,263	945,263
Unit Cost (\$ / HCF)		\$ 1.55	\$ 1.65	\$ 1.75	\$ 1.88	\$ 1.93	\$ 1.99
Unit Cost (\$ / lb)		\$ 0.57	\$ 0.61	\$ 0.65	\$ 0.69	\$ 0.71	\$ 0.74
Unit Cost (\$ / lb)		\$ 0.66	\$ 0.70	\$ 0.75	\$ 0.80	\$ 0.83	\$ 0.86
Total Revenue Requirement For Rates		\$ 4,229,129	\$ 4,781,845	\$ 4,998,932	\$ 5,234,094	\$ 5,473,744	\$ 5,629,857
Add ___ Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add Fog Program Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 4,229,129	\$ 4,781,845	\$ 4,998,932	\$ 5,234,094	\$ 5,473,744	\$ 5,629,857
Check		-	-	-	-	-	-

City of Imperial Beach
 FY 16 Base Year Model
 Step 3 -- Sewer User Rate Calculation By Fund and Cost

FY16 (revised)	No. of Accounts	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Cust)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 42.02	\$ 122.53	\$ 1.05	\$ 1.65	\$ 0.57	\$ 0.66	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 183,244	\$ 541,689	\$ 383,722	\$ 568,034	\$ 262,314	\$ 303,428	\$ 2,242,430
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 183,244	\$ 541,689	\$ 383,722	\$ 568,034	\$ 262,314	\$ 303,428	\$ 2,242,430
Rest/Bakeries/Mort./Groc.	41	56	11,139	69,540	41,724	\$ 1,723	\$ 6,902	\$ 11,696	\$ 17,314	\$ 39,977	\$ 27,745	\$ 105,357
Small Commercial	103	136	10,792	10,106	10,106	\$ 4,328	\$ 16,704	\$ 11,331	\$ 16,774	\$ 5,809	\$ 6,720	\$ 61,667
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 420	\$ 3,267	\$ 9,613	\$ 14,231	\$ 4,929	\$ 4,181	\$ 36,641
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,059	\$ 24,424	\$ 19,832	\$ 29,359	\$ 8,812	\$ 7,841	\$ 92,327
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 504	\$ 4,043	\$ 10,953	\$ 16,214	\$ 14,975	\$ 17,322	\$ 64,012
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,261	\$ 6,085	\$ 6,311	\$ 9,343	\$ 3,883	\$ 6,987	\$ 33,871
Mixed Use Heavy	2	3	302	850	453	\$ 84	\$ 327	\$ 318	\$ 470	\$ 488	\$ 301	\$ 1,988
Navy	1	1	5	6	10	\$ 42	\$ 123	\$ 5	\$ 7	\$ 3	\$ 7	\$ 186
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 64,961	\$ 255,181	\$ 321,267	\$ 475,580	\$ 219,619	\$ 254,042	\$ 1,590,650
Subtotal Non-Residential	1,794	2,588	372,705	519,241	488,962	\$ 75,382	\$ 317,057	\$ 391,326	\$ 579,290	\$ 298,496	\$ 325,147	\$ 1,986,699
Total	6,155	7,009	738,168	975,542	945,263	\$ 258,626	\$ 858,746	\$ 775,048	\$ 1,147,324	\$ 560,810	\$ 628,575	\$ 4,229,129
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	-
						\$ 1,117,372						

FY17	No. of Accounts	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Cust)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 52.03	\$ 159.63	\$ 1.18	\$ 1.65	\$ 0.61	\$ 0.70	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 226,897	\$ 705,941	\$ 430,188	\$ 601,304	\$ 277,678	\$ 321,200	\$ 2,563,207
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 226,897	\$ 705,941	\$ 430,188	\$ 601,304	\$ 277,678	\$ 321,200	\$ 2,563,207
Rest/Bakeries/Mort./Groc.	41	56	11,139	69,540	41,724	\$ 2,133	\$ 8,995	\$ 13,112	\$ 18,328	\$ 42,318	\$ 29,370	\$ 114,257
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,359	\$ 21,770	\$ 12,703	\$ 17,756	\$ 6,150	\$ 7,114	\$ 70,851
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 520	\$ 4,258	\$ 10,777	\$ 15,064	\$ 5,217	\$ 4,426	\$ 40,263
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,549	\$ 31,829	\$ 22,234	\$ 31,078	\$ 9,329	\$ 8,301	\$ 105,320
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 624	\$ 5,269	\$ 12,279	\$ 17,164	\$ 15,852	\$ 18,337	\$ 69,526
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,561	\$ 7,931	\$ 7,076	\$ 9,890	\$ 4,110	\$ 7,396	\$ 37,964
Mixed Use Heavy	2	3	302	850	453	\$ 104	\$ 426	\$ 356	\$ 498	\$ 517	\$ 319	\$ 2,219
Navy	1	1	5	6	10	\$ 52	\$ 160	\$ 5	\$ 7	\$ 3	\$ 7	\$ 235
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 80,436	\$ 332,558	\$ 360,170	\$ 503,435	\$ 232,483	\$ 268,921	\$ 1,778,003
Subtotal Non-Residential	1,794	2,588	372,705	519,241	488,962	\$ 93,339	\$ 413,196	\$ 438,712	\$ 613,220	\$ 315,979	\$ 344,191	\$ 2,218,638
Total	6,155	7,009	738,168	975,542	945,263	\$ 320,236	\$ 1,119,136	\$ 868,900	\$ 1,214,524	\$ 593,657	\$ 665,391	\$ 4,781,845
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	-
						1,439,373						

FY18												
User Group	No. of Accounts	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Cust)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 53.02	\$ 163.21	\$ 1.21	\$ 1.75	\$ 0.65	\$ 0.75	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 231,200	\$ 721,546	\$ 440,914	\$ 641,319	\$ 296,156	\$ 342,575	\$ 2,673,710
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 231,200	\$ 721,546	\$ 440,914	\$ 641,319	\$ 296,156	\$ 342,575	\$ 2,673,710
Rest/Bakeries/Mort./Gro.	41	56	11,139	69,540	41,724	\$ 2,174	\$ 9,194	\$ 13,439	\$ 19,547	\$ 45,134	\$ 31,325	\$ 120,813
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,461	\$ 22,251	\$ 13,020	\$ 18,938	\$ 6,569	\$ 7,587	\$ 73,815
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 530	\$ 4,352	\$ 11,046	\$ 16,067	\$ 5,565	\$ 4,720	\$ 42,280
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,598	\$ 32,533	\$ 22,788	\$ 33,146	\$ 9,949	\$ 8,853	\$ 109,868
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 636	\$ 5,386	\$ 12,586	\$ 18,306	\$ 16,907	\$ 19,557	\$ 73,378
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,590	\$ 8,106	\$ 7,252	\$ 10,548	\$ 4,384	\$ 7,888	\$ 39,769
Mixed Use Heavy	2	3	302	850	453	\$ 108	\$ 435	\$ 365	\$ 531	\$ 551	\$ 340	\$ 2,328
Navy	1	1	5	6	10	\$ 53	\$ 163	\$ 5	\$ 8	\$ 4	\$ 8	\$ 241
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 81,982	\$ 339,909	\$ 369,150	\$ 536,937	\$ 247,954	\$ 286,817	\$ 1,862,729
Subtotal Non-Residential	1,784	2,588	372,705	519,241	488,962	\$ 95,110	\$ 422,330	\$ 449,652	\$ 654,028	\$ 337,007	\$ 367,096	\$ 2,325,222
Total	6,155	7,009	738,168	975,542	945,263	\$ 326,309	\$ 1,143,875	\$ 890,566	\$ 1,295,347	\$ 633,163	\$ 709,671	\$ 4,998,932
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	\$ -

FY19												
User Group	No. of Meters	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Hyd Eq Meter)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 54.03	\$ 166.83	\$ 1.24	\$ 1.88	\$ 0.69	\$ 0.80	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 235,607	\$ 737,564	\$ 451,937	\$ 685,387	\$ 316,507	\$ 366,115	\$ 2,793,118
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 235,607	\$ 737,564	\$ 451,937	\$ 685,387	\$ 316,507	\$ 366,115	\$ 2,793,118
Rest/Bakeries/Mort./Gro.	41	56	11,139	69,540	41,724	\$ 2,215	\$ 9,398	\$ 13,775	\$ 20,891	\$ 48,236	\$ 33,478	\$ 127,992
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,565	\$ 22,745	\$ 13,345	\$ 20,239	\$ 7,010	\$ 8,108	\$ 77,012
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 540	\$ 4,449	\$ 11,322	\$ 17,171	\$ 5,947	\$ 5,045	\$ 44,473
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,647	\$ 33,255	\$ 23,358	\$ 35,424	\$ 10,633	\$ 9,461	\$ 114,779
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 648	\$ 5,505	\$ 12,800	\$ 19,564	\$ 18,069	\$ 20,901	\$ 77,588
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,621	\$ 8,266	\$ 7,433	\$ 11,273	\$ 4,685	\$ 8,431	\$ 41,729
Mixed Use Heavy	2	3	302	850	453	\$ 108	\$ 445	\$ 374	\$ 567	\$ 589	\$ 364	\$ 2,447
Navy	1	1	5	6	10	\$ 54	\$ 167	\$ 6	\$ 8	\$ 4	\$ 8	\$ 247
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 83,524	\$ 347,455	\$ 378,379	\$ 573,833	\$ 264,992	\$ 306,526	\$ 1,954,709
Subtotal Non-Residential	1,784	2,588	372,705	519,241	488,962	\$ 96,923	\$ 431,706	\$ 460,893	\$ 698,970	\$ 360,165	\$ 392,321	\$ 2,440,976
Total	6,155	7,009	738,168	975,542	945,263	\$ 332,530	\$ 1,169,270	\$ 912,830	\$ 1,384,357	\$ 676,672	\$ 758,436	\$ 5,234,084
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	\$ -

FY20	No. of Meters	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Hyd Eq Meter)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 56.35	\$ 171.19	\$ 1.39	\$ 1.93	\$ 0.71	\$ 0.83	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 241,400	\$ 756,853	\$ 509,522	\$ 705,949	\$ 326,002	\$ 377,098	\$ 2,916,825
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 241,400	\$ 756,853	\$ 509,522	\$ 705,949	\$ 326,002	\$ 377,098	\$ 2,916,825
Rest/Bakeries/Mort./Groc.	41	56	11,139	69,540	41,724	\$ 2,270	\$ 9,644	\$ 15,530	\$ 21,517	\$ 49,683	\$ 34,482	\$ 133,126
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,701	\$ 23,340	\$ 15,046	\$ 20,846	\$ 7,220	\$ 8,352	\$ 80,505
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 554	\$ 4,565	\$ 12,765	\$ 17,686	\$ 6,125	\$ 5,196	\$ 46,890
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,712	\$ 34,125	\$ 26,334	\$ 36,487	\$ 10,952	\$ 9,745	\$ 120,355
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 664	\$ 5,649	\$ 14,544	\$ 20,151	\$ 18,611	\$ 21,528	\$ 81,148
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,661	\$ 8,503	\$ 8,381	\$ 11,611	\$ 4,826	\$ 8,683	\$ 43,665
Mixed Use Heavy	2	3	302	850	453	\$ 111	\$ 457	\$ 422	\$ 584	\$ 607	\$ 374	\$ 2,554
Navy	1	1	5	6	10	\$ 55	\$ 171	\$ 6	\$ 9	\$ 4	\$ 9	\$ 254
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 85,578	\$ 356,542	\$ 426,592	\$ 591,048	\$ 272,942	\$ 315,721	\$ 2,048,423
Subtotal Non-Residential	1,794	2,588	372,705	519,241	488,962	\$ 99,306	\$ 442,995	\$ 519,620	\$ 719,939	\$ 370,969	\$ 404,091	\$ 2,556,919
Total	6,155	7,009	738,168	975,542	945,263	\$ 340,706	\$ 1,199,848	\$ 1,029,142	\$ 1,425,888	\$ 696,972	\$ 781,189	\$ 5,473,744
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	\$ -

FY21	No. of Meters	Hydraulic Equivalent Meters	Annual Flow Adj. for Rate of Return (HCF)	BOD Annual Load (lbs)	SS Annual Load (lbs)	Customer	Capacity	Volume (Flow)	Strength (Treatment)			Total Annual Revenue Required
						Unit Cost	Unit Cost	Unit Cost	Flow Unit Cost	BOD Unit Cost	SS Unit Cost	
						(\$/ Cust)	(\$/ Hyd Eq Meter)	(\$/HCF)	(\$/HCF)	(\$/lb.)	(\$/lb.)	
						\$ 56.72	\$ 175.69	\$ 1.43	\$ 1.99	\$ 0.74	\$ 0.85	
Single Family	4,361	4,421	365,463	456,301	456,301	\$ 247,367	\$ 776,720	\$ 523,917	\$ 727,128	\$ 335,782	\$ 388,411	\$ 2,999,325
Subtotal- Residential	4,361	4,421	365,463	456,301	456,301	\$ 247,367	\$ 776,720	\$ 523,917	\$ 727,128	\$ 335,782	\$ 388,411	\$ 2,999,325
Rest/Bakeries/Mort./Groc.	41	56	11,139	69,540	41,724	\$ 2,326	\$ 9,897	\$ 15,969	\$ 22,163	\$ 51,173	\$ 35,516	\$ 137,044
Small Commercial	103	136	10,792	10,106	10,106	\$ 5,842	\$ 23,952	\$ 15,471	\$ 21,472	\$ 7,437	\$ 8,602	\$ 82,776
Car Wash/Laundries	10	27	9,156	8,574	6,287	\$ 567	\$ 4,685	\$ 13,125	\$ 18,216	\$ 6,309	\$ 5,352	\$ 48,255
Public Agency/Institutional	49	199	18,889	15,329	11,792	\$ 2,779	\$ 35,021	\$ 27,078	\$ 37,581	\$ 11,281	\$ 10,037	\$ 123,778
Heavy Commercial	12	33	10,432	26,050	26,050	\$ 681	\$ 5,798	\$ 14,955	\$ 20,765	\$ 19,169	\$ 22,174	\$ 83,532
Mixed Use Light	30	50	6,011	6,755	10,507	\$ 1,702	\$ 8,726	\$ 8,617	\$ 11,960	\$ 4,971	\$ 8,944	\$ 44,919
Mixed Use Heavy	2	3	302	850	453	\$ 113	\$ 469	\$ 434	\$ 602	\$ 625	\$ 386	\$ 2,628
Navy	1	1	5	6	10	\$ 57	\$ 176	\$ 6	\$ 9	\$ 4	\$ 9	\$ 261
Multi-Family	1,546	2,083	305,980	382,033	382,033	\$ 87,693	\$ 365,901	\$ 438,644	\$ 608,779	\$ 281,130	\$ 325,193	\$ 2,107,340
Subtotal Non-Residential	1,794	2,588	372,705	519,241	488,962	\$ 101,760	\$ 454,624	\$ 534,299	\$ 741,537	\$ 382,099	\$ 416,213	\$ 2,630,532
Total	6,155	7,009	738,168	975,542	945,263	\$ 349,127	\$ 1,231,343	\$ 1,058,216	\$ 1,468,664	\$ 717,881	\$ 804,625	\$ 5,629,857
Check (Should = 0)	-	-	-	-	-	-	-	-	-	-	-	\$ -

City of Imperial Beach
 Service Charge Calculation fro 2014
 Based on FYE 2016 Meter Count

User Group	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	Total
Single Family	4,277	2	80	1	1				4,361
Multi-family	1,209		209	81	46	1			1,546
Rest/Bakeries/Mort./Groc.	31		6	3	1				41
Small Commercial	76		19	7	1				103
Car Wash/Laundries	3		1	5	1				10
Public Agency/Institutional	8	1	7	10	21		2		49
Heavy Commercial	2		5	2	3				12
Mixed Use Light	14		13	1	2				30
Mixed Use Heavy	1		1						2
Navy	1								1
Total	5,622	3	341	110	76	1	2	0	6,155

Scaling Factor-->	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	Total
5/8" AWWA Meter Capacity Factor -	1.0	1.5	2.5	5.0	8.0	15.0	25.0	50.0	
Hydraulic Capacity Factor	1.00	1.00	1.67	3.33	5.33	10.00	16.67	33.33	

Number of Hydraulic Equivalent Meters	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	Total
Single Family	4,277	2	133	3	5	0	0	0	4,421
Multi-family	1,209	0	348	270	245	10	0	0	2,083
Rest/Bakeries/Mort./Groc.	31	0	10	10	5	0	0	0	56
Small Commercial	76	0	32	23	5	0	0	0	136
Car Wash/Laundries	3	0	2	17	5	0	0	0	27
Public Agency/Institutional	8	1	12	33	112	0	33	0	199
Heavy Commercial	2	0	8	7	16	0	0	0	33
Mixed Use Light	14	0	22	3	11	0	0	0	50
Mixed Use Heavy	1	0	2	0	0	0	0	0	3
Navy	1	0	0	0	0	0	0	0	1
Total	5,622	3	568	367	405	10	33	0	7,009

Determination of Bi-Monthly Service Charge

	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	Total
Customer/Meter Data Summary									
Number of Customers (w/o Private F	5,622	3	341	110	76	1	2	0	6,155
Number of Hydraulic Equivalent Me	5,622	3	568	367	405	10	33	0	7,009
Hydraulic Capacity Factor	1.00	1.00	1.67	3.33	5.33	10.00	16.67	33.33	

Annual Service Charge

Customer Costs	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02	\$ 42.02
Capacity Costs	\$ 122.53	\$ 122.53	\$ 204.21	\$ 408.42	\$ 653.47	\$ 1,225.26	\$ 2,042.11	\$ 4,084.21	
Total Annual	\$ 164.55	\$ 164.55	\$ 246.23	\$ 450.44	\$ 695.49	\$ 1,267.28	\$ 2,084.12	\$ 4,126.23	
Monthly	\$ 13.71	\$ 13.71	\$ 20.52	\$ 37.54	\$ 57.96	\$ 105.61	\$ 173.68	\$ 343.85	

Customer Monetary Equivalent F:	1.00	1.00	1.50	2.74	4.23	7.70	12.67	25.08	
Current									

Summary of Fixed Cost FYE16 (Updated)

Customer Cost	\$ 258,626
Capacity Cost	\$ 858,746
Total Fixed Cost	\$ 1,117,372
Check (= 0)	\$ -

Monthly Service Charges and Revenue FYE2016 (Revised) to FYE2022:

Meter Size	No. of Meters	FYE 2016		FYE 2018	FYE 2019	FYE 2020	FYE 2021
		(Updated)	FYE 2017				
5/8"	5,622	\$ 164.55	\$ 211.71	\$ 216.22	\$ 220.86	\$ 226.55	\$ 232.41
3/4"	3	\$ 164.55	\$ 211.71	\$ 216.22	\$ 220.86	\$ 226.55	\$ 232.41
1"	341	\$ 246.23	\$ 316.80	\$ 323.56	\$ 330.50	\$ 339.01	\$ 347.79
1 1/2"	110	\$ 450.44	\$ 579.55	\$ 591.91	\$ 604.60	\$ 620.17	\$ 636.22
2"	76	\$ 695.49	\$ 894.84	\$ 913.93	\$ 933.51	\$ 957.57	\$ 982.35
3"	1	\$ 1,267.28	\$ 1,630.51	\$ 1,665.30	\$ 1,700.99	\$ 1,744.82	\$ 1,789.97
4"	2	\$ 2,084.12	\$ 2,681.48	\$ 2,738.69	\$ 2,797.38	\$ 2,869.46	\$ 2,943.71
6"	0	\$ 4,126.23	\$ 5,308.90	\$ 5,422.16	\$ 5,538.36	\$ 5,681.08	\$ 5,828.07
Total	6,155						

City of Imperial Beach
 FY 16 Base Year Model
 Step 4 -- Sewer Rate Determination

Months

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FY16 (Revised)				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate				Revenue - Fixed/ Flat Charges			
User Group	No. of Cust. Accts	Hydraulic Equivalents	Adjusted Yrly Consumption (HCF)	Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$ /HCF)	Cust Fixed Charge	Cap Fixed Charge (5/8")	Total Fixed Charge (5/8")	Commodity Rate (\$ /HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 514.20	\$ 42.85	\$ 181.54	\$ 4.15	\$ 3.50	\$ 10.21	\$ 13.71	\$ 4.15	\$ 724,933	\$ 1,517,497	\$ 2,242,430	53.0%
Subtotal- Residential	4,361	4,421	365,463									\$ 724,933	\$ 1,517,497	\$ 2,242,430	
Non-Residential (Includes Multi-Family)															
Rest/Bakeries/Mort./Gro.	41	56	11,139			\$ 181.54	\$ 8.68	\$ 3.50	\$ 10.21	\$ 13.71	\$ 8.68	\$ 8,625	\$ 96,731	\$ 105,357	2.5%
Small Commercial	103	136	10,792			\$ 181.54	\$ 3.77	\$ 3.50	\$ 10.21	\$ 13.71	\$ 3.77	\$ 21,032	\$ 40,634	\$ 61,667	1.5%
Car Wash/Laundries	10	27	9,156			\$ 181.54	\$ 3.60	\$ 3.50	\$ 10.21	\$ 13.71	\$ 3.60	\$ 3,688	\$ 32,953	\$ 36,641	0.9%
Public Agency/Institutional	49	199	18,889			\$ 181.54	\$ 3.49	\$ 3.50	\$ 10.21	\$ 13.71	\$ 3.49	\$ 26,483	\$ 65,845	\$ 92,327	2.2%
Heavy Commercial	12	33	10,432			\$ 181.54	\$ 5.70	\$ 3.50	\$ 10.21	\$ 13.71	\$ 5.70	\$ 4,548	\$ 59,465	\$ 64,012	1.5%
Mixed Use Light	30	50	6,011			\$ 181.54	\$ 4.41	\$ 3.50	\$ 10.21	\$ 13.71	\$ 4.41	\$ 7,346	\$ 26,524	\$ 33,871	0.8%
Mixed Use Heavy	2	3	302			\$ 181.54	\$ 5.22	\$ 3.50	\$ 10.21	\$ 13.71	\$ 5.22	\$ 411	\$ 1,577	\$ 1,988	0.0%
Navy	1	1	5			\$ 181.54	\$ 4.87	\$ 3.50	\$ 10.21	\$ 13.71	\$ 4.87	\$ 165	\$ 22	\$ 187	0.0%
Multi-Family	1,546	2,083	305,980			\$ 181.54	\$ 4.15	\$ 3.50	\$ 10.21	\$ 13.71	\$ 4.15	\$ 320,143	\$ 1,270,508	\$ 1,590,650	37.6%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 392,439	\$ 1,594,259	\$ 1,986,699	47.0%
TOTAL	6,155	7,009	738,168									\$ 1,117,372	\$ 3,111,757	\$ 4,229,129	100%
Check												26%	74%	\$ -	

FY17				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate				Revenue - Fixed/ Flat Charges			
User Group	No. of Cust. Accts	Hydraulic Equivalents	Adjusted Yrly Consumption (HCF)	Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$ /HCF)	Cust Fixed Charge	Cap Fixed Charge (5/8")	Total Fixed Charge (5/8")	Commodity Rate (\$ /HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 587.76	\$ 49.98	\$ 233.85	\$ 4.46	\$ 4.34	\$ 13.31	\$ 17.64	\$ 4.46	\$ 932,838	\$ 1,630,369	\$ 2,563,207	53.6%
Subtotal- Residential	4,361	4,421	365,463									\$ 932,838	\$ 1,630,369	\$ 2,563,207	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Gro.	41	56	11,139			\$ 233.85	\$ 9.26	\$ 4.34	\$ 13.31	\$ 17.64	\$ 9.26	\$ 11,128	\$ 103,128	\$ 114,257	2.4%
Small Commercial	103	136	10,792			\$ 233.85	\$ 4.05	\$ 4.34	\$ 13.31	\$ 17.64	\$ 4.05	\$ 27,129	\$ 43,723	\$ 70,851	1.5%
Car Wash/Laundries	10	27	9,156			\$ 233.85	\$ 3.88	\$ 4.34	\$ 13.31	\$ 17.64	\$ 3.88	\$ 4,778	\$ 35,484	\$ 40,263	0.8%
Public Agency/Institutional	49	199	18,889			\$ 233.85	\$ 3.76	\$ 4.34	\$ 13.31	\$ 17.64	\$ 3.76	\$ 34,379	\$ 70,941	\$ 105,320	2.2%
Heavy Commercial	12	33	10,432			\$ 233.85	\$ 6.10	\$ 4.34	\$ 13.31	\$ 17.64	\$ 6.10	\$ 5,894	\$ 63,632	\$ 69,526	1.5%
Mixed Use Light	30	50	6,011			\$ 233.85	\$ 4.74	\$ 4.34	\$ 13.31	\$ 17.64	\$ 4.74	\$ 9,492	\$ 28,473	\$ 37,964	0.8%
Mixed Use Heavy	2	3	302			\$ 233.85	\$ 5.59	\$ 4.34	\$ 13.31	\$ 17.64	\$ 5.59	\$ 530	\$ 1,689	\$ 2,219	0.0%
Navy	1	1	5			\$ 233.85	\$ 5.22	\$ 4.34	\$ 13.31	\$ 17.64	\$ 5.22	\$ 212	\$ 23	\$ 235	0.0%
Multi-family	1,546	2,083	305,980			\$ 233.85	\$ 4.46	\$ 4.34	\$ 13.31	\$ 17.64	\$ 4.46	\$ 412,994	\$ 1,365,008	\$ 1,778,003	37.2%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 506,535	\$ 1,712,103	\$ 2,218,638	46.4%
Total	6,155	7,009	738,168									\$ 1,439,373	\$ 3,342,472	\$ 4,781,845	100%
Check												30%	70%	\$ -	

FY18				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate							
User Group	No. of Cust. Accts	Hydraulic Equivalents	Adjusted Yrly Consumption (HCF)	Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (6/8")	Total Fixed Charge (6/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 613.10	\$ 51.09	\$ 238.86	\$ 4.71	\$ 4.42	\$ 13.60	\$ 18.02	\$ 4.71	\$ 952,746	\$ 1,720,964	\$ 2,673,710	53.5%
Subtotal- Residential	4,361	4,421	365,463									\$ 952,746	\$ 1,720,964	\$ 2,673,710	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Gro.	41	56	11,139			\$ 238.86	\$ 9.83	\$ 4.42	\$ 13.60	\$ 18.02	\$ 9.83	\$ 11,368	\$ 109,446	\$ 120,813	2.4%
Small Commercial	103	136	10,792			\$ 238.86	\$ 4.27	\$ 4.42	\$ 13.60	\$ 18.02	\$ 4.27	\$ 27,711	\$ 46,104	\$ 73,815	1.5%
Car Wash/Laundries	10	27	9,156			\$ 238.86	\$ 4.08	\$ 4.42	\$ 13.60	\$ 18.02	\$ 4.08	\$ 4,882	\$ 37,397	\$ 42,280	0.8%
Public Agency/Institutional	49	199	18,889			\$ 238.86	\$ 3.96	\$ 4.42	\$ 13.60	\$ 18.02	\$ 3.96	\$ 35,131	\$ 74,737	\$ 109,868	2.2%
Heavy Commercial	12	33	10,432			\$ 238.86	\$ 6.46	\$ 4.42	\$ 13.60	\$ 18.02	\$ 6.46	\$ 6,022	\$ 67,356	\$ 73,378	1.5%
Mixed Use Light	30	50	6,011			\$ 238.86	\$ 5.00	\$ 4.42	\$ 13.60	\$ 18.02	\$ 5.00	\$ 9,696	\$ 30,073	\$ 39,769	0.8%
Mixed Use Heavy	2	3	302			\$ 238.86	\$ 5.91	\$ 4.42	\$ 13.60	\$ 18.02	\$ 5.91	\$ 541	\$ 1,787	\$ 2,328	0.0%
Navy	1	1	5			\$ 238.86	\$ 5.52	\$ 4.42	\$ 13.60	\$ 18.02	\$ 5.52	\$ 216	\$ 25	\$ 241	0.0%
Multi-family	1,546	2,083	305,980			\$ 238.86	\$ 4.71	\$ 4.42	\$ 13.60	\$ 18.02	\$ 4.71	\$ 421,871	\$ 1,440,858	\$ 1,862,729	37.3%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 517,439	\$ 1,807,782	\$ 2,325,222	46.5%
Total	6,155	7,009	738,168									\$ 1,470,185	\$ 3,528,747	\$ 4,998,932	100%
Check												29%	71%	\$ -	

FY19				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate							
User Group	No. of Cust. Accts	Hydraulic Equivalents	Adjusted Yrly Consumption (HCF)	Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (6/8")	Total Fixed Charge (6/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 640.48	\$ 53.37	\$ 244.00	\$ 4.98	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.98	\$ 973,172	\$ 1,819,946	\$ 2,793,118	53.4%
Subtotal- Residential	4,361	4,421	365,463									\$ 973,172	\$ 1,819,946	\$ 2,793,118	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Gro.	41	56	11,139			\$ 244.00	\$ 10.45	\$ 4.50	\$ 13.90	\$ 18.40	\$ 10.45	\$ 11,613	\$ 116,379	\$ 127,992	2.4%
Small Commercial	103	136	10,792			\$ 244.00	\$ 4.51	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.51	\$ 28,309	\$ 48,703	\$ 77,012	1.5%
Car Wash/Laundries	10	27	9,156			\$ 244.00	\$ 4.31	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.31	\$ 4,989	\$ 39,484	\$ 44,473	0.8%
Public Agency/Institutional	49	199	18,889			\$ 244.00	\$ 4.18	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.18	\$ 35,902	\$ 78,876	\$ 114,779	2.2%
Heavy Commercial	12	33	10,432			\$ 244.00	\$ 6.85	\$ 4.50	\$ 13.90	\$ 18.40	\$ 6.85	\$ 6,154	\$ 71,434	\$ 77,588	1.5%
Mixed Use Light	30	50	6,011			\$ 244.00	\$ 5.29	\$ 4.50	\$ 13.90	\$ 18.40	\$ 5.29	\$ 9,907	\$ 31,822	\$ 41,729	0.8%
Mixed Use Heavy	2	3	302			\$ 244.00	\$ 6.26	\$ 4.50	\$ 13.90	\$ 18.40	\$ 6.26	\$ 553	\$ 1,894	\$ 2,447	0.0%
Navy	1	1	5			\$ 244.00	\$ 5.84	\$ 4.50	\$ 13.90	\$ 18.40	\$ 5.84	\$ 221	\$ 26	\$ 247	0.0%
Multi-family	1,546	2,083	305,980			\$ 244.00	\$ 4.98	\$ 4.50	\$ 13.90	\$ 18.40	\$ 4.98	\$ 430,980	\$ 1,523,730	\$ 1,954,709	37.3%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 528,628	\$ 1,912,348	\$ 2,440,976	46.6%
Total	6,155	7,009	738,168									\$ 1,501,800	\$ 3,732,294	\$ 5,234,094	100%
Check												29%	71%	\$ -	

				Average Single Family Flat Fee		Unit Charges		Unit Charges - Monthly Fixed Charge & Commodity Rate				\$ 5,234,094			
FY20				Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (5/8")	Total Fixed Charge (5/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 668.84	\$ 55.74	\$ 250.29	\$ 5.25	\$ 4.61	\$ 14.27	\$ 18.88	\$ 5.25	\$ 998,253	\$ 1,918,572	\$ 2,916,825	53.3%
Subtotal- Residential	4,361	4,421	365,463									\$ 998,253	\$ 1,918,572	\$ 2,916,825	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Groc.	41	56	11,139			\$ 250.29	\$ 10.88	\$ 4.61	\$ 14.27	\$ 18.88	\$ 10.88	\$ 11,914	\$ 121,212	\$ 133,126	2.4%
Small Commercial	103	136	10,792			\$ 250.29	\$ 4.77	\$ 4.61	\$ 14.27	\$ 18.88	\$ 4.77	\$ 29,041	\$ 51,484	\$ 80,505	1.5%
Car Wash/Laundries	10	27	9,156			\$ 250.29	\$ 4.56	\$ 4.61	\$ 14.27	\$ 18.88	\$ 4.56	\$ 5,119	\$ 41,772	\$ 46,890	0.9%
Public Agency/Institutional	49	199	18,889			\$ 250.29	\$ 4.42	\$ 4.61	\$ 14.27	\$ 18.88	\$ 4.42	\$ 36,837	\$ 83,518	\$ 120,355	2.2%
Heavy Commercial	12	33	10,432			\$ 250.29	\$ 7.17	\$ 4.61	\$ 14.27	\$ 18.88	\$ 7.17	\$ 6,314	\$ 74,834	\$ 81,148	1.5%
Mixed Use Light	30	50	6,011			\$ 250.29	\$ 5.57	\$ 4.61	\$ 14.27	\$ 18.88	\$ 5.57	\$ 10,163	\$ 33,501	\$ 43,665	0.8%
Mixed Use Heavy	2	3	302			\$ 250.29	\$ 6.57	\$ 4.61	\$ 14.27	\$ 18.88	\$ 6.57	\$ 567	\$ 1,987	\$ 2,554	0.0%
Navy	1	1	5			\$ 250.29	\$ 6.14	\$ 4.61	\$ 14.27	\$ 18.88	\$ 6.14	\$ 227	\$ 28	\$ 254	0.0%
Multi-family	1,546	2,083	305,980			\$ 250.29	\$ 5.25	\$ 4.61	\$ 14.27	\$ 18.88	\$ 5.25	\$ 442,120	\$ 1,606,303	\$ 2,048,423	37.4%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 542,301	\$ 2,014,618	\$ 2,556,919	46.7%
Total	6,155	7,009	738,168									\$ 1,540,554	\$ 3,933,191	\$ 5,473,744	100%
Check												28%	72%	\$ -	
														\$ 5,473,744	
FY21				Yearly	Monthly	Fixed Yearly \$/Acct.	Commodity Rate (\$/HCF)	Cust Fixed Charge	Cap Fixed Charge (5/8")	Total Fixed Charge (5/8")	Commodity Rate (\$/HCF)	Revenue - Fixed/ Flat Charges	Revenue - Commodity Charges	Total	%
Single Family	4,361	4,421	365,463	\$ 687.76	\$ 57.31	\$ 256.78	\$ 5.40	\$ 4.73	\$ 14.64	\$ 19.37	\$ 5.40	\$ 1,024,087	\$ 1,975,238	\$ 2,999,325	53.3%
Subtotal- Residential	4,361	4,421	365,463									\$ 1,024,087	\$ 1,975,238	\$ 2,999,325	
Non-Residential (Includes Multi-family)															
Rest/Bakeries/Mort./Groc.	41	56	11,139			\$ 256.78	\$ 11.21	\$ 4.73	\$ 14.64	\$ 19.37	\$ 11.21	\$ 12,223	\$ 124,821	\$ 137,044	2.4%
Small Commercial	103	136	10,792			\$ 256.78	\$ 4.91	\$ 4.73	\$ 14.64	\$ 19.37	\$ 4.91	\$ 29,795	\$ 52,981	\$ 82,776	1.5%
Car Wash/Laundries	10	27	9,156			\$ 256.78	\$ 4.70	\$ 4.73	\$ 14.64	\$ 19.37	\$ 4.70	\$ 5,252	\$ 43,003	\$ 48,255	0.9%
Public Agency/Institutional	49	199	18,889			\$ 256.78	\$ 4.55	\$ 4.73	\$ 14.64	\$ 19.37	\$ 4.55	\$ 37,800	\$ 85,978	\$ 123,778	2.2%
Heavy Commercial	12	33	10,432			\$ 256.78	\$ 7.39	\$ 4.73	\$ 14.64	\$ 19.37	\$ 7.39	\$ 8,478	\$ 77,053	\$ 83,532	1.5%
Mixed Use Light	30	50	6,011			\$ 256.78	\$ 5.74	\$ 4.73	\$ 14.64	\$ 19.37	\$ 5.74	\$ 10,428	\$ 34,492	\$ 44,919	0.8%
Mixed Use Heavy	2	3	302			\$ 256.78	\$ 6.77	\$ 4.73	\$ 14.64	\$ 19.37	\$ 6.77	\$ 582	\$ 2,046	\$ 2,628	0.0%
Navy	1	1	5			\$ 256.78	\$ 6.32	\$ 4.73	\$ 14.64	\$ 19.37	\$ 6.32	\$ 232	\$ 28	\$ 261	0.0%
Multi-family	1,546	2,083	305,980			\$ 256.78	\$ 5.40	\$ 4.73	\$ 14.64	\$ 19.37	\$ 5.40	\$ 453,594	\$ 1,653,746	\$ 2,107,340	37.4%
Subtotal Non-Residential	1,794	2,588	372,705									\$ 556,384	\$ 2,074,148	\$ 2,630,532	46.7%
Total	6,155	7,009	738,168									\$ 1,580,470	\$ 4,049,386	\$ 5,629,857	100%
Check												28%	72%	\$ -	

APPENDIX B

	Diameter	Material	Count	Length
	4	PVC	1	95
	4	VCP	1	517
Total	4		2	612
	6	CIP	2	186
	6	PVC	3	841
	6	VCP	178	45,514
Total	6		183	46,541
	8	CIP	1	147
	8	PVC	20	6,149
	8	VCP	584	143,407
Total	8		605	149,703
	10	CIP	1	2,146
	10	PVC	3	1,712
	10	VCP	44	6,766
Total	10		48	10,624
	12	PVC	9	20,726
	12	VCP	28	7,405
Total	12		37	28,131
	15	VCP	15	3,781
Total	15		15	3,781
	16	CIP	1	229
	16	VCP	1	58
Total	16		2	287
	18	VCP	1	148
Total			1	148
	21	VCP	6	1,227
Total	21		6	1,227
	24	VCP	3	1,293
Total	24		3	1,293
Total All Lines			902	242,347

Unit Costs (\$/LF)	Cost / In-Ft	Estimated Replacement Costs
\$ 85.00	\$ 21.25	\$ 8,075.00
\$ 100.00	\$ 25.00	\$ 51,700.00
\$ 135.00	\$ 22.50	\$ 25,110.00
\$ 160.00	\$ 26.67	\$ 134,560.00
\$ 155.00	\$ 25.83	\$ 7,054,670.00
\$ 175.00	\$ 21.88	\$ 25,725.00
\$ 180.00	\$ 22.50	\$ 1,106,820.00
\$ 195.00	\$ 24.38	\$ 27,964,365.00
\$ 180.00	\$ 18.00	\$ 386,280.00
\$ 185.00	\$ 18.50	\$ 316,720.00
\$ 195.00	\$ 19.50	\$ 1,319,370.00
\$ 198.00	\$ 16.50	\$ 4,103,748.00
\$ 215.00	\$ 17.92	\$ 1,592,075.00
\$ 250.00	\$ 16.67	\$ 945,250.00
\$ 260.00	\$ 16.25	\$ 59,540.00
\$ 295.00	\$ 18.44	\$ 17,110.00
\$ 295.00	\$ 16.39	\$ 43,660.00
\$ 335.00	\$ 15.95	\$ 411,045.00
\$ 360.00	\$ 15.00	\$ 465,480.00
	\$	\$ 46,031,303.00

Grand Total	242,347
Force main	25,043
Gravity Main - Feet	217,304
Gravity Main - Miles	41.16
Force main - Feet	25,043
Force main - Miles	4.74

City of Imperial Beach
 Replacement Costs: Pump Stations

Valuation Component		Replacement Cost				Replacement Costs Less Depreciation					
Pump Station Name	Pump Station Location	2008 Equipment	ENR Equipment	Total	Year Built	Remaining	Remaining	Construction	2008 Equipment		
		Replacement	Replacement	Replacement		Life	Life		Costs	Costs	Total RCLD
		Construction Cost	Cost	Costs	Costs						
Pump Station 1A	862 Seacoast Dr	\$1,500,000	\$150,000	\$157,274	\$1,657,274	1952	-10	16		\$ 125,819	\$ 125,819
Pump Station 1B	1098 Seacoast Dr	\$1,500,000	\$150,000	\$157,274	\$1,657,274	1992	30	16	\$ 900,000	\$ 125,819	\$ 1,025,819
Pump Station 2	1306 Seacoast Dr	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1989	27	16	\$ 540,000	\$ 125,819	\$ 665,819
Pump Station 3	501 elm	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1952	-10	16		\$ 125,819	\$ 125,819
Pump Station 4	755 Delaware	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1952	-10	16		\$ 125,819	\$ 125,819
Pump Station 5	133 Dahlia Ave	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1979	17	16	\$ 340,000	\$ 125,819	\$ 465,819
Pump Station 6	498 Rainbow Dr	\$1,500,000	\$150,000	\$157,274	\$1,657,274	1954	-8	16		\$ 125,819	\$ 125,819
Pump Station 7	504 Oneonta Ave	\$1,000,000	\$150,000	\$157,274	\$1,157,274	1979	17	16	\$ 340,000	\$ 125,819	\$ 465,819
Pump Station 8	895 Imperial Beach Blvd	\$2,000,000	\$300,000	\$314,548	\$2,314,548	1962	0	16		\$ 251,638	\$ 251,638
Pump Station 9	1025 9th St	\$1,000,000	\$150,000	\$157,274	\$1,157,274	2005	43	16	\$ 860,000	\$ 125,819	\$ 985,819
Pump Station 10	814 Cypress Ave	\$1,000,000	\$350,000	\$366,973	\$1,366,973	1989	27	16	\$ 540,000	\$ 293,578	\$ 833,578
		\$13,500,000	\$2,000,000	\$2,096,987	\$15,596,987				\$3,520,000	\$1,677,589	\$5,197,589

Note:
 Useful lives: Pump Stations 50
 Equipment 20

City of Imperial Beach
Metro Capacity Fee Calculation

Value Approach/Pricing Perspective	Total Value (2009)	Divisor	Original Study Price per gpd (2005)	Price per gpd (2012)	% Increase (2005 to 2012)
Asset Approach (reproduction costs)	(billion)	(mgd)		(\$/gpd)	
- Without depreciation adjustment	\$2.20	255	\$ 7.27	\$ 8.74	20.2%
- With depreciation adjustment	\$1.25	255	\$ 4.94	\$ 5.94	20.2%
Other Drivers of Investment Value					
Prior Sale					
- Without inflationary adjustment	\$3.36	255	\$ 13.19	\$ 15.85	20.2%
- With inflationary adjustment	\$4.19	255	\$ 15.21	\$ 18.29	20.2%
Buyer's Avoided Cost					
Stand-Alone (B&C Report)					
- Best case alternative	\$4.37	255	\$ 15.87	\$ 19.08	20.2%
- Worst case alternative	\$7.10	255	\$ 25.78	\$ 30.99	20.2%
Collaboration (RMC Report)					
- Best case alternative	\$3.87	255	\$ 14.06	\$ 16.90	20.2%
- Worst case alternative	\$5.84	255	\$ 21.20	\$ 25.49	20.2%
Seller's Potential Future Cost					
- Without upgrade adjustment	\$5.25	255	\$ 23.08	\$ 27.75	20.2%
- With upgrade adjustment*	\$6.36	255	\$ 19.08	\$ 22.94	20.2%
Alternative Investment Value	\$4.15	255	\$ 12.70	\$ 15.27	20.2%

* Adjustment to Remove Secondary Treatment Costs

Line No.	Valuation Component	Reproduction Costs (\$/gpd)	Reproduction Cost Less Depreciation (\$/gpd)	Replacement Costs (\$/gpd)
1	Metro System Valuation (a)	\$ 8.74	\$ 5.94	\$ 15.27
2	Imperial Beach Capacity (MGD)	3.755	3.755	3.755
3	Value of Imperial Beach Capacity (\$)	\$ 32,818,033	\$ 22,300,011	\$ 57,329,989
4	Sewer Equivalent Dwelling Units	10,577	10,577	10,577
5	Metro Component of Capacity Fee	\$ 3,103	\$ 2,108	\$ 5,420

(a) Alternative Value was used to calculate replacement costs as this is the most popular valuation methodology

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STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: MAY 4, 2016
ORIGINATING DEPT.: PUBLIC WORKS *AH*
SUBJECT: PUBLIC HEARING ON RESOLUTION NO. 2016-7701 OF THE CITY OF IMPERIAL BEACH, CALIFORNIA ADJUSTING A REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN (RTCIP) FEE FOR FISCAL YEAR 2016-2017

EXECUTIVE SUMMARY:

Resolution No. 2016-7701, if adopted, will increase the minimum Regional Transportation Congestion Improvement Plan (RTCIP) exaction from \$2,310 to \$2,357 beginning July 1, 2016. The TransNet Extension Ordinance requires that the RTCIP transportation mitigation fee charged by local jurisdictions be adjusted every year on July 1 in order to maintain the purchasing power of the program for improvements to the Regional Arterial System. The fee is charged to each new residential dwelling unit constructed during the fiscal year.

FISCAL ANALYSIS: Adoption of the fee adjustment will allow the City to recover costs that would otherwise be absorbed by the General Fund or diverted from other funds that could be used for other eligible projects. The City is required to place the \$2,357 Transportation Uniform Mitigation Fee per residential dwelling unit building permit issued into a separate interest bearing RTCIP account.

(Cost/effect to budget) Note: This fee is to be used for capital improvements on or adjacent to S.R. 75 or returned to SANDAG for use at other locations within the County of San Diego.

RECOMMENDATION:

Adopt Resolution 2016-7701 approving the increase in the RTCIP transportation mitigation fee charged to each new residential dwelling unit constructed in Imperial Beach during FY 2016 from \$2,310 to \$2,357.

OPTIONS:

- Adopt resolution 2016-7701 increasing the Transportation Mitigation Fee to \$2,357;
- Reject resolution 2016-7701 with the penalty of losing all future TRANSNET (Prop A) fund allocations to the City.

BACKGROUND/ANALYSIS:

In accordance with the TransNet Extension Ordinance and Expenditure Plan 04-01, the Imperial Beach City Council adopted ordinance 2008-1067 to establish a transportation uniform

mitigation program that will mitigate the regional transportation impacts of new development on the arterial system. As part of the Ordinance, the City was required to adopt a Traffic Congestion Management Fee to be effective on July 1, 2008. At the City Council meeting March 19, 2008, City Council adopted the Regional Transportation Congestion Improvement Plan (RTCIP) fee of \$2,000 per new residential dwelling unit. The fee became effective July 1, 2008. The TransNet Extension Ordinance and Expenditure Plan 04-01 states that "the fee amount per residential unit shall be adjusted annually on July 1 of each year beginning July 1, 2009 based on the Engineering Construction Cost Index as published by the Engineering News Record or similar cost of construction index. Any increase shall not exceed the percentage increase set forth in the construction index. In no event, however, shall the increase be less than two percent per year. The purpose of this annual adjustment is to retain purchasing power in anticipation of future inflation."

For FY 2015-2016 City of Imperial Beach Resolution 2015-7556 increased the fee 2.5% to a new RTCIP fee of \$2,310 per residential unit because the Engineering Construction Cost Index was greater than 2%.

The initiation of and adjustments to the Transportation Congestion Management Fee is to be through a public noticing and public hearing context. On April 21, 2016, a public hearing notice to adjust the Transportation Congestion Management Fee was published in the Eagle & Times – Imperial Beach / South County newspaper for the City Council meeting of May 4, 2016.

Since July 1, 2008 through FY 2015, the City of Imperial Beach has collected a total of \$95,153. In March 2016 City Council appropriated \$95,000 from the RTICP fund to the Triangle Park Water Reduction and Pedestrian / Public Transportation Enhancements" Project.

ENVIRONMENTAL DETERMINATION:

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) on the State CEQA Guidelines.

Attachments:

1. Resolution No. 2016-7701

RESOLUTION NO. 2016-7701**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, ADJUSTING A REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN (RTCIP) FEE FOR FISCAL YEAR 2016-2017**

WHEREAS, in accordance with the TransNet Extension Ordinance and Expenditure Plan 04-01, the Imperial Beach City Council adopted ordinance 2008-1067 to establish a transportation uniform mitigation program that will mitigate the regional transportation impacts of new development on the arterial system; and

WHEREAS, as part of the Ordinance, the City was required to adopt a Traffic Congestion Management Fee to be effective on July 1, 2008; and

WHEREAS, at the City Council meeting March 19, 2008, City Council adopted the Regional Transportation Congestion Improvement Plan (RTCIP) fee of \$2,000 per new residential dwelling unit; and

WHEREAS, the fee became effective July 1, 2008; and

WHEREAS, the TransNet Extension Ordinance and Expenditure Plan 04-01 states that "the fee amount per residential unit shall be adjusted annually on July 1 of each year beginning July 1, 2009 based on the Engineering Construction Cost Index as published by the Engineering News Record or similar cost of construction index;" and

WHEREAS, any increase shall not exceed the percentage increase set forth in the construction index and in no event, however, shall the increase be less than two percent per year; and

WHEREAS, the initiation of and adjustments to the Transportation Congestion Management Fee is to be through public noticing and public hearing; and

WHEREAS, on April 21, 2016, a public hearing notice to adjust the Transportation Congestion Management Fee was published in the Eagle & Times – Imperial Beach / South County newspaper for City Council meeting of May 4, 2016; and

WHEREAS, the FY 201-2016 City of Imperial Beach Resolution No. 2015-7556 increased the fee 2.5% to a new RTCIP fee of \$2,310 per residential unit because the Engineering Construction Cost Index was greater than 2%; and

WHEREAS, the Engineering Construction Cost Index for FY 2014/2015 was 2.0%; and

WHEREAS, in accordance with the TransNet Extension Ordinance and Expenditure Plan 04-01, the RTCIP fee for FY 2016-2017 must increase by 2.0% for a new RTCIP fee of \$2,357 per residential dwelling unit.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct.
2. This legislative body adopts a \$2,357 Transportation Uniform Mitigation Fee (Regional Transportation Congestion Improvement Plan Fee) per new residential dwelling unit effective July 1, 2016.

3. The \$2,357 Transportation Uniform Mitigation Fee per residential dwelling unit building permit issued is to be placed into a separate interest bearing RTCIP account.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 4th day of May 2016, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

SERGE DEDINA, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK