

RESOLUTION NO. 2512

**RESOLUTION OF THE BOARD OF DIRECTORS OF
JURUPA COMMUNITY SERVICES DISTRICT
ESTABLISHING RATES FOR SEWER SERVICE**

WHEREAS, Jurupa Community Services District ("District") has engaged the services of a professional rate consultant, Municipal & Financial Services Group ("Rate Consultant"), to perform a study of the District's rates and charges for water and sewer services; and

WHEREAS, the District's Rate Consultant has provided a report to the District entitled "Comprehensive Water and Sewer Rate Study" recommending revisions to the District's rates and charges for water and sewer services, which has been posted on the District's internet web page and has been available for public review since September 2014; and

WHEREAS, this Board has also conducted a series of public workshops to consider the proposed adjustments to the District's water and sewer rates and to consider comments on the proposed rates; and

WHEREAS, pursuant to the requirements of Article XIID, Section 6 of the California Constitution, the District provided mailed notice of the proposed water and sewer rates to all property owners and customers who would be affected by said rates, advising them of a public hearing to be conducted by this Board on November 10, 2014, and the opportunity to protest the proposed rates in writing, which notice was mailed more than 45 days prior to the public hearing; and

WHEREAS, on November 10, 2014, this Board conducted a public hearing on the proposed rates as provided in the notice mailed to property owners and to customers who would be affected by the rates, considered all written protests to the proposed rates filed with the District prior to the conclusion of the public hearing, and has determined that the written protests filed with the District represent fewer than 50% of the number of parcels that would be affected by the proposed rates; and

WHEREAS, this Board has determined that the rates for sewer service proposed in the study are necessary in order to cover actual costs incurred by the District in providing sewer service to its customers and will not produce revenues in excess of costs of such service.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Jurupa Community Services District hereby approves the adjusted rates for sewer service set forth on Exhibit "A," attached hereto, effective January 1, 2015.

BE IT FURTHER RESOLVED that the District's General Manager is hereby authorized to request a determination by this Board of Directors regarding the appropriate rate classification to be applied to any customer of the District, which determination shall be final and conclusive.

ADOPTED this 10th day of November 2014.



President of the Board of Directors

ATTEST:



Secretary of the Board of Directors

Sewer Rate Adjustments

Exhibit A

SECTION 1. Domestic/Non-Industrial Sewer Service Fees

1) The District’s sewer rate structure applicable to domestic single family, multi-family, institutional (defined to include schools as well as State, Federal and local governmental entities) and non-industrial customers shall be comprised of two components: (a) a Monthly Base Service Charge to be applied without regard to the quantity of water supplied to the customer; and (b) an HCF Quantity Charge utilizing the total quantity of water supplied to the customer during the month, with one HCF equal to 748 gallons. Effective January 1, 2015 the District’s sewer rates will be adjusted and will receive four additional adjustments each 12 months thereafter, to correspond to the following rate schedule:

a) **Monthly Base Service Charge.** The Monthly Base Service Charge shall be a fixed charge per Equivalent Dwelling Unit (“EDU”), with one EDU equal to 280 gallons per day. The Monthly Base Service Charge will correspond to the following schedule:

	2015	2016	2017	2018	2019
Service charge per EDU	\$23.95	\$23.95	\$24.89	\$25.39	\$25.90

b) **HCF Quantity Charge (in dollars per hundred cubic feet).** The HCF Quantity Charge shall be a unit charge applied to an estimate of the quantity of sewage a customer will discharge into the sewage collection system each month. The quantity of sewage discharged each month shall be calculated using the total monthly water usage. In order to adjust for water delivered to the residential customers that may be used for irrigation purposes, and therefore is not discharged into the sewer, the maximum quantity of water considered for purposes of applying the HCF Quantity Charge for residential, multifamily and institutional customers shall not exceed 8 HCF per month per EDU. In cases where outdoor irrigation water is delivered through a separate connection, all of the water delivered through the meter measuring water for indoor use will be subject to the HCF Charge. In some instances, the District may utilize a sewer flow meter to measure the quantity of wastewater discharged to the sewer.. The HCF Quantity Charge will correspond to the following schedule:

	2015	2016	2017	2018	2019
Rate per HCF	\$1.51	\$1.61	\$1.57	\$1.60	\$1.64

- c) For non-industrial customers which are not residences, such as markets, office buildings,, churches, and meeting halls where water used by the facility is discharged directly into the sewer, the sewer rate shall be the same as that charged to residential customers except that the 8 HCF limit on the HCF Quantity Charge for residential service shall not apply. The same Monthly Base Service Charge will apply as applicable to residences.
- d) Water that is used exclusively for irrigation or other purposes where the water is not discharged into the sewer, and is separately metered, will not be subject to a charge for sewer service.

SECTION 2. Industrial Sewer Service Fees

1) The term “industrial wastewater” as used herein shall mean wastewater containing industrial process wastes, including all wastewater from any producing, manufacturing, processing or treatment process. The term “industrial waste discharger” shall mean a customer of the District that introduces industrial wastewater into the District’s sewer system. For industrial waste dischargers, the District’s HCF and Treatment Charge rates shall differ by the entity responsible for providing treatment of the waste collected by the District. The three treatment agencies that provide treatment of wastes for the District are Orange County Sanitation District (“OCSD”), City of Riverside (“Riverside”) and the Western Riverside County Regional Wastewater Authority (“WRCRWA”). Each treatment agency has a different rate structure for treatment of industrial wastes generated by the District and charges the District differently for treatment of these industrial waste discharges. The District shall allocate and pass these charges through to the industrial waste dischargers producing these discharges in accordance with how the District is charged for these discharges, in addition to billing the industrial dischargers for the District’s own collection charges, as follows. Charges applied to volume, or “flow,” shall be as metered by the District. Effective January 1, 2015 the District’s Industrial Sewer Service Fees will be adjusted and will receive four additional adjustments each 12 months thereafter, to correspond to the following rate schedule:

a) Discharges Treated by OCSD

i. **Monthly Base Service Charge.** Each industrial waste discharger shall pay the same Monthly Base Service Charge per EDU per month as that applicable to non-industrial customers. The Monthly Base Service Charge will correspond to the following schedule:

	2015	2016	2017	2018	2019
Service charge per EDU	\$23.95	\$23.95	\$24.89	\$25.39	\$25.90

ii. **Treatment Charge.** The District contracts with Western Municipal Water District ("WMWD") to convey, treat and dispose of industrial waste discharged into the District's sewage collection system in areas of the District that discharge to the Inland Empire Brine Line (most notably, Community Facilities District No. 1). WMWD has contracted with the Santa Ana Watershed Project Authority ("SAWPA") for the use of the Inland Empire Brine Line to transport this industrial waste to OCS D, and SAWPA in turn has contracted with OCS D for the treatment and disposal of this industrial waste. WMWD measures the quantity of waste which the District delivers to the Inland Empire Brine Line, in millions of gallons per day ("MGD"); and also samples the quality of the waste which the District delivers to the Inland Empire Brine Line, testing for biochemical oxygen demand ("BOD") and for total suspended solids ("TSS") and Hardness. BOD and Hardness are combined with TSS in a formula to allocate an Inland Empire Brine Line TSS Imbalance, and they are measured in thousands of pounds. WMWD and SAWPA also reconcile the quantity and quality of the wastewater contributed by all users to the actual quantity and quality measured at the final measuring point on a monthly basis. WMWD then bills the District monthly for the following constituents, flows, fixed costs, and charges for the industrial waste which the District delivers to WMWD for treatment and disposal:

- BOD, per 1,000 pounds;
- TSS, per 1,000 pounds;
- Flow, per million gallons;
- Fixed treatment costs, per MGD;
- Fixed pipeline costs, per MGD;
- Sampling charges, per sample station; and
- Excess flows, per gallon of flow in excess of the quantity which the District has the right to deliver to WMWD by contract with WMWD.

As of the date of adoption of this resolution, the charges paid by the District to WMWD for treatment and disposal of the industrial waste delivered by the District are as set forth below:

BOD/1,000 lbs	TSS/1,000 lbs	Flow per Million Gallons	Fixed Treatment	Fixed Pipeline	Sampling	Excess Flow	Adjustments
\$295/ 1,000 lbs	\$412/ 1,000 lbs	\$1,016	\$11,369/ MGD/Mo	\$6,114/ MGD	\$589 – \$1,468 for each Weekly, Monthly, Quarterly, Semi- Annual and Annual Sample	\$0.1809 / Gallon of Excess Average Daily Flow	Monthly reconciliation for quality and quantity between meter stations and final monitoring station

Currently the above treatment charges are reviewed and may be revised by WMWD on an annual basis (but not to exceed an increase of more than 30%). WMWD's charges are passed through to the District's industrial waste dischargers as the Treatment Charge as follows:

The District utilizes water meters to calculate the volume of discharge contributed to the sewer system by industrial users. Some industrial waste dischargers have also installed sewer flow meters to measure the volume of waste discharged. The District periodically samples industrial waste discharge based on the relative strength and volume of the discharge produced by an industrial waste discharger or class of industrial waste dischargers (such as warehouses). Based upon those measurements and samples, the District calculates the industrial waste discharger's proportionate share of the charges imposed by WMWD to the District for treatment and disposal of industrial waste discharges. As adjustments are subsequently made to WMWD's charges, such adjustments shall likewise be passed along to the industrial waste discharger on a proportionate basis, in subsequent invoices from the District as described above. The Treatment Charge will be proportionally allocated to each industrial waste discharger based upon the 12 month rolling average of WMWD charges to the District and the 12 month rolling average of the flow, BOD, TSS, and Hardness contribution of the industrial waste discharger. The Fixed Monthly Base Service Charge and Treatment Charge shall be included as line items in the monthly water and sewer bills and will be adjusted on a quarterly basis.

iii) **Rate Stabilization Fund.** In addition to the WMWD charges, the District also adds a Rate Stabilization Fund charge to the Treatment Charge to stabilize rates for industrial users. The total District-wide annual Rate Stabilization Fund charge will be evaluated on an annual basis and is currently \$100,000. This charge will be allocated among industrial waste dischargers based on their proportionate shares of the charges imposed by WMWD to the District. The rate stabilization charge is included in the calculation for the Treatment Charge for the industrial users who discharge to the OCSD and is added to the Treatment charges calculated under section 2 (1) (a) (ii). The revenue derived from the Rate Stabilization Fund will be applied by the District to help offset the pass-through of increases in charges for treatment by OCSD that would have occurred otherwise.

b. Discharges Treated by Riverside

i. **Monthly Base Service Charge.** Each industrial waste discharger shall pay the same Monthly Base Service Charge per EDU per month as that applicable to non-industrial customers. The Monthly Base Service Charge will correspond to the following schedule:

	2015	2016	2017	2018	2019
Service charge per EDU	\$23.95	\$23.95	\$24.89	\$25.39	\$25.90

ii. **HCF Charge.** The HCF Charge will be a charge per HCF (hundred cubic feet) of industrial waste discharged into the sewage collection system each month, measured by the quantity of water delivered to the discharger except as otherwise provided hereinafter. The charge per HCF will be the same as that charged to residential customers, but will not be capped at 8 HCF. The HCF Charge will correspond to the following schedule:

	2015	2016	2017	2018	2019
Rate per HCF	\$1.51	\$1.61	\$1.57	\$1.60	\$1.64

In cases where outdoor irrigation water is delivered through a separate connection, the HCF Charge will be applied only to the quantity of water delivered to the customer for indoor use. In cases where the District has installed a sewer flow meter to measure the volume of waste discharged by a discharger, the HCF Charge will be applied only to the volume of waste measured at that meter.

iii. **Treatment Charge.** The District has purchased 4 MGD of capacity in the Riverside treatment facility. Each day Riverside measures the total flow from the District and also tests for levels of TSS and BOD. If total flows, TSS levels or BOD levels exceed the following limits each month, Riverside charges the District for the excess flows and/or excess levels. The following flows and levels are currently allowed each month without additional charge by Riverside:

- Average flows of up to 120 million gallons per month;
- Average TSS levels of up to 220 mg per liter (“mg/L”) per month;
- Average BOD levels of up to 230 mg/L per month.

Currently Riverside charges an additional fee of \$1,740.89 per million gallons per month for average flows in excess of 120 million gallons per month; an additional fee of \$0.32 per pound per month for average TSS levels in excess of 220 mg/L per month; and \$0.24 per pound per month for average BOD levels in excess of 230 mg/L per month.

Industrial waste dischargers that discharge to the Regional Water Quality Control Plant “RWQCP”, with flows greater than 5,000 gallons per day and with TSS in excess of 220 mg/L or BOD in excess of 230 mg/L, will be subject to a Treatment Charge for excess BOD and TSS. The District periodically samples the quality of the industrial waste from each industrial waste discharger for levels of TSS and BOD. If any sample reveals a concentration of TSS or BOD which exceeds the concentration level allowed by Riverside, as set forth above or as revised by Riverside from time to time, the industrial waste discharger is deemed to have been delivering that same concentration of TSS or BOD since the date of the previous sample. Based on that concentration and the quantity of discharge measured by the quantity of water delivered to the discharger or by the quantity of waste measured by a meter installed to measure the quantity of waste discharged, as the case may be, the District will calculate the excess level of TSS or BOD, in pounds, and will add a Treatment Charge line item in the monthly water and sewer bill. The treatment charge will be calculated based upon a 12-month rolling average of flow, TSS and BOD, and will be charged monthly and updated quarterly. The rate charged for the excess TSS and BOD will be set at the same rates charged by Riverside for excess TSS or BOD levels, but in no event more than 50% greater than the rates identified above.

c. **Discharges Treated by WRCRWA**

i. **Monthly Base Service Charge.** Each industrial waste discharger shall pay the same Monthly Base Service Charge per EDU per month as that

applicable to non-industrial customers. The Monthly Base Service Charge will correspond to the following schedule:

	2015	2016	2017	2018	2019
Service charge per EDU	\$23.95	\$23.95	\$24.89	\$25.39	\$25.90

- ii. **HCF Charge.** The HCF Charge will be a charge per HCF (hundred cubic feet) of industrial waste discharged into the sewage collection system each month, measured by the quantity of water delivered to the discharger except as otherwise provided hereinafter. The charge per HCF will be the same as that charged to residential customers, but will not be capped at 8 HCF. The HCF Charge will correspond to the following schedule:

	2015	2016	2017	2018	2019
Rate per HCF	\$1.51	\$1.61	\$1.57	\$1.60	\$1.64

In cases where outdoor irrigation water is delivered through a separate connection, the HCF Charge will be applied only to the quantity of water delivered to the customer for indoor use. In cases where the District has installed a sewer flow meter to measure the volume of waste discharged by a discharger, the HCF Charge will be applied only to the volume of waste measured at that meter.

- iii. **Treatment Charge.** WRCRWA currently charges only on the basis of flow and not water quality; thus there is no special industrial billing consideration at this time.

SECTION 3. Other Sewer Service Charges

- 1) **Sewer Pass-Through Adjustments.** Should the charges paid by the District to another party for sewage treatment be increased or decreased, the District’s Board of Directors may, by resolution, implement an additional adjustment to the above sewer rates to pass through the changes in such charges. If this occurs, the pass-through rate adjustment will not require a public hearing by the District’s Board of Directors. At least 30 days before the effective date of the pass-through rate adjustment the District will inform its customers of the recalculated pass-through rate, which will be calculated to include the increases or decreases in such charges divided by the projected sewer demand. The recalculated rate will be applied to the District’s different customer classes in the manner set forth in this resolution.
- 2) **Subsequent Adjustments.** Following the above rate adjustments that become effective on January 1, 2019, the sewer rates then in effect will remain in effect until

such later time as the District's Board of Directors takes steps required by Article XIII D of the California Constitution and other applicable law then in effect to further adjust the District's sewer rates.

CERTIFICATION

I, Julie B. Saba, Secretary of the Board of Directors of Jurupa Community Services District, certify that the foregoing resolution was adopted by the Board of Directors at a regular meeting held on the 10th day of November 2014, by the following vote of the Directors:

AYES: Betty A. Anderson, Jane F. Anderson, Robert Craig

NOES: Chad Blais

ABSENT: Kenneth J. McLaughlin

ABSTAINED: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Jurupa Community Services District this 10th day of November 2014.


Secretary of the Board of Directors

(SEAL)