



AGENDA REPORT

Meeting Date: June 3, 2010
Item Number: D-1
To: Honorable Mayor & City Council
From: Shana Epstein, Environmental Utilities Manager 
Subject: AN ORDINANCE OF THE CITY OF BEVERLY HILLS TO INCREASE WATER AND SOLID WASTE UTILITY RATES BEGINNING IN FISCAL YEAR 2010-2011 AND PROVIDING FOR AN ANNUAL INFLATION ADJUSTMENT

Attachments:

1. Ordinance
2. Mailed Notice
3. HF&H Solid Waste Utility Rate Report
4. Raftelis Financial Consulting Water Utility Rate Report

RECOMMENDATION

It is recommended that the City Council move that the full reading of the ordinance be waived and that the ordinance entitled "Ordinance of the City of Beverly Hills to Increase Water and Solid Waste Utility Rates Beginning in Fiscal Year 2010-2011 and Providing for an Annual Inflation Adjustment" be introduced and read by title only.

INTRODUCTION

The Solid Waste Utility, Water Utility, Wastewater Utility and Storm Water Utility are designated as enterprise funds. Such funds are self sufficient from the General Fund and their revenue stream is determined through rates for service. The City Council will be considering rate increases to the Solid Waste and Water rates on June 3, 2010. The Wastewater Utility has sufficient funds and reserves so no revenue adjustment is required. The Storm Water Utility is underfunded, but revenues may not be adjusted without either a general election or property-owner mail ballot election.

DISCUSSION

Solid Waste Utility Rates

Staff recommends the following increases for solid waste rates:

The alley maintenance fee is proposed to increase by CPI, 0.9%, the residential rate is proposed to increase by 8.2% and commercial rates are proposed to

increase 4.2%. These percentages would be applied toward both fiscal years 2010/11 and 2011/12.

The Public Works Commission after careful consideration at their meeting of May 13, 2010 concurred with recommendation above.

Solid Waste Utility Services

This utility not only collects waste from alleys and curbs but has worked very hard at establishing an operation that meets sustainable goals. In 1990, the State mandated that all cities divert a minimum of 50% of its waste stream from landfills by 2000. The City not only complies with this mandate, but preliminary numbers for 2009 suggest a diversion rate closer to 73%. This increase is attributable to the new food waste program and less construction debris due to the economic downturn.

In addition, the Solid Waste Utility removes bulky items and excess debris twice a month from alleys and will pick up bulky items within one business day upon request.

Previous Rate Increase

On May 20, 2008, staff recommended, and the City Council approved a two year rate increase. Effective July 15, 2008 and July 1, 2009, residential solid waste rates increased by 4.0% and 4.0% each year. Commercial solid waste rates were not increased. This action was taken to balance the revenue collected from different customer classes with the cost of service delivery.

Key Assumptions

In total, the Internal Service Funds increased by \$893,000 over the past two years. Internal Service Funds as a sample include Information Technology, Facilities Maintenance and Vehicle Replacement and Operations. The latter had the most significant changes from past rate analysis. Vehicle Replacement and Operation charges experienced notable increases and underwent a reallocation from FY 2009 to FY 2010 since the original allocation did not account for Solid Waste Utility's burden on the Vehicle Replacement and Operation Funds. The increase of this cost is \$794,385. A \$427,576 difference in vehicle replacement charges between FY 2009 and 2010 alone is primarily attributable to a data entry error made during last year's budget.

There are three large cost centers in the Solid Waste Utility Budget. First, the Pavement Impact Recovery Fee to the General Fund is typically \$500,000 annually. For several years, the funds were not encumbered from the Solid Waste Enterprise Fund. Therefore, in FY 2010, the budget reflects an approximately \$1.3 million dollar expenditure as full recovery of these funds. For FY 2011 and forward, this fee will remain at \$500,000. The second large expense is the debt that Solid Waste Utility pays back to the General Fund for services paid for by the General Fund in the amount of \$805,000, which sunsets in 2019. The loan was initiated in 2006, but due to miscommunication the accounting office will begin transferring the funds in FY 2010/2011. The last large expense is the contract fees to Crown Disposal to collect and dispose of commercial solid waste and the tipping fees for residential solid waste to be disposed. Crown Disposal's costs are confined by the existing agreement that assists in keeping costs down to CPI increases and direct cost pass-through's such as the County's landfill fees.

The analysis completed by HF&H Consultants assumes reserves will drop below the 50% of annual revenue reserves target and are projected to be 38% at the end of the projection period. The Solid Waste Utility's largest assets are the personnel and vehicles. Since this utility does not have large infrastructure or is subject to substantial fluctuation in costs due to the long term contracts, staff and HF&H believe the projected reserve levels are adequate.

When the solid waste rates were presented to the City Council on April 6, 2010, a question was raised about the potential the residential solid waste rates to only be increased as much as the commercial. This alternative would require a \$270,000 and \$281,000 reduction for FY 10/11 and FY 11/12 respectively. The options to reduce expenditures are as follows:

- Reduce staffing
- Reduce vehicle replacement funding, which would result in extending the life of several trash trucks from 8 years to 10 years.
- Extend the Solid Waste Enterprise Fund's payback to the General Fund; which would result in more cuts to the General Fund.
- Reduce Solid Waste Enterprise Reserves to less than 30% of annual revenues.

This Utility continually evaluates efficiencies. The residential operation consolidated routes to minimize the number of trucks required on a daily basis. The Crown Disposal agreement expires on March 31, 2012, and staff is already preparing to evaluate the best options for the City.

Water Utility Rates

In order to operate, maintain and continue capital improvements, City staff with assistance from Raftelis Financial Consultants, Inc. (RFC) recommends that the overall revenue for the City's Water Enterprise Fund increase by 15% and 15% for the respective fiscal years 10/11 and 11/12. Even with this recommendation for the next two years, the Water Utility will be drawing from reserves to meet the revenue requirements to cover all costs – operations and maintenance, water purchases, debt service, and operation funded capital projects. The implication of this recommendation is that the City will not maintain a reserve balance of 50% of annual revenues until future years. In the second year of this rate increase reserves will be just under 25% of annual revenues.

The Public Works Commission at their meeting on May 13, 2010, concurred with the above recommendation.

	Recommended Operating Revenue	Revenue Requirement
FY 10/11	\$29,159,532	\$35,921,747
FY 11/12	\$33,260,232	\$37,362,358

In 2004, the City of Beverly Hills initiated a study to create a conservation rate structure that introduced a fourth tier and minimized the rate increases for the first tier of usage. The meter charge, which is a non volumetric charge, accounts for 10% of the Water Enterprise Fund revenue stream. The rest of the revenue is collected through the

volumetric charges, which depends upon customers consuming to meet a number of fixed costs.

Given historic usage, RFC predicts 52% of the customers will experience a rate increase of less than 15%. Customer impacts for various customer classes are depicted in the table below for FY 10/11:

	Bi-Monthly Bill			
	Average Usage (hcf)	Total Current Bill	Total Proposed Bill	\$ Increase
Residential 1" meter (Inside-City)	70	\$ 261.80	\$ 302.83	\$ 41.03
Residential 2" meter (Inside-City)	150	\$ 789.18	\$ 948.61	\$ 159.43
Multi-Family 1" meter (Inside-City) 13.3 hcf/unit	13.3	\$ 73.53	\$ 83.47	\$ 9.94
Non-Residential 1" meter (Inside-City)	40	\$ 191.85	\$ 218.18	\$26.33
Non-Residential 2" meter (Inside-City)	500	\$ 2,117.83	\$ 2,423.96	\$306.13

For context the following comparison for the cost of water consumption is provided. Even with this rate increase proposal the City will still be providing water for less than one cent (\$0.01) per gallon.

Type of Water	Amount of Water	Cost of Water	
16oz bottles in 40-pack packaging	5 gallons	29.50	
Delivered bottle water	5 gallons	7.50	
Bottle water at the store	5 gallons	4.88	
City's tap water	5 gallons	0.026	Current rate
City's tap water	5 gallons	0.030	Proposed FY 10/11 rate
City's tap water	5 gallons	0.034	Proposed FY 11/12 rate

Previous Rate Increase

For FY 08/09 and FY 09/10, the City of Beverly Hills increased the water utility's overall revenue by 8% and 8%. These increases in revenue paid for debt costs for Coldwater Cañon Reservoir and the purchase of the Water Treatment Plant. The City did not anticipate that MWD would increase rates off schedule and by a percentage of 21% in September of 2009. Typically, MWD increases rates on the first of January. MWD increased rates three months early to gain additional revenue and increased rates by a greater percentage than in the past to account for lost sales due to the natural and regulatory drought and to meet full cost recovery sooner. In previous years MWD budgeted water sales at 2.2 million acre feet; MWD reduced this projection to 1.9 million acre feet. (One acre foot equals 326,000 gallons.) This increase compounded with releasing debt for the replacement of the steel reservoir tanks has required the City to use more reserves to meet revenue requirements than was anticipated when the last rate study was completed.

Key Assumptions

The City takes into account many factors when establishing revenue requirements for enterprise funds, which include covering costs and obligations as well as changing consumer behavior with regards to conservation. Below are some of the larger components:

- *Operations and Maintenance* – Operating revenues, which typically means revenues collected for service provided, are expected to cover operating expenses on a one-to-one ratio. These expenses for the water utility include human resources, power, materials, water purchases, equipment, chemicals, contract services and other miscellaneous costs. These assumptions include personnel costs escalating at 2% and 3% respectively for FY 10/11 and FY 11/12, in accordance with Memorandums of Understanding with the employee associations.
- *AAA Bond Rating* – Solid bond ratings allow the City to borrow money at the lowest interest rate. One of the components of receiving AAA Bond Rating is the willingness to increase rates by an elected board to cover costs as they escalate and not to deplete other resources so the borrower is at risk not to pay back the debt service. When bonds are issued, the City agrees to certain covenants.
 - The significant bond covenant that affects rates is that the City must have annual net revenues, which is gross revenue minus annual operations and maintenance costs (net of non-cash expenses) including parity debt service at least equal to 125% of those operating costs. Another way of stating this is the City needs to collect revenue that is 125% greater than the utility's operating costs.
- *Reserves:* As a policy in the adopted budget, the City's goal is to maintain 50% of annual revenues by specific enterprise funds in reserves. This policy holds the City in good standing in meeting bond requirements as well as being prepared if there is a natural disaster or other emergencies that require costly capital improvements. That being said this proposed rate increase does not achieve this goal until the fifth year of the rate study which assumes rate increases for the next five years respectively out to FY 14/15 - 15%, 15%, 10%, 5% and 5%
- *Capital Improvements:* To ensure continued quality service to the community, the City must continue to reinvest in the water utility's infrastructure. In addition, capital reinvestment reduces liability costs attributable to aging infrastructure failing.
- *Components of Expenses Unique to Water:* Many of the costs for water for the City and its wholesaler are fixed. So MWD's rate increase is attributable to the issues surrounding the natural and regulatory drought. The less water sold the greater each unit of water costs due to fixed costs or purchasing other sources of water.

Alternative Rate Increases

RFC and staff presented two alternative rate increases to the Public Works Commission. The Commission asked how a 12.5% across the board revenue increase would be implemented in addition to the below alternatives. This alternative increase required a \$2.5 Million capital budget decrease for each of the next two fiscal years. The reserves level would be below the recommended 50% level for all five years in the forecast period. The bi-monthly rate change for R-1 customer under this alternative is \$34.19 compared to \$41.03 in the original recommendation of 15% (see table below). The

differential rate impact to customers was not considered substantial enough to change the original staff recommendation.

Since that Public Works Commission meeting, staff has been asked what would be the impact on the rates if we implemented a 7.5% increase every six months. The impact would be a slightly greater increase in year three due to the lost revenue in the first six months of each fiscal year. The recommended rate increase accounts for a 10% rate adjustment in year three; the six-month phase in alternative projects a 5.5% rate adjustment every six months or a 10.5% adjustment for a full year in year three. Under the six-month option, the reserves level would be lower than the recommended rate increase in the first four years but will be approximately the same in the fifth year.

The table below reflects the alternatives presented to the Public Works Commission:

	Recommended	Alternative 1	Alternative 2
Revenue Adjustments	15% average	10% average	5% average
Bi-monthly Rate Change for R-1 Customer (1 in, 70HCF)	\$41.03	\$27.35	\$13.68
Reduction in CIP	None	(\$5mil) in FY 2011 (\$5mil) in FY 2012	(\$5mil) in FY 2011 (\$5mil) in FY 2012
Debt Coverage	Meet 125% over forecast period	Meet 125% over forecast period	Barely meet 125% over forecast period
Reserve Level	Reach 50% level by FY 2015	Reach 50% level by FY 2015	Drop to zero by FY 2015

The capital programs that would be eliminated from the budget in Alternative 1 and 2 are the development of a deep groundwater well in West Hollywood, emergency water connection with LADWP off of Lago Vista, and water main replacements of corroded and aged pipes. Approximately a quarter of the pipelines scheduled for replacement are 80 years old or older.

Notification

Besides the required notice mailed to all customers, Staff and Public Works Commissioners attended a homeowner's association meeting with the City Manager on April 13, 2010. Staff presented the rate increases during City Council Study Sessions – April 6, 2010, and May 4, 2010. On April 27, 2010, staff held a media briefing. *The Beverly Hills Courier* attended and published an article on April 30, 2010, page 4. On May 3, 2010, Chair Shooshani and Commissioner Fisher met with the City Council Members who are liaisons to the Public Works Commission on this matter. Two customers attended the publicly noticed Public Works Commission meeting regarding this matter on May 13, 2010. Although publishing in the newspaper is not required, notice was published in the Weekly and the Courier on May 20 & May 21, 2010.

Disadvantaged Rate Category

A disadvantaged rate has been requested through phone calls and customer input throughout the last year and this year's rate process. In the past, the Commission did not recommend a disadvantaged rate. When the water rate and wastewater rate studies were conducted a disadvantaged rate was not developed after careful evaluation of various components of rate structures. Instead, the first tier of the water rate was determined to be kept artificially low for those who just need to consume water for basic life needs. The wastewater rate for residents is a flat rate. The solid waste rate structure does provide a discount for residential customers who own a property with 40% or more hillside. Historically, the Commission did not want to have one rate payer subsidize another rate payer to assist in financial need. If the City Council would like to investigate a disadvantaged rate for the future, staff recommends that this priority be expressed in the rate studies conducted two years from now. The reason for the delay is the complexity of establishing a disadvantaged rate:

- What are the criteria to be considered disadvantaged?
- How many people in the community fit into this criteria?
- How will the discount be funded?

FISCAL IMPACT

The recommended increase in solid waste utility rates is expected to generate an additional \$830,000 and still utilize \$153,000 of reserves to meet the revenue requirements of the utility for FY 2010/2011. For the following year the recommended increase is expected to generate \$885,000 and reserves would gain \$205,000. The revenue requirements are the necessary revenues to cover operations, capital and reserve costs.

The recommended increase in water utility rates is expected to generate an additional \$3.5 and \$4.0 million for FY 10/11 and FY 11/12, respectively, and still utilize \$ 6.8 and \$4.1 million of reserves, respectively, to meet the revenue requirements that include all the utility expenditures. The revenue requirements are the necessary revenues to cover operations, capital, debt service and reserve costs.


for: Scott Miller
Finance Approval


David Gustavson
Approved By

Attachment 1

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BEVERLY HILLS TO
INCREASE WATER AND SOLID WASTE UTILITY RATES
BEGINNING IN FISCAL YEAR 2010-2011 AND PROVIDING
FOR AN ANNUAL INFLATION ADJUSTMENT

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS DOES ORDAIN
AS FOLLOWS:

Section 1. The City Council of the City of Beverly Hills hereby finds as follows:

A. The City Council is authorized pursuant to the California Health and Safety Code Section 5471 to prescribe, revise and collect rates and charges for water, wastewater and solid waste services and facilities furnished by the City.

B. The City Council wishes to increase the rates for water and solid waste services (the "rates") as provided in Exhibit A.

C. The City Council identified the parcels upon which the proposed rates would be imposed and calculated the amount of the proposed rates.

D. The City Clerk caused a notice of the time and place of a public hearing on the proposed rates to be mailed as required by Section 6 of Article XIID of the California Constitution.

E. Each notice described the amount of proposed rates, the basis upon which the amount of the proposed rates was calculated, the reason for the proposed rates, and the date time and location of a public hearing on the proposed rates.

F. On June 3, 2010, at the date, time and location set forth in the notice, the City Council conducted a public hearing on the proposed rates and heard and considered all objections and protests thereto and at the close of the public hearing, the City Council determined that written protests had not been presented by a majority of owners of the identified parcels.

G. The City Council previously adopted Ordinance No. 08-O-2552 to authorize an annual Consumer Price Index increase for wastewater service rates.

H. The City Council wishes to define the measure of the previously authorized annual Consumer Price Index increase for wastewater service rates.

I. All code references in the column entitled "Reference" in Exhibit A are to ordinances or resolutions of the City of Beverly Hills unless otherwise indicated.

Section 2. The rates listed in Exhibit A as Reference Nos. 08-O-2552 (Water Rates), 08-O-2552 (Fire Protection Services), 08-O-2552 (Refuse Collection Rates-Residential), 07-O-2519 (Refuse Collection Rates-Commercial, Industrial and Commercial Multi-Family), 07-O-2519 (Refuse Collection Rates-Restaurant), 07-O-2519 (Refuse Collection Rates-Roll-Off Collection and 07-O-2519 (Miscellaneous Commercial Solid Waste Fees) shall be increased as provided in Exhibit A for Fiscal Year 2010/11 and Fiscal Year 2011/12.

Section 3. Beginning July 1, 2012, and each July 1 through July 1, 2016, the rates listed in Exhibit A as Reference Nos. 08-O-2552 (Water Rates), 08-O-2552 (Fire Protection Services), 08-O-2552 (Refuse Collection Rates-Residential), 07-O-2519 (Refuse Collection Rates-Commercial, Industrial and Commercial Multi-Family), 07-O-2519 (Refuse Collection Rates-Restaurant), 07-O-2519 (Refuse Collection Rates-Roll-Off Collection and 07-O-2519 (Miscellaneous Commercial Solid Waste Fees) shall be increased by an amount that is equal to the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for Los Angeles-Riverside-Orange County, CA Area for the twelve-month period ending the immediately preceding November 30.

Section 4. Ordinance No. 08-O-2552 established an annual Consumer Price Index adjustment for the rates listed in Exhibit A as Reference No. 08-O-2552 (Wastewater Rates). The measure for such annual Consumer Price Index adjustment shall be the annual percentage

increase in the Consumer Price Index for All Urban Consumers (CPI-U) for Los Angeles-Riverside-Orange County, CA Area for the twelve-month period ending the immediately preceding November 30.

Section 5. The City Clerk shall cause this Ordinance to be published at least once in a newspaper of general circulation published and circulated in the City within fifteen (15) days after its passage, in accordance with Section 36933 of the Government Code; shall certify to the adoption of this Ordinance and shall cause this ordinance and her certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

Section 6. This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the thirty-first (31st) day after its passage.

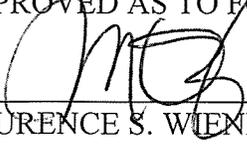
Adopted:
Effective:

JIMMY DELSHAD
Mayor of the City of Beverly Hills,
California

ATTEST:

BYRON POPE (SEAL)
City Clerk

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY KOLIN
City Manager

for: 

SCOTT G. MILLER
Director of Administrative Services/Chief
Financial Officer



DAVID D. GUSTAVSON
Director of Public Works & Transportation

EXHIBIT A
[see attached]

EXHIBIT A

**City of Beverly Hills
Utility Rates Schedule
Fiscal Year 2010/11, Fiscal Year 2011/12**

<u>REFERENCE</u>	<u>TYPE OF UTILITY CHARGE</u>	2010/11		2011/12	
		Effective 7/22/10		Effective 7/1/11	
		<u>Inside</u>	<u>Outside</u>	<u>Inside</u>	<u>Outside</u>
		<u>City</u>	<u>City</u>	<u>City</u>	<u>City</u>
08-0-2552					
Water Rates:	Service charges (bimonthly):				
	Meter size (per meter):				
	1 inch and smaller	30.58	38.23	35.17	43.96
	1-1/2 inches	52.57	65.71	60.46	75.58
	2 inches	78.96	98.70	90.80	113.50
	3 inches	140.53	175.66	161.61	202.01
	4 inches	228.48	285.60	262.76	328.45
	6 inches	448.38	560.48	515.63	644.54
	Quantity charge:*				
	Bimonthly Water Usage - units of 100 cu ft (per 100 cu ft)				
	Single Family Residences & Duplexes (SFR)				
	Multi-Family Residential (MFR) (Tier acts as a multiplier by # of units.)				
	Tier 1 - from 1 and up to 10	2.76	3.45	3.17	3.96
	Tier 2 - over 10 and up to 55	3.58	4.48	4.12	5.15
	Tier 3 - over 55 to 120	5.57	6.96	6.41	8.01
	Tier 4 - over 120 +	10.63	13.29	12.22	15.28
	Non-residential rate (Commercial, Governmental and Schools)	4.69	5.86	5.39	6.74
	*Capital charge incorporated in usage.				
08-0-2552					
Fire Protection Service Charge (bimonthly):	Size of Connection:				
	2 inch and smaller	23.69	29.61	23.93	29.91
	2-1/2 inches	35.35	44.19	35.70	44.63
	3 inches	51.49	64.36	52.00	65.01
	4 inches	99.44	124.29	100.43	125.54
	6 inches	271.54	339.42	274.25	342.82
	8 inches	568.36	710.45	574.05	717.56
	10 inches	1,014.85	1,268.56	1,025.00	1,281.25

EXHIBIT A

**City of Beverly Hills
Utility Rates Schedule
Fiscal Year 2010/11, Fiscal Year 2011/12**

<u>REFERENCE</u>	<u>TYPE OF UTILITY CHARGE</u>	2010/11		2011/12	
		Effective 7/22/10		Effective 7/1/11	
		<u>Inside City</u>	<u>Outside City</u>	<u>Inside City</u>	<u>Outside City</u>
08-0-2552					
Wastewater Rates:	Service Charge (bimonthly):				
	Residential (Per dwelling)	87.38	N/A	87.38	N/A
	Commercial:				
	Fixed Charge	34.20	N/A	34.20	N/A
	Quantity/Quality Charge:				
	Unit cost / CCF for domestic strength wastewater for all commercial, industrial and municipal users based on water consumption during billing cycle.	4.74	N/A	4.74	N/A
	Quality Surcharge: (Excess strength cost/lb. for commercial users)				
	BOD unit cost \$0.41/CCF = \$0.30/lb.				
	SS unit cost \$0.41/CCF = \$0.29/lb.				
	Strength Surcharge \$/CCF	2.34		2.34	
96-R-9442					
Stormwater Fee	Residential R-1 (bimonthly)	17.56	N/A	17.56	N/A
	Residential R-4 (per unit bimonthly)	7.26	N/A	7.26	N/A
	Commercial, Industrial and Municipal (bimonthly for each water customer within City limits)	143.26	N/A	143.26	N/A
	Stormwater Permit - Selected Businesses (annually)	100.00	N/A	100.00	N/A
	Residential stormwater fees cover street sweeping and storm drain maintenance. Commercial, industrial and municipal fees also include street receptacle collection and commercial sidewalk maintenance.				

EXHIBIT A

**City of Beverly Hills
Utility Rates Schedule
Fiscal Year 2010/11, Fiscal Year 2011/12**

REFERENCE	TYPE OF UTILITY CHARGE	2010/11 Effective 7/22/10		2011/12 Effective 7/1/11	
		Inside City	Outside City	Inside City	Outside City
08-0-2552	Refuse Collection Rates:				
	Residential - bimonthly (Includes recycling programs and AB939 programs)				
	Multi-family (per dwelling unit)	36.37	N/A	39.36	N/A
	Single family residences and duplexes				
	Per square foot of lot area *	0.010400	N/A	0.011253	N/A
	Single family residences and duplexes in the Hillside Area** which use 3 or fewer containers and are located on lots which contain at least 40% of unusable hillside area.*** Per sq. ft. of lot area *	0.008320	N/A	0.009002	N/A
	Additional container charge				
	Each additional container above 6	24.63	N/A	26.65	N/A
	Collection day Curbside roll out service (for residents North of Santa Monica Boulevard)	23.35	N/A	25.26	N/A
	Special container moving charge	57.16	N/A	61.84	N/A
	Roll-out service, up to 6 containers once a week				
	* Based on Los Angeles County property tax records.				
	** Hillside Area means the area within the City of Beverly Hills north of Sunset Boulevard.				
	*** The calculation of unusable hillside area shall be based on Los Angeles County property tax records or, if unavailable, a determination by the Director of Public Works.				
	Residential bimonthly alley refuse fee per dwelling unit	21.61	N/A	21.80	N/A
07-0-2519	Refuse Collection Rates:				
	Commercial, Industrial and Commercial Multi-Family Customer Rates - Restaurants Excluded				
	In addition to the monthly charges shown below, the following charges may apply:				
	1) After hour collections will be billed at a rate of \$108.68 per bin				
	2) A Roll Out charge of \$27.17 per month for each weekly pick up will be added to bin charges where bins are not accessible for truck pick up.				
	3) Locking lid per bin	10.09	N/A	10.51	N/A
	4) Scout Service per bin				
	1 time weekly	42.03	N/A	43.80	N/A
	2 times weekly	67.25	N/A	70.08	N/A
	3 times weekly	92.48	N/A	96.36	N/A
	4 times weekly	117.69	N/A	122.64	N/A
	5 times weekly	142.91	N/A	148.91	N/A
	6 times weekly	168.13	N/A	175.19	N/A
	7 times weekly	193.35	N/A	201.47	N/A
	Monthly charge - Billed monthly				
	1 Cu. Yd Bin (Service is not currently offered.)				
	1 time weekly	85.13	N/A	88.71	N/A
	2 times weekly	138.03	N/A	143.83	N/A
	3 times weekly	190.97	N/A	198.99	N/A
	4 times weekly	242.71	N/A	252.91	N/A
	5 times weekly	291.02	N/A	303.24	N/A
	6 times weekly	338.20	N/A	352.41	N/A
	7 times weekly	456.69	N/A	475.87	N/A
	1.5 Cu. Yd Bin				
	1 time weekly	94.34	N/A	98.31	N/A
	2 times weekly	156.45	N/A	163.02	N/A
	3 times weekly	215.12	N/A	224.16	N/A
	4 times weekly	272.63	N/A	284.08	N/A
	5 times weekly	325.55	N/A	339.23	N/A
	6 times weekly	379.62	N/A	395.57	N/A
	7 times weekly	511.88	N/A	533.38	N/A
	2 Cu. Yd Bin				
	1 time weekly	104.68	N/A	109.08	N/A
	2 times weekly	172.57	N/A	179.81	N/A
	3 times weekly	236.98	N/A	246.94	N/A
	4 times weekly	300.23	N/A	312.84	N/A
	5 times weekly	361.22	N/A	376.39	N/A
	6 times weekly	419.86	N/A	437.50	N/A
	7 times weekly	564.82	N/A	588.54	N/A
	3 Cu. Yd Bin				
	1 time weekly	115.04	N/A	119.87	N/A
	2 times weekly	189.80	N/A	197.77	N/A
	3 times weekly	261.14	N/A	272.10	N/A
	4 times weekly	329.00	N/A	342.82	N/A
	5 times weekly	395.72	N/A	412.34	N/A

EXHIBIT A

City of Beverly Hills
Utility Rates Schedule
Fiscal Year 2010/11, Fiscal Year 2011/12

REFERENCE	TYPE OF UTILITY CHARGE	2010/11 Effective 7/22/10		2011/12 Effective 7/1/11	
		Inside City	Outside City	Inside City	Outside City
	6 times weekly	460.14	N/A	479.46	N/A
	7 times weekly	620.03	N/A	646.07	N/A
	4 Cu. Yd Bin				
	1 time weekly	133.44	N/A	139.04	N/A
	2 times weekly	218.57	N/A	227.75	N/A
	3 times weekly	301.41	N/A	314.07	N/A
	4 times weekly	383.06	N/A	399.15	N/A
	5 times weekly	460.14	N/A	479.46	N/A
	6 times weekly	533.75	N/A	556.17	N/A
	7 times weekly	720.12	N/A	750.36	N/A
	3 Cu. Yd Compactor				
	1 time weekly	211.65	N/A	220.54	N/A
	2 times weekly	347.42	N/A	362.02	N/A
	3 times weekly	480.86	N/A	501.06	N/A
	4 times weekly	607.38	N/A	632.89	N/A
	5 times weekly	729.32	N/A	759.95	N/A
	6 times weekly	846.65	N/A	882.20	N/A
	7 times weekly	1,143.44	N/A	1,191.46	N/A
07-0-2519	Refuse Collection Rates:				
	Roll-Off Collections				
	In addition to the roll-off bin charges shown below, the following charge may apply: (After hour collections Monday - Saturday after 5 p.m. and all of Sunday, will be billed at a rate of \$108.68 per bin - 10 ton maximum) (At cost fees will apply to hauls greater than ten tons)				
	10 Cu. Yd. per roll-off haul fee	212.37	N/A	221.29	0.00
	25 Cu. Yd. per roll-off haul fee	212.37	N/A	221.29	0.00
	40 Cu. Yd. per roll-off haul fee	212.37	N/A	221.29	0.00
	10 Cu. Yd. per dump fees per ton	51.60	N/A	53.77	0.00
	25 Cu. Yd. per dump fees per ton	51.60	N/A	53.77	0.00
	40 Cu. Yd. per dump fees per ton	51.60	N/A	53.77	0.00
	Compactors				
	9 Cu. Yd. per roll-off haul fee	279.79	N/A	291.54	0.00
	25 Cu. Yd. per roll-off haul fee	279.79	N/A	291.54	0.00
	40 Cu. Yd. per roll-off haul fee	279.79	N/A	291.54	0.00
	9 Cu. Yd. per dump fees per ton	51.60	N/A	53.77	0.00
	25 Cu. Yd. per dump fees per ton	51.60	N/A	53.77	0.00
	40 Cu. Yd. per dump fees per ton	51.60	N/A	53.77	0.00
	Roll off Compactor Cleaning Fees				
	Compactors				
	9 Cu. Yd. per roll-off	187.48	N/A	195.35	0.00
	25 Cu. Yd. per roll-off	187.48	N/A	195.35	0.00
	40 Cu. Yd. per roll-off	187.48	N/A	195.35	0.00
	Temporary Bins (per bin per collection)				
	3 Cu. Bin	134.85	N/A	140.51	0.00
	6 Cu. Bin (Service is not currently available.)	202.25	N/A	210.75	0.00
07-0-2519	Refuse Collection Rates:				
	Restaurant rates				
	In addition to the monthly charges shown below, the following charges may apply:				
	1) After hour collections will be billed at a rate of \$108.68 per bin				
	2) A Roll Out charge of \$27.17 per month for each weekly pick up will be added to bin charges where bins are not accessible for truck pick up				
	3) Locking lid per bin	10.09	N/A	10.51	N/A
	4) Scout Service per bin				
	1 time weekly	42.03	N/A	43.80	N/A
	2 times weekly	67.25	N/A	70.08	N/A
	3 times weekly	92.48	N/A	96.36	N/A
	4 times weekly	117.69	N/A	122.64	N/A
	5 times weekly	142.91	N/A	148.91	N/A
	6 times weekly	168.13	N/A	175.19	N/A
	7 times weekly	193.35	N/A	201.47	N/A
	Monthly charge - Billed monthly				
	1 Cu. Yd Bin (Service is not currently offered.)				
	1 time weekly	119.63	N/A	124.66	N/A
	2 times weekly	165.65	N/A	172.60	N/A
	3 times weekly	236.98	N/A	246.94	N/A
	4 times weekly	300.23	N/A	312.84	N/A
	5 times weekly	355.45	N/A	370.38	N/A

EXHIBIT A

City of Beverly Hills
 Utility Rates Schedule
 Fiscal Year 2010/11, Fiscal Year 2011/12

REFERENCE	TYPE OF UTILITY CHARGE	2010/11 Effective 7/22/10		2011/12 Effective 7/1/11	
		Inside City	Outside City	Inside City	Outside City
	6 times weekly	410.67	N/A	427.92	N/A
	7 times weekly	631.52	N/A	658.05	N/A
	1.5 Cu. Yd Bin				
	1 time weekly	141.50	N/A	147.45	N/A
	2 times weekly	200.17	N/A	208.58	N/A
	3 times weekly	266.88	N/A	278.09	N/A
	4 times weekly	356.61	N/A	371.59	N/A
	5 times weekly	423.33	N/A	441.11	N/A
	6 times weekly	490.05	N/A	510.63	N/A
	7 times weekly	710.91	N/A	740.77	N/A
	2 Cu. Yd Bin				
	1 time weekly	154.15	N/A	160.63	N/A
	2 times weekly	223.18	N/A	232.55	N/A
	3 times weekly	291.02	N/A	303.24	N/A
	4 times weekly	368.11	N/A	383.57	N/A
	5 times weekly	434.84	N/A	453.10	N/A
	6 times weekly	511.88	N/A	533.38	N/A
	7 times weekly	732.76	N/A	763.53	N/A

EXHIBIT A

City of Beverly Hills
 Utility Rates Schedule
 Fiscal Year 2010/11, Fiscal Year 2011/12

REFERENCE	TYPE OF UTILITY CHARGE	2010/11 Effective 7/22/10		2011/12 Effective 7/1/11	
		Inside City	Outside City	Inside City	Outside City
	3 Cu. Yd Bin				
	1 time weekly	178.30	N/A	185.79	N/A
	2 times weekly	257.67	N/A	268.49	N/A
	3 times weekly	337.06	N/A	351.21	N/A
	4 times weekly	402.62	N/A	419.53	N/A
	5 times weekly	491.19	N/A	511.82	N/A
	6 times weekly	555.62	N/A	578.95	N/A
	7 times weekly	778.77	N/A	811.48	N/A
	4 Cu. Yd Bin				
	1 time weekly	200.17	N/A	208.58	N/A
	2 times weekly	315.19	N/A	328.43	N/A
	3 times weekly	380.77	N/A	396.76	N/A
	4 times weekly	482.00	N/A	502.24	N/A
	5 times weekly	582.07	N/A	606.52	N/A
	6 times weekly	669.51	N/A	697.63	N/A
	7 times weekly	890.37	N/A	927.76	N/A
	3 Cu Yd Compactor				
	1 time weekly	347.42	N/A	362.02	N/A
	2 times weekly	517.66	N/A	539.40	N/A
	3 times weekly	684.45	N/A	713.19	N/A
	4 times weekly	831.70	N/A	866.64	N/A
	5 times weekly	1,027.25	N/A	1,070.39	N/A
	6 times weekly	1,177.94	N/A	1,227.41	N/A
	7 times weekly	1,669.15	N/A	1,739.25	N/A

EXHIBIT A

**City of Beverly Hills
Utility Rates Schedule
Fiscal Year 2010/11, Fiscal Year 2011/12**

<u>REFERENCE</u>	<u>TYPE OF UTILITY CHARGE</u>	<u>2010/11</u> <u>Effective 7/22/10</u>		<u>2011/12</u> <u>Effective 7/1/11</u>	
		<u>Inside</u> <u>City</u>	<u>Outside</u> <u>City</u>	<u>Inside</u> <u>City</u>	<u>Outside</u> <u>City</u>
07-0-2519	Miscellaneous Commercial Solid Waste Fees				
	Extra Pick Ups (includes special pick ups in excess of regular service) Per Bin	47.56	N/A	49.55	0.00
	Dry Run (maximum fee) Per Bin	144.11	N/A	150.16	0.00
	Relocation Fee (maximum fee) Per Bin	144.11	N/A	150.16	0.00
	Impounding Fee				
	Hauling Roll-off fee at cost 3 Cu. Yard Temporary Bin	244.22 99.99	N/A N/A	254.48 104.19	0.00 0.00
	Storage Fee				
	Roll-Off Bin (per day)	108.68	N/A	113.25	0.00
	3 Cu. Yard Temporary Bin (per day)	54.34	N/A	56.62	0.00
	Cleaning Fee (One Free Per Year) Per bin per cleaning after first free	40.02	N/A	41.70	0.00
	Bulky Items, Furniture and Appliances (abandoned items and alley clean-up, not construction debris) (This fee has been incorporated into the service rate since FY 2005.)	N/A	N/A	N/A	N/A
	Alley cleanup and maintenance - assessed to franchised haulers annually (per bin)	69.75	N/A	72.68	0.00

The City does not collect hazardous waste and e-waste, special free waste drop-offs occur during the year for these items.

Attachment 2



**NOTICE OF PUBLIC HEARING FOR PROPOSED
WATER UTILITY RATE INCREASE AND
SOLID WASTE UTILITY RATE INCREASE**

April 7, 2010

Dear Resident:

The City is proposing to increase rates for water and solid waste services for fiscal years 2010/11 and 2011/12 to keep pace with higher costs, comply with environmental regulations, plan for emergencies, and provide improved services to customers. This notice provides information about the proposed rate increases and details on the public hearing where you may express your views on the proposed rate increases.

Water Utility Rates

Summary of water rate increase – The City proposes to increase water rates effective July 22, 2010 and July 1, 2011. The proposed rate increases are provided in the attached exhibit. Beginning July 1, 2012, and each July 1 thereafter, the City shall increase water rates by an amount that is equal to the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for Los Angeles-Riverside-Orange County, CA Area for the twelve-month period ending the immediately preceding November 30 (the “CPI Adjustment”). Should the CPI be insufficient to cover operating and capital costs, the utility will undergo a formal rate study process to determine revenue requirements. If you need assistance determining the amount of the water rate increase for your home, you may contact the City by calling 310-285-2436 or by mail or in person at Administrative Services – Utility Billing, 455 N. Rexford Drive, Beverly Hills, California, 90210.

Basis upon which the water rate was calculated – The bimonthly water rate is comprised of a fixed charge and a charge for the quantity of water used. The fixed charge is a flat charge that varies based on the size of a water meter. The quantity charge is an amount charged per 100 cubic feet of water used. The quantity charge is comprised of four tiered amounts that increase as the amount of water used increases. For customers with water meters for fire protection systems, the bimonthly water rate also includes a fixed charge that varies based on the size of the water meter.

Reason for water rates - The water utility rates provide revenues to pay for the maintenance and operation of the water system and its capital expenses. The rate increases reflect the increased cost of purchasing water from the City’s main water source, the Metropolitan Water District. The cost of acquiring water from the Metropolitan Water District makes up almost 25% of the City’s costs to provide water service and Metropolitan Water District recently increased its water rates by 21% and is considering another 12% rate increase. The rate increases also reflect the revenue needs to fund

major capital projects, such as replacement of reservoirs, mains and hydrants. The City conducted a water rate study, dated March 31, 2010, which allocated the water system revenue requirements to different user classes in proportion to their use of the water system.

Solid Waste Utility Rates

Summary of solid waste rate increase – The City proposes to increase solid waste rates effective July 22, 2010 and July 1, 2011. The proposed rate increases are provided in the attached exhibit. Beginning July 1, 2012, and each July 1 thereafter, the City shall increase solid waste rates by the CPI Adjustment. Should the CPI be insufficient to cover operating and capital costs, the utility will undergo a formal rate study process to determine revenue requirements. If you need assistance determining the amount of the solid waste rate increase for your home, you may contact the City by calling 310-285-2436 or by mail or in person at Administrative Services – Utility Billing, 455 N. Rexford Drive, Beverly Hills, California, 90210.

Basis upon which the solid waste rate was calculated – The bimonthly solid waste rate is based on a charge per square foot of a parcel’s area, and for a parcel that receives solid waste collection services in the alley, an additional bimonthly charge per dwelling unit.

Reason for solid waste rates – The solid waste service rates provide revenues to pay for the operation and administration of the solid waste collection and disposal program. The rate increases reflect the increased cost of solid waste collection and disposal as estimated in the City’s solid waste rate analysis, dated March 10, 2010.

Rate Increase Amount

The City bills its utility customers on a bimonthly basis for water, wastewater, solid waste, and storm water services. The City proposes to increase your water and solid waste rates only. The City is not increasing your rates for wastewater and storm water services. **For a typical residence with a 6,000 square foot lot, the proposed increase in water and solid waste rates would result in a combined utility bill increase of approximately \$23 a month for fiscal year 2010/11 and approximately \$30 a month for fiscal year 2011/12. For a typical residence with a 10,000 square foot lot, the proposed increase in water and solid waste rates would result in a combined utility bill increase of approximately \$36 a month for fiscal year 2010/11 and approximately \$43 a month for fiscal year 2011/12.** The table below shows how the proposed rate increases would affect monthly utility cost, which includes charges for water, wastewater, solid waste, and storm water services.

	Comparison of Monthly Utility Rate Charges		
	FY 2009/10	FY 2010/11	FY 2011/12
6,000 sq. ft. Lot	\$247	\$270	\$300
10,000 sq. ft. Lot	\$399	\$435	\$478

Written Reports

The City has caused a written report regarding the water rates (the "Water Report") and a written report regarding solid waste rates (the "Solid Waste Report") to be prepared and filed with the City Clerk. As required by California Government Code Section 66016, the Water Report provides data indicating the amount of cost, or estimated cost, to provide water service and the revenue sources anticipated to provide water service, and the Solid Waste Report provides data indicating the amount of cost, or estimated cost, to provide solid waste service and the revenue sources anticipated to provide solid waste services.

A copy of the Water Report and a copy of the Solid Waste Report will be available at the office of the City Clerk on or about May 7, 2010.

Notice of Public Meeting and Public Hearing

NOTICE IS HEREBY GIVEN that the Public Works Commission will hold a meeting to discuss the proposed rate increases on May 13, 2010, at 455 N Rexford Drive, Room 280A at 8:30 AM.

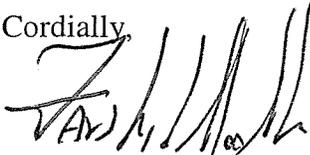
NOTICE IS HEREBY GIVEN that the City Council will hold a public hearing on the proposed water rate increase and proposed solid waste rate increase on June 3, 2010, at 7:00 PM at 455 N Rexford Drive, City Council Chambers.

At the public hearing, the City will hear and consider all objections or protests to the proposed water rate increase, solid waste rate increase, the water report and the solid waste report. Written protests regarding the proposed water rate increase, solid waste rate increase, the water report or the solid waste report must be filed with the City Clerk at the public hearing or prior to the conclusion of the public hearing. Written protests may be delivered to the City Clerk at the public hearing or mailed or delivered to the City Clerk at 455 N Rexford Drive, Rm. 290. Protests that are mailed or delivered to City Hall be received by the City Clerk by 5:30 PM on June 3, 2010 to be counted.

Questions

For more information about the proposed water rate increase or solid waste rate increase, you may call Utility Billing at 310-285-2436.

Cordially



Joe Shooshani
Chair of the Public Works Commission
Attachment: Proposed Rate Schedule



**REVISED NOTICE OF PUBLIC HEARING FOR PROPOSED
WATER UTILITY RATE INCREASE AND
SOLID WASTE UTILITY RATE INCREASE**

April 7, 2010

RE: NOTICE OF HEARING DATE CHANGE FROM MAY 18, 2010 TO JUNE 3, 2010

Dear Business Customer:

The City is proposing to increase rates for water and solid waste services for fiscal years 2010/11 and 2011/12 to keep pace with higher costs, comply with environmental regulations, plan for emergencies, and provide improved services to customers. This notice provides information about the proposed rate increases and details on the public hearing where you may express your views on the proposed rate increases.

Water Utility Rates

Summary of water rate increase – The City proposes to increase water rates effective July 22, 2010 and July 1, 2011. The proposed rate increases are provided in the attached exhibit. Beginning July 1, 2012, and each July 1 thereafter, the City shall increase water rates by an amount that equal to the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for Los Angeles-Riverside-Orange County, CA Area for the twelve-month period ending the immediately preceding November 30 (the “CPI Adjustment”). Should the CPI be insufficient to cover operating and capital costs, the utility will undergo a formal rate study process to determine revenue requirements. If you need assistance determining the amount of the water rate increase for your parcel, you may contact the City by calling 310-285-2436 or by mail or in person at Administrative Services – Utility Billing, 455 N. Rexford Drive, Beverly Hills, California, 90210.

Basis upon which the water rate was calculated – The bimonthly water rate is comprised of a fixed charge and a charge for the quantity of water used. The fixed charge is a flat charge that varies based on the size of a water meter. The quantity charge is an amount charged per 100 cubic feet of water used. The quantity charge is comprised of four tiered amounts that increase as the amount of water used increases. For customers with water meters for fire protection systems, the bimonthly water rate also includes a fixed charge that varies based on the size of the water meter.

Reason for water rates – The water utility rates provide revenues to pay for the maintenance and operation of the water system and its capital expenses. The rate increases reflect the increased cost of purchasing water from the City’s main water source, the Metropolitan Water District. The cost of acquiring water from the Metropolitan Water District makes up almost 25% of the City’s costs to provide water service and Metropolitan Water District recently increased its water rates by 21% and is considering another 12% rate increase. The rate increases also reflect the revenue needs to fund major

capital projects, such as replacement of reservoirs, mains and hydrants. The City conducted a water rate study, dated March 31, 2010, which allocated the water system revenue requirements to different user classes in proportion to their use of the water system.

Solid Waste Rates

Summary of solid waste rate increase – The City proposes to increase solid waste rates effective July 22, 2010 and July 1, 2011. The proposed rate increases are provided in the attached exhibit. Beginning July 1, 2012, and each July 1 thereafter, the City shall increase solid waste rates by the CPI Adjustment. Should the CPI be insufficient to cover operating and capital costs, the utility will undergo a formal rate study process to determine revenue requirements. If you need assistance determining the amount of the solid waste rate increase for your parcel, you may contact the City by calling 310-285-2436 or by mail or in person at Administrative Services – Utility Billing, 455 N. Rexford Drive, Beverly Hills, California, 90210.

Basis upon which the solid waste rate was calculated – For nonresidential or multi-family residential parcels with trash chutes, the monthly solid waste rate is based on the number, size of the parcel’s refuse containers, and frequency of pick-up. For multi-family residential parcels without trash chutes, the bimonthly solid waste rate is based on the number of dwelling units and for a parcel that receives solid waste collection services in the alley, an additional bimonthly charge per dwelling unit.

Reason for solid waste rates - The solid waste service rates provide revenues to pay for the operation and administration of the solid waste collection and disposal program. The rate increases reflect the increased cost of solid waste collection and disposal as estimated in the City’s solid waste rate analysis, dated March 10, 2010.

Rate Increase Amount

The City bills its utility customers on a bimonthly basis for water, wastewater, solid waste, and storm water services. The City proposes to increase your water and solid waste rates only. The City is not increasing your rates for wastewater and storm water services. **For an apartment building with six units and without chutes, the proposed increase in water and solid waste rates would result in a combined utility bill increase of approximately \$52 a month for fiscal year 2010/11 and approximately \$67 a month for fiscal year 2011/12. For a typical business operator, the proposed increase in water and solid waste rates would result in a combined utility bill increase of approximately \$285 a month for fiscal year 2010/11 and approximately \$367 a month for fiscal year 2011/12.** The table below shows how the proposed rate increases would affect monthly utility costs, which include charges for water, wastewater, solid waste, and storm water services.

Comparison of Monthly Utility Rate Charges			
	FY 2009/10	FY 2010/11	FY 2011/12
Multi-family	\$553	\$605	\$672
Commercial	\$3,058	\$3,343	\$3,710

Written Reports

The City has caused a written report regarding the water rates (the "Water Report") and a written report regarding solid waste rates (the "Solid Waste Report") to be prepared and filed with the City Clerk. As required by California Government Code Section 66016, the Water Report provides data indicating the amount of cost, or estimated cost, to provide water service and the revenue sources anticipated to provide water service, and the Solid Waste Report provides data indicating the amount of cost, or estimated cost, to provide solid waste service and the revenue sources anticipated to provide solid waste services.

A copy of the Water Report and a copy of the Solid Waste Report will be available at the office of the City Clerk on or about May 7, 2010.

Notice of Public Meeting and Public Hearing

NOTICE IS HEREBY GIVEN that the Public Works Commission will hold a meeting to discuss the proposed rate increases on May 13, 2010, at 455 N Rexford Drive, Room 280A at 8:30 AM.

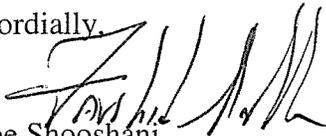
NOTICE IS HEREBY GIVEN that the City Council will hold a public hearing on the proposed water rate increase and proposed solid waste rate increase on June 3, 2010, at 7:00 PM at 455 N Rexford Drive, City Council Chambers.

At the public hearing, the City will hear and consider all objections or protests to the proposed water rate increase, solid waste rate increase, the water report and the solid waste report. Written protests regarding the proposed water rate increase, solid waste rate increase, the water report or the solid waste report must be filed with the City Clerk at the public hearing or prior to the conclusion of the public hearing. Written protests may be delivered to the City Clerk at the public hearing or mailed or delivered to the City Clerk at 455 N Rexford Drive, Rm. 290. Protests that are mailed or delivered to City Hall be received by the City Clerk by 5:30 PM on June 3, 2010 to be counted.

Questions

For more information about the proposed water rate increase or solid waste rate increase, you may call Utility Billing at 310-285-2436.

Cordially,



Joe Shooshani

Chair of the Public Works Commission
Attachment: Proposed Rate Schedule

City of Beverly Hills
Utility Rates Schedule
 Fiscal Year 2009/10, Fiscal Year 2010/11, Fiscal Year 2011/12

REFERENCE	TYPE OF UTILITY CHARGE	2009/10 RATES Effective 7/1/09		2010/11 PROPOSED RATES Effective 7/22/10		2011/12 PROPOSED RATES Effective 7/1/11		
		Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	
05-O-2473	Water Rates:							
	Service charges (bimonthly):							
	Meter size (per meter):							
	1 inch and smaller	28.25	35.31	30.58	38.23	35.17	43.96	
	1-1/2 inches	48.51	60.64	52.57	65.71	60.46	75.58	
	2 inches	72.83	91.04	78.96	98.70	90.80	113.50	
	3 inches	129.58	161.98	140.53	175.66	161.61	202.01	
	4 inches	210.65	263.31	228.48	285.60	262.76	328.45	
	6 inches	413.32	516.65	448.38	560.48	515.63	644.54	
	Quantity charge:*							
	Bimonthly Water Usage - units of 100 cu ft (per 100 cu ft)							
	Single Family Residences & Duplexes (SFR)		Multi-Family Residential (MFR) (Tier acts as a multiplier by # of units.)					
	Tier 1 - from 1 and up to 10	Tier 1 - from 1 to 4	2.49	3.11	2.76	3.45	3.17	3.96
	Tier 2 - over 10 and up to 55	Tier 2 - over 4 and up to 9	3.10	3.88	3.58	4.48	4.12	5.15
	Tier 3 - over 55 to 120	Tier 3 - over 9 and up to 16	4.61	5.76	5.57	6.96	6.41	8.01
	Tier 4 - over 120 +	Tier 4 - over 16+	8.41	10.51	10.63	13.29	12.22	15.28
	Non-residential rate (Commercial, Governmental and Schools)	4.09	5.11	4.69	5.86	5.39	6.74	
	*Capital charge incorporated in usage.							
88-R-7759	Fire Protection Service Charge (bimonthly):							
	Size of Connection:							
	2 inch and smaller	23.47	33.95	23.69	29.61	23.93	29.91	
	2-1/2 inches	35.02	50.66	35.35	44.19	35.70	44.63	
	3 inches	51.01	73.79	51.49	64.36	52.00	65.01	
	4 inches	98.51	142.53	99.44	124.29	100.43	125.54	
	6 inches	269.01	389.19	271.54	339.42	274.25	342.82	
	8 inches	563.07	814.62	568.36	710.45	574.05	717.56	
	10 inches	1,005.40	1,454.57	1,014.85	1,268.56	1,025.00	1,281.25	
88-R-7759	Service Connection Charge:							
	General							
	1" and smaller	N/A	N/A	N/A	N/A	N/A	N/A	
	1- 1/2"	N/A	N/A	N/A	N/A	N/A	N/A	
	2"	N/A	N/A	N/A	N/A	N/A	N/A	
	3"	N/A	N/A	N/A	N/A	N/A	N/A	
	4"	N/A	N/A	N/A	N/A	N/A	N/A	
	6"	N/A	N/A	N/A	N/A	N/A	N/A	
	8"	N/A	N/A	N/A	N/A	N/A	N/A	
	Fire Protection Services							
	4"	N/A	N/A	N/A	N/A	N/A	N/A	
	6"	N/A	N/A	N/A	N/A	N/A	N/A	
	8"	N/A	N/A	N/A	N/A	N/A	N/A	
	10"	N/A	N/A	N/A	N/A	N/A	N/A	
88-R-7759	Service Installation Deposit:							
	(Actual costs will be billed to customer and applied against deposit.)							
	Size of service:							
	8 inches	N/A	N/A	N/A	N/A	N/A	N/A	
88-R-7759	Fire Protection Service Installation Deposit:							
	(Actual costs will be billed to customer and applied against deposit.)							
	Size of service:							
	8 inches	N/A	N/A	N/A	N/A	N/A	N/A	
	10 inches	N/A	N/A	N/A	N/A	N/A	N/A	
88-R-7759	Fire Hydrant Installation Deposit:							
	(Actual costs will be billed to customer and applied against deposit.)							
		N/A	N/A	N/A	N/A	N/A	N/A	
88-R-7759	Temporary Supply from Fire Hydrant:							
	Application fee	N/A	N/A	N/A	N/A	N/A	N/A	
	Deposit	N/A	N/A	N/A	N/A	N/A	N/A	
	Service charge							
	Each 6 month period or less	N/A	N/A	N/A	N/A	N/A	N/A	
	Equipment rental fee							
	First 15 days or less	N/A	N/A	N/A	N/A	N/A	N/A	
	Each succeeding 15 days or less	N/A	N/A	N/A	N/A	N/A	N/A	
	Meter relocation (each)	N/A	N/A	N/A	N/A	N/A	N/A	

EXHIBIT A

**City of Beverly Hills
Utility Rates Schedule**

Fiscal Year 2009/10, Fiscal Year 2010/11, Fiscal Year 2011/12

REFERENCE	TYPE OF UTILITY CHARGE	2009/10 RATES Effective 7/1/09		2010/11 PROPOSED RATES Effective 7/22/10		2011/12 PROPOSED RATES Effective 7/1/11	
		Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
78-R-5844	Wastewater Rates:						
	Bimonthly Service Charge:						
	Residential (Per dwelling)	87.38	N/A	87.38	N/A	87.38	N/A
	Commercial:						
	Fixed Charge	34.20	N/A	34.20	N/A	34.20	N/A
	1 inch meter	N/A	N/A	N/A	N/A	N/A	N/A
	1-1/2 inch meter	N/A	N/A	N/A	N/A	N/A	N/A
	2 inch meter	N/A	N/A	N/A	N/A	N/A	N/A
	3 inch meter	N/A	N/A	N/A	N/A	N/A	N/A
	4 inch meter	N/A	N/A	N/A	N/A	N/A	N/A
	6 inch meter	N/A	N/A	N/A	N/A	N/A	N/A
	Quantity/Quality Charge:						
	Unit cost / CCF for domestic strength wastewater for all commercial, industrial and municipal users based on water consumption during billing cycle.	4.74	N/A	4.74	N/A	4.74	N/A
	Quality Surcharge: (Excess strength cost/lb. for commercial users)						
	BOD unit cost \$0.41/CCF = \$0.30/lb.						
	SS unit cost \$0.41/CCF = \$0.29/lb.						
	Strength Surcharge \$/CCF	2.34		2.34		2.34	
96-R-9442	Stormwater Fee						
	Residential R-1 (bimonthly)	17.56	N/A	17.56	N/A	17.56	N/A
	Residential R-4 (per unit bimonthly)	7.26	N/A	7.26	N/A	7.26	N/A
	Commercial, Industrial and Municipal (bimonthly for each water customer within City limits)	143.26	N/A	143.26	N/A	143.26	N/A
	Stormwater Permit - Selected Businesses (annually)	100.00	N/A	100.00	N/A	100.00	N/A
	Residential stormwater fees cover street sweeping and storm drain maintenance. Commercial, industrial and municipal fees also include street receptacle collection and commercial sidewalk maintenance.						

City of Beverly Hills
Utility Rates Schedule
Fiscal Year 2009/10, Fiscal Year 2010/11, Fiscal Year 2011/12

REFERENCE	TYPE OF UTILITY CHARGE	2009/10 RATES Effective 7/1/09		2010/11 PROPOSED RATES Effective 7/22/10		2011/12 PROPOSED RATES Effective 7/1/11	
		Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
79-R-5969	Refuse Collection Rates:						
	Residential - bimonthly (Includes recycling programs and AB939 programs)						
	Multi-family (per dwelling unit)	33.62	N/A	36.37	N/A	39.36	N/A
	Single family residences and duplexes						
	Per square foot of lot area *	0.009612	N/A	0.010400	N/A	0.011253	N/A
	Single family residences and duplexes in the Hillside Area** which use 3 or fewer containers and are located on lots which contain at least 40% of unusable hillside area.*** Per sq. ft. of lot area *	0.007689	N/A	0.008320	N/A	0.009002	N/A
	Additional container charge						
	Each additional container above 6	22.77	N/A	24.63	N/A	26.65	N/A
	Collection day Curbside roll out service (for residents North of Santa Monica Boulevard)	21.58	N/A	23.35	N/A	25.26	N/A
	Special container moving charge	52.83	N/A	57.16	N/A	61.84	N/A
	Roll-out service, up to 6 containers once a week						
	* Based on Los Angeles County property tax records.						
	** Hillside Area means the area within the City of Beverly Hills north of Sunset Boulevard.						
	*** The calculation of unusable hillside area shall be based on Los Angeles County property tax records or, if unavailable, a determination by the Director of Public Works.						
	Residential bimonthly alley refuse fee per dwelling unit	21.42	N/A	21.61	N/A	21.80	N/A
	Commercial, Industrial and Commercial Multi-Family Customer Rates - Restaurants Excluded						
	In addition to the monthly charges shown below, the following charges may apply:						
	1) After hour collections will be billed at a rate of \$108.68 per bin						
	2) A Roll Out charge of \$27.17 per month for each weekly pick up will be added to bin charges where bins are not accessible for truck pick up.						
	3) Locking lid per bin	9.68	N/A	10.09	N/A	10.51	N/A
	4) Scout Service per bin						
	1 time weekly	40.34	N/A	42.03	N/A	43.80	N/A
	2 times weekly	64.54	N/A	67.25	N/A	70.08	N/A
	3 times weekly	88.75	N/A	92.48	N/A	96.36	N/A
	4 times weekly	112.95	N/A	117.69	N/A	122.64	N/A
	5 times weekly	137.15	N/A	142.91	N/A	148.91	N/A
	6 times weekly	161.35	N/A	168.13	N/A	175.19	N/A
	7 times weekly	185.56	N/A	193.35	N/A	201.47	N/A
	Monthly charge - Billed monthly						
	1 Cu. Yd Bin (Service is not currently offered.)						
	1 time weekly	81.70	N/A	85.13	N/A	88.71	N/A
	2 times weekly	132.47	N/A	138.03	N/A	143.83	N/A
	3 times weekly	183.27	N/A	190.97	N/A	198.99	N/A
	4 times weekly	232.93	N/A	242.71	N/A	252.91	N/A
	5 times weekly	279.29	N/A	291.02	N/A	303.24	N/A
	6 times weekly	324.57	N/A	338.20	N/A	352.41	N/A
	7 times weekly	438.28	N/A	456.69	N/A	475.87	N/A
	1.5 Cu. Yd Bin						
	1 time weekly	90.54	N/A	94.34	N/A	98.31	N/A
	2 times weekly	150.14	N/A	156.45	N/A	163.02	N/A
	3 times weekly	206.45	N/A	215.12	N/A	224.16	N/A
	4 times weekly	261.64	N/A	272.63	N/A	284.08	N/A
	5 times weekly	312.43	N/A	325.55	N/A	339.23	N/A
	6 times weekly	364.32	N/A	379.62	N/A	395.57	N/A
	7 times weekly	491.25	N/A	511.88	N/A	533.38	N/A
	2 Cu. Yd Bin						
	1 time weekly	100.46	N/A	104.68	N/A	109.08	N/A
	2 times weekly	165.61	N/A	172.57	N/A	179.81	N/A
	3 times weekly	227.43	N/A	236.98	N/A	246.94	N/A
	4 times weekly	288.13	N/A	300.23	N/A	312.84	N/A
	5 times weekly	346.66	N/A	361.22	N/A	376.39	N/A
	6 times weekly	402.94	N/A	419.86	N/A	437.50	N/A
	7 times weekly	542.05	N/A	564.82	N/A	588.54	N/A
	3 Cu. Yd Bin						
	1 time weekly	110.40	N/A	115.04	N/A	119.87	N/A
	2 times weekly	182.15	N/A	189.80	N/A	197.77	N/A
	3 times weekly	250.61	N/A	261.14	N/A	272.10	N/A
	4 times weekly	315.74	N/A	329.00	N/A	342.82	N/A
	5 times weekly	379.77	N/A	395.72	N/A	412.34	N/A
	6 times weekly	441.59	N/A	460.14	N/A	479.46	N/A
	7 times weekly	595.04	N/A	620.03	N/A	646.07	N/A

EXHIBIT A

City of Beverly Hills
Utility Rates Schedule

Fiscal Year 2009/10, Fiscal Year 2010/11, Fiscal Year 2011/12

REFERENCE	TYPE OF UTILITY CHARGE	2009/10 RATES Effective 7/1/09		2010/11 PROPOSED RATES Effective 7/22/10		2011/12 PROPOSED RATES Effective 7/1/11	
		Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
	4 Cu. Yd Bin						
	1 time weekly	128.06	N/A	133.44	N/A	139.04	N/A
	2 times weekly	209.76	N/A	218.57	N/A	227.75	N/A
	3 times weekly	289.26	N/A	301.41	N/A	314.07	N/A
	4 times weekly	367.62	N/A	383.06	N/A	399.15	N/A
	5 times weekly	441.59	N/A	460.14	N/A	479.46	N/A
	6 times weekly	512.24	N/A	533.75	N/A	556.17	N/A
	7 times weekly	691.09	N/A	720.12	N/A	750.36	N/A
	3 Cu. Yd Compactor						
	1 time weekly	203.12	N/A	211.65	N/A	220.54	N/A
	2 times weekly	333.42	N/A	347.42	N/A	362.02	N/A
	3 times weekly	461.48	N/A	480.86	N/A	501.06	N/A
	4 times weekly	582.90	N/A	607.38	N/A	632.89	N/A
	5 times weekly	699.92	N/A	729.32	N/A	759.95	N/A
	6 times weekly	812.52	N/A	846.65	N/A	882.20	N/A
	7 times weekly	1,097.35	N/A	1,143.44	N/A	1,191.46	N/A
	Restaurant rates						
	In addition to the monthly charges shown below, the following charges may apply:						
	1) After hour collections will be billed at a rate of \$108.68 per bin						
	2) A Roll Out charge of \$27.17 per month for each weekly pick up will be added to bin charges where bins are not accessible for truck pick up						
	3) Locking lid per bin	9.68	N/A	10.09	N/A	10.51	N/A
	4) Scout Service per bin						
	1 time weekly	40.34	N/A	42.03	N/A	43.80	N/A
	2 times weekly	64.54	N/A	67.25	N/A	70.08	N/A
	3 times weekly	88.75	N/A	92.48	N/A	96.36	N/A
	4 times weekly	112.95	N/A	117.69	N/A	122.64	N/A
	5 times weekly	137.15	N/A	142.91	N/A	148.91	N/A
	6 times weekly	161.35	N/A	168.13	N/A	175.19	N/A
	7 times weekly	185.56	N/A	193.35	N/A	201.47	N/A
	Monthly charge - Billed monthly						
	1 Cu. Yd Bin (Service is not currently offered.)						
	1 time weekly	114.81	N/A	119.63	N/A	124.66	N/A
	2 times weekly	158.97	N/A	165.65	N/A	172.60	N/A
	3 times weekly	227.43	N/A	236.98	N/A	246.94	N/A
	4 times weekly	288.13	N/A	300.23	N/A	312.84	N/A
	5 times weekly	341.12	N/A	355.45	N/A	370.38	N/A
	6 times weekly	394.12	N/A	410.67	N/A	427.92	N/A
	7 times weekly	606.07	N/A	631.52	N/A	658.05	N/A
	1.5 Cu. Yd Bin						
	1 time weekly	135.80	N/A	141.50	N/A	147.45	N/A
	2 times weekly	192.10	N/A	200.17	N/A	208.58	N/A
	3 times weekly	256.12	N/A	266.88	N/A	278.09	N/A
	4 times weekly	342.24	N/A	356.61	N/A	371.59	N/A
	5 times weekly	406.27	N/A	423.33	N/A	441.11	N/A
	6 times weekly	470.30	N/A	490.05	N/A	510.63	N/A
	7 times weekly	682.26	N/A	710.91	N/A	740.77	N/A
	2 Cu. Yd Bin						
	1 time weekly	147.94	N/A	154.15	N/A	160.63	N/A
	2 times weekly	214.18	N/A	223.18	N/A	232.55	N/A
	3 times weekly	279.29	N/A	291.02	N/A	303.24	N/A
	4 times weekly	353.27	N/A	368.11	N/A	383.57	N/A
	5 times weekly	417.31	N/A	434.84	N/A	453.10	N/A
	6 times weekly	491.25	N/A	511.88	N/A	533.38	N/A
	7 times weekly	703.22	N/A	732.76	N/A	763.53	N/A

City of Beverly Hills
Utility Rates Schedule
Fiscal Year 2009/10, Fiscal Year 2010/11, Fiscal Year 2011/12

REFERENCE	TYPE OF UTILITY CHARGE	2009/10 RATES Effective 7/1/09		2010/11 PROPOSED RATES Effective 7/22/10		2011/12 PROPOSED RATES Effective 7/1/11	
		Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
	3 Cu. Yd Bin						
	1 time weekly	171.11	N/A	178.30	N/A	185.79	N/A
	2 times weekly	247.28	N/A	257.67	N/A	268.49	N/A
	3 times weekly	323.47	N/A	337.06	N/A	351.21	N/A
	4 times weekly	386.39	N/A	402.62	N/A	419.53	N/A
	5 times weekly	471.39	N/A	491.19	N/A	511.82	N/A
	6 times weekly	533.22	N/A	555.62	N/A	578.95	N/A
	7 times weekly	747.38	N/A	778.77	N/A	811.48	N/A
	4 Cu. Yd Bin						
	1 time weekly	192.10	N/A	200.17	N/A	208.58	N/A
	2 times weekly	302.49	N/A	315.19	N/A	328.43	N/A
	3 times weekly	365.42	N/A	380.77	N/A	396.76	N/A
	4 times weekly	462.57	N/A	482.00	N/A	502.24	N/A
	5 times weekly	558.61	N/A	582.07	N/A	606.52	N/A
	6 times weekly	642.52	N/A	669.51	N/A	697.63	N/A
	7 times weekly	854.48	N/A	890.37	N/A	927.76	N/A
	3 Cu Yd Compactor						
	1 time weekly	333.42	N/A	347.42	N/A	362.02	N/A
	2 times weekly	496.79	N/A	517.66	N/A	539.40	N/A
	3 times weekly	656.86	N/A	684.45	N/A	713.19	N/A
	4 times weekly	798.18	N/A	831.70	N/A	866.64	N/A
	5 times weekly	985.84	N/A	1,027.25	N/A	1,070.39	N/A
	6 times weekly	1,130.46	N/A	1,177.94	N/A	1,227.41	N/A
	7 times weekly	1,601.87	N/A	1,669.15	N/A	1,739.25	N/A
05-O-2473	Roll-Off Collections						
	In addition to the roll-off bin charges shown below, the following charge may apply: (After hour collections Monday - Saturday after 5 p.m. and all of Sunday, will be billed at a rate of \$108.68 per bin - 10 ton maximum) (At cost fees will apply to hauls greater than ten tons)						
	10 Cu. Yd. per roll-off haul fee	203.81	N/A	212.37	N/A	221.29	0.00
	25 Cu. Yd. per roll-off haul fee	203.81	N/A	212.37	N/A	221.29	0.00
	40 Cu. Yd. per roll-off haul fee	203.81	N/A	212.37	N/A	221.29	0.00
	10 Cu. Yd. per dump fees per ton	49.52	N/A	51.60	N/A	53.77	0.00
	25 Cu. Yd. per dump fees per ton	49.52	N/A	51.60	N/A	53.77	0.00
	40 Cu. Yd. per dump fees per ton	49.52	N/A	51.60	N/A	53.77	0.00
	Compactors						
	9 Cu. Yd. per roll-off haul fee	268.51	N/A	279.79	N/A	291.54	0.00
	25 Cu. Yd. per roll-off haul fee	268.51	N/A	279.79	N/A	291.54	0.00
	40 Cu. Yd. per roll-off haul fee	268.51	N/A	279.79	N/A	291.54	0.00
	9 Cu. Yd. per dump fees per ton	49.52	N/A	51.60	N/A	53.77	0.00
	25 Cu. Yd. per dump fees per ton	49.52	N/A	51.60	N/A	53.77	0.00
	40 Cu. Yd. per dump fees per ton	49.52	N/A	51.60	N/A	53.77	0.00
	Roll off Compactor Cleaning Fees						
	Compactors						
	9 Cu. Yd. per roll-off	179.92	N/A	187.48	N/A	195.35	0.00
	25 Cu. Yd. per roll-off	179.92	N/A	187.48	N/A	195.35	0.00
	40 Cu. Yd. per roll-off	179.92	N/A	187.48	N/A	195.35	0.00
	Temporary Bins (per bin per collection)						
	3 Cu. Bin	129.41	N/A	134.85	N/A	140.51	0.00
	6 Cu. Bin (Service is not currently available.)	194.10	N/A	202.25	N/A	210.75	0.00

EXHIBIT A

**City of Beverly Hills
Utility Rates Schedule**

Fiscal Year 2009/10, Fiscal Year 2010/11, Fiscal Year 2011/12

REFERENCE	TYPE OF UTILITY CHARGE	2009/10 RATES Effective 7/1/09		2010/11 PROPOSED RATES Effective 7/22/10		2011/12 PROPOSED RATES Effective 7/1/11	
		Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
05-O-2473	Miscellaneous Commercial Solid Waste Fees						
	Extra Pick Ups (includes special pick ups in excess of regular service) Per Bin	45.64	N/A	47.56	N/A	49.55	0.00
	Dry Run (maximum fee) Per Bin	138.30	N/A	144.11	N/A	150.16	0.00
	Relocation Fee (maximum fee) Per Bin	138.30	N/A	144.11	N/A	150.16	0.00
	Impounding Fee						
	Hauling Roll-off fee at cost 3 Cu. Yard Temporary Bin	234.38 95.96	N/A N/A	244.22 99.99	N/A N/A	254.48 104.19	0.00 0.00
	Storage Fee						
	Roll-Off Bin (per day) 3 Cu. Yard Temporary Bin (per day)	104.30 52.15	N/A N/A	108.68 54.34	N/A N/A	113.25 56.62	0.00 0.00
	Cleaning Fee (One Free Per Year) Per bin per cleaning after first free	38.41	N/A	40.02	N/A	41.70	0.00
	Bulky Items, Furniture and Appliances (abandoned items and alley clean-up, not construction debris) (This fee has been incorporated into the service rate since FY 2005.)	N/A	N/A	N/A	N/A	N/A	N/A
	Alley cleanup and maintenance - assessed to franchised haulers annually (per bin)	66.94	N/A	69.75	N/A	72.68	0.00

The City does not collect hazardous waste and e-waste, special free waste drop-offs occur during the year for these items.

Attachment 3

**CITY OF BEVERLY HILLS
Solid Waste Rate Analysis
REVISED FINAL REPORT**

* * *

March 10, 2010

Prepared by:

**HF&H Consultants, LLC
3990 Westerly Place, Suite 195
Newport Beach, California 92660-2311
Phone: 949/251-8628
Facsimile: 949/251-9741**





3990 Westerly Place, Suite 195
Newport Beach, California 92660
Telephone: 949/251-8628
Fax: 949/251-9741
www.hfh-consultants.com

Robert D. Hilton, CMC
John W. Farnkopf, PE
Laith B. Ezzet, CMC

March 10, 2010

Ms. Shana Epstein
Assistant Utility Services Manager
City of Beverly Hills
345 Foothill Road
Beverly Hills, California 90210

Solid Waste Rate Analysis

Dear Ms. Epstein:

We have completed our analysis of the residential and commercial rates for the fiscal years (FY) ending June 30, 2011 and June 30, 2012. Our findings and related assumptions and calculations are documented in the enclosed report.

The objective of this study was to estimate the residential and commercial rate revenue requirements for FY 2011 and FY 2012. To achieve this objective we evaluated two scenarios:

- In Scenario 1, the alley maintenance fee is increased by 0.9% based on the increase in the Consumer Price Index (Los Angeles-Riverside-Orange County, CA), as provided by City staff, using the November 2008 and 2009 adjustment factors.
- In Scenario 2, the residential refuse and alley maintenance fee are increased by the same percentage.

Both scenarios assume an annual transfer of \$600,000 to the storm water fund. The calculated rate adjustments are provided below.

Annual Rate Adjustments ⁽¹⁾

Scenario	Transfer to Storm Water	July 1, 2010 and July 1, 2011		
		Residential		Commercial
		Refuse	Alley Maintenance Fee	
1	Yes	8.2%	0.9%	4.2%
2	Yes	7.2%	7.2%	4.2%

(1) Rate adjustments required to maintain target fund reserve level at the end of FY 2015.

Ms. Shana Epstein
 March 10, 2010
 Page 2 of 2

Projected Fund Balances

The table shows the effect of the proposed rate adjustments on the fund reserve balance (unrestricted cash and investments) through the end of the modeling period. Fund Reserves as a percentage of operating expenditures are projected to be approximately the same in FY 2015 as in FY 2010.

Summary of Projected Fund Reserve Balance by Scenario

Scenario	Estimated	Projected				
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Scenario 1 (Exhibit 1)						
Fund Reserve at Year End (June 30)	\$ 6,457,000	\$ 5,704,000	\$ 5,309,000	\$ 5,357,000	\$ 5,897,000	\$ 6,982,000
Fund Reserve as a % of Total Expenditures	38%	35%	32%	31%	33%	38%
Scenario 2 (Exhibit 2)						
Fund Reserve at Year End (June 30)	\$ 6,457,000	\$ 5,721,000	\$ 5,357,000	\$ 5,412,000	\$ 5,927,000	\$ 6,948,000
Fund Reserve as a % of Total Expenditures	38%	35%	32%	31%	33%	38%

* * * * *

We are pleased to have had the opportunity to assist the City of Beverly Hills with this review. If you have any questions, please call Laith at 949/251-8902 or Darrell at 949/251-0231.

Very truly yours,



Laith B. Ezzet, CMC
 Senior Vice President



Darrell L. Bice
 Director of Solid Waste and Recycling Audits

City of Beverly Hills
Solid Waste Rate Analysis
TABLE OF CONTENTS

<u>SECTION</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1	Study Background and Objective	1
2	Summary of Key Assumptions	2
3	Findings	4

EXHIBITS AND APPENDICES

<u>Exhibit</u>	<u>Description</u>
1	Impact of Rate Adjustment on Fund Reserves – Scenario 1
2	Impact of Rate Adjustment on Fund Reserves – Scenario 2
3A	Calculation of Rate Adjustments for FY 2011, FY 2012, FY 2013, FY 2014 and FY 2015 with Balancing of Fund Reserve – Scenario 1
3B	Calculation of Rate Adjustments for FY 2011, FY 2012, FY 2013, FY 2014 and FY 2015 with Balancing of Fund Reserve – Scenario 2
4A	Projected Commercial Bin Rate Adjustment FY 2010 to FY 2011
4B	Projected Rolloff Box Rate Adjustment FY 2010 to FY 2011
5	Expenditures – Comparison of FY 2009 Actual to FY 2010 Estimate, FY 2010 Estimate to FY 2011 Projection and FY 2011 Projection to FY 2012 Projection
6	Residential Refuse Collection Rate per Container Build-up
7	Residential Containers by Type, Size and Capacity – Collection Capacity in Gallons
8	Survey of Los Angeles County Cities with Municipal Residential Solid Waste Collection Service
9	Calculation of Monthly Residential Rate for Equivalent Capacity of 450 Gallons per Week

<u>Appendix</u>	<u>Description</u>
Appendix A	Detailed Revenue – FY 2009 Actual, FY 2010 Budget and FY 2008 Estimate
Appendix B	Summary of Expenditures – FY 2010 Budget, FY 2010 Estimate, FY 2011 Projection and FY 2012 Projection

Appendix

Description

Appendix C	Detailed Expenditures - FY 2009 Budget, FY 2009 Actual, FY 2010 Budget and FY 2010 Estimate
Appendix D	Financial Assumptions
Appendix E	Solid Waste - Vehicle Acquisition Summary - Fiscal Years 2011 - 2016
Appendix F	Allocation of Costs FY 2010 and FY 2011 and Allocation of Other Revenues - FY 2010 Estimate

SECTION 1

STUDY BACKGROUND AND OBJECTIVE

BACKGROUND

Solid Waste Collection Services

The City of Beverly Hills' ("City") Department of Public Works & Transportation, Solid Waste Utility ("SWU"), provides solid waste collection service to single-family residences and multi-family buildings (without trash chutes). Customers receive a mixed waste container for trash and recyclables and a separate green waste container. Customers with curbside service receive 95-gallon carts. Customers with alley service utilize shared 300-gallon carts.

The City contracts with Crown Disposal Company ("Crown") to process the mixed waste collected by the City from its residential and multi-family customers.

The City also contracts with Crown Disposal Company ("Crown") for commercial collection services. Commercial collection services include bin service to commercial customers and apartment buildings (with trash chutes and bins), and roll-off box service. Crown processes mixed commercial waste at its material recovery facility.

Billing

The City performs customer service and billing for all residential and commercial customers. Crown invoices the City for commercial services and payment is remitted in a lump sum by the City.

Previous Residential and Commercial Rate Increase

In FY 2009 the City implemented a multi-year approach to rate setting. On July 15, 2008 residential rates were increased by 4.0% for FY 2009 and 4.0% for FY 2010. Commercial rates were not increased.

Commercial Collection Service Contract Rate Adjustments

Commercial rates billed by the City were not adjusted in FY 2009 or FY 2010. However, the rates billed by Crown to the City were increased by 4.6% for bin and rolloff box service, effective July 1, 2009.

OBJECTIVE

The objective of this study was to estimate the residential and commercial rate revenue requirements for fiscal years 2011 and 2012 to determine whether rate adjustments are necessary.

SECTION 2

SUMMARY OF KEY ASSUMPTIONS

Residential Fee Structure

HF&H calculated the estimated rate increases using the existing rate structure for residential solid waste services, which includes fees based on a charge per square foot of lot area, plus a separate bi-monthly charge per dwelling unit for alley maintenance that is charged to residential units (single and multi-family) receiving solid waste collection services in the alley.

Storm Water - Transfer

A \$600,000 transfer of funds from the SWU to the Storm Water Fund is budgeted for FY 2010, and the same amount is assumed in the projections in subsequent years.

Refuse Vehicle Impact

The City implemented a refuse vehicle impact cost reimbursement beginning in FY 2006. In December 2006, HF&H submitted its report on the Refuse Vehicle Street Maintenance Cost Analysis (Refuse Vehicle Impact). That report estimated the impact of refuse vehicles on City streets at approximately \$476,000 per year (\$430,000 residential and \$46,000 commercial). According to City staff, the vehicle impact cost reimbursement was not recorded in FY 2006, FY 2007 or FY 2008. In the prior rate study, it was assumed that the City would recover these historical costs through a one-time transfer of approximately \$1.5 million from the SWU Fund to the Capital Projects Fund for pavement management, which was budgeted for FY 2009. Based on the actual results for FY 2009, only \$153,000 was recovered for prior periods. The full recovery of prior year refuse vehicle impacts totaling \$1,347,000 is budgeted for FY 2010. The projected refuse vehicle impact cost for FY 2009 and FY 2010 is shown in Table 1.

Table 1: Projected Refuse Vehicle Impact ⁽¹⁾

Fiscal Year	Residential	Commercial	Recovery for Prior Periods ⁽²⁾	Total
FY 2009 Budget	\$ 250,000	\$ 250,000	\$ 1,500,000	\$ 2,000,000
FY 2009 Actual	\$ 250,000	\$ 250,000	\$ 153,000	\$ 653,000
FY 2010 Estimate	\$ 250,000	\$ 250,000	\$ 1,347,000	\$ 1,847,000
FY 2011 Projected	\$ 250,000	\$ 250,000	\$ -	\$ 500,000
FY 2012 Projected	\$ 250,000	\$ 250,000	\$ -	\$ 500,000

(1) Refuse Vehicle Impacts are reflected in CIP - Street Resurfacing - Account #85040.

(2) If the recovery for prior periods occurs in FY 2010 as budgeted, no further prior period recovery is required in subsequent years.

Other Revenues and Grants

“Other Revenues” were estimated for FY 2011 and FY 2012 at the same amount as budgeted “Other Revenue” for FY 2010 - \$208,000. Conservation and Oil Block Grants were also projected based on the FY 2010 estimate of \$36,000 per year.

Expenditures

City staff projected expenditures, including general contract costs for residential disposal, commercial collection and alley maintenance, for FY 2011 and FY 2012. The projection assumptions for FY 2011 and FY 2012 are provided in Appendix D in the attachments.

A side-by-side comparison of the FY 2009 actual expenditures, FY 2010 estimated expenditures, and the FY 2011 and FY 2012 projected expenditures is provided in Exhibit 5.

Internal Service Fund Allocations

The SWU does not directly control the allocation of certain costs and overhead paid for by solid waste ratepayers. Debt service of approximately \$805,000 is projected annually through FY 2015 to repay \$4,417,000 for a General Fund Loan that began in FY 1999. While it does not appear that annual debt service repayment was recorded in FY 2009, we have continued to project the debt service repayment of approximately \$805,000 annually, including principal and interest.

Effective Date

The first rate increase will occur July 1, 2010 for FY 2011 and July 1, 2011 for FY 2012.

SECTION 3

FINDINGS

Finding 1: Residential rates will increase by 7.2% to 8.2% annually. Commercial rates will increase by 4.2%.

Scenarios Evaluated

The objective of this study was to estimate the residential and commercial rate increases for FY 2011 and FY 2012. To achieve this objective, we developed a five-year rate model and calculated the average annual rate increase required to maintain fund reserves at current levels by the end of the modeling period. The proposed rate adjustments for residential and commercial collection are provided in Table 2.

Table 2: Rate Adjustments

Scenario	\$600,000 Transfer to Storm Water Fund	July 1, 2010 and July 1, 2011		
		Residential		Commercial
		Refuse	Alley Maintenance Fee	
1	Yes	8.2%	0.9%	4.2%
2	Yes	7.2%	7.2%	4.2%

(1) Rate adjustments required to maintain target fund reserve level at the end of FY 2015.

Most of the residential rate increase is attributed to the cost increase of \$893,000 per year beginning in FY 2010 for interdepartmental charges. This increase to interdepartmental charges represents approximately 6% of total projected expenditures in FY 2011.

Rate Impacts - Residential

Table 3 reflects the impact on the bi-monthly residential rates (using 6,000 and 10,000 square foot lots) of the rate adjustments shown using the two rate adjustment scenarios.

Table 3: Range of Increase in Bi-Monthly Residential Revenue Requirement

Scenario	Estimated Rate Revenue Requirement Increase %	Existing Bi-Monthly Rate per Square Foot	Revised Bi-Monthly Rate per Square Foot	Lot Size (in Square Feet)		Lot Size (in Square Feet)	
				6,000	10,000	6,000	10,000
Current Bi-Monthly Single-Family Rate		\$ 0.009612		\$ 57.67	\$ 96.12	\$ 57.67	\$ 96.12
Scenario 1				Bi-Monthly Rate Increase		Bi-Monthly Rate	
FY 2011	8.2%		\$ 0.010400	\$ 4.73	\$ 7.88	\$ 62.40	\$ 104.00
FY 2012	8.2%		\$ 0.011253	\$ 5.12	\$ 8.53	\$ 67.52	\$ 112.53
Scenario 2							
FY 2011	7.2%		\$ 0.010304	\$ 4.15	\$ 6.92	\$ 61.82	\$ 103.04
FY 2012	7.2%		\$ 0.011046	\$ 4.45	\$ 7.42	\$ 66.27	\$ 110.46

Rate Impacts - Commercial

Commercial customers are billed based on the number and size of their refuse containers. A typical commercial business (excluding restaurants) with a 3-cubic yard bin collected three times per week currently pays a monthly fee of \$250.61. This amount would increase by 4.2% or \$10.53 per month.

Impact on Fund Reserves

Table 4 shows the estimated and projected Fund Reserves (Unrestricted Cash and Investments) for the modeling period. Detailed calculations are provided in Exhibits 1, 2, 3A and 3B.

Table 4: Summary of Impact on Fund Reserves by Scenario (1)

	Estimated	Projected				
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Scenario 1 (Exhibit 1)						
Fund Reserve at Year End (June 30)	\$ 6,457,000	\$ 5,704,000	\$ 5,309,000	\$ 5,357,000	\$ 5,897,000	\$ 6,982,000
Reserve as a % of Total Expenditures (2)	38%	35%	32%	31%	33%	38%
Scenario 2 (Exhibit 2)						
Fund Reserve at Year End (June 30)	\$ 6,457,000	\$ 5,721,000	\$ 5,357,000	\$ 5,412,000	\$ 5,927,000	\$ 6,948,000
Reserve as a % of Total Expenditures (2)	38%	35%	32%	31%	33%	38%

(1) Including the proposed rate adjustments in Table 1.

(2) Including transfers-out in expenditures.

Finding 2: Based on a comparison of monthly rates for seven Los Angeles County cities surveyed with municipal residential solid waste collection, the City's monthly rate for equivalent service is at the high end of the range of rates observed in the other jurisdictions.

The City of Beverly Hills charges residential customers based on lot size. Most cities charge residential customers based on the number and/or size of carts provided. To

compare the rates in Beverly Hills to the other cities, we calculated the cost in Beverly Hills on a cost per gallon of capacity basis, and projected the monthly cost per home for 450 gallons of total capacity per week. For comparison, the cost per home per month in Beverly Hills excludes the debt service payment to the General Fund, alley maintenance costs, and street resurfacing that may be unique to cost recovery methods in Beverly Hills.

HF&H surveyed the residential services and monthly rates for seven Los Angeles County cities with municipal solid wastes collection services. In order to compare the monthly residential rates of cities with varying cart sizes and services, we calculated the rates per gallon based on the capacity of refuse, recycling and green waste carts for each city. Using the calculated rate per gallon of capacity, HF&H calculated a monthly rate for an equivalent service capacity of 450 gallons per week.

Based on a weekly capacity of 450 gallons, the monthly residential solid waste rate for the eight cities surveyed ranges from \$26.55 to \$76.19, with a median of \$63.00. The City's calculated rate for 450 gallons of weekly capacity is \$76.19 per month, as shown in Exhibit 5 as of July 1, 2009.

Table 5: Comparison of Monthly Rates to Seven Los Angeles County Cities with Municipal Residential Solid Waste Collection ⁽¹⁾

City ⁽¹⁾	Theoretical Monthly Rate Based on Equivalent Capacity of 450 Gallons per Week ⁽⁴⁾
Beverly Hills ⁽²⁾	\$ 76.19
Culver City	\$ 74.70
Torrance	\$ 66.15
Santa Monica	\$ 63.00
Pasadena	\$ 63.00
Burbank	\$ 59.34
Pomona	\$ 40.05
Glendale ⁽³⁾	\$ 26.55

- (1) See Exhibits 7 and 8 for survey results
- (2) Mixed waste is processed at the MRF.
- (3) The City of Glendale owns its landfill.
- (4) See Exhibit 9.

Finding 3: Based on a comparison of commercial refuse collection rates for 63 Los Angeles County cities surveyed, the City's current monthly rate for one three-cubic yard bin collected once per week of \$110.40 is within a reasonable range of commercial rates charged in other jurisdictions.

The City charges commercial customers a monthly rate that includes the amount paid to the commercial solid waste contractor and an administrative fee to recover related city services (administration, supervision, billing, etc.). Based on the City's approved commercial rate schedule, the City bills commercial customers \$110.40 for one three-cubic yard bin collected once per week. As shown in the summary of commercial solid waste rates in Table 6, the City's rate is below the median for the range of commercial rates that vary from \$67.04 to \$221.40 per month.

Table 6: Summary of Solid Waste Rates Survey For Commercial Bin Services (1)

Description	Monthly Rate
Low Rate	\$ 67.04
Lower Quartile	\$ 106.99
Median Rate	\$ 118.92
Upper Quartile	\$ 144.16
High Rate	\$ 221.40

(1) HF&H Solid Waste Rates and Services Survey as of July 1, 2009 for a three-cubic yard bin collected once per week.

Impact of Rate Adjustment on Fund Reserves - Scenario 1

Line	Ref	Type	Description	FY 2009 Actual	FY 2010 Estimated ⁽¹⁾	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected
			<i>Type</i>	<i>I</i>	<i>R</i>	<i>R/C</i>	<i>R/C</i>	<i>C</i>	<i>C</i>	<i>C</i>
1			Revenues ⁽¹⁾ :							
2			Residential Rate Revenues:							
3	Ap A	I/R/C	Regular Residential Revenues	\$ 5,973,000	\$ 6,744,000	\$ 7,297,000	\$ 7,895,000	8,541,000	9,241,000	9,998,000
4	Ap A	R/C	Alley Maintenance Revenues	1,291,000	1,328,000	1,340,000	1,352,000	1,399,000	1,448,000	1,499,000
5	Ap A	I/R/C	Commercial Rate Revenues	7,353,000	6,274,000	6,538,000	6,813,000	7,099,000	7,397,000	7,708,000
6	Ap A	I/R/C	Conservation and Oil Block Grants	36,000	36,000	36,000	36,000	36,000	36,000	36,000
7	Ap A	I/R/C	Other Revenues	234,000	208,000	208,000	208,000	208,000	208,000	208,000
8	Ap A	I/R/C	Transfer-In	-	-	-	-	-	-	-
9	Ap A	R/C	Total Revenues	14,887,000	14,590,000	15,419,000	16,304,000	17,283,000	18,330,000	19,449,000
10	Ap B	I/R/C	Total Expenditures, Including Transfer for Acquisition of Capital Assets	12,895,000	16,352,000	15,572,000	16,099,000	16,635,000	17,190,000	17,764,000
11			Add Back Transfer for Acquisition of Capital Assets	558,000	-	-	-	-	-	-
12			Total Expenditures Before Transfer	13,453,000	16,352,000	15,572,000	16,099,000	16,635,000	17,190,000	17,764,000
13		C	Net Revenue (Expenditures)	\$ 1,434,000	\$ (1,762,000)	\$ (153,000)	\$ 205,000	\$ 648,000	\$ 1,140,000	\$ 1,685,000
14		I	Adjustment to Statement of Cash Flows (Timing)	(1,979,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
15		I	Transfer Out ⁽²⁾	(1,218,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
16		I/C	Beginning Unrestricted Cash and Investments ⁽³⁾	\$ 10,582,000	\$ 8,819,000	\$ 6,457,000	\$ 5,704,000	\$ 5,309,000	\$ 5,357,000	\$ 5,897,000
17		I/C	Ending Cash Unrestricted Cash and Investments	\$ 8,819,000	\$ 6,457,000	\$ 5,704,000	\$ 5,309,000	\$ 5,357,000	\$ 5,897,000	\$ 6,982,000
18		C	Unrestricted Cash and Investments as a % of Total Expenditures ⁽⁴⁾	53%	38%	35%	32%	31%	33%	38%
Annual Revenue and Expenditure Adjustment										
Line	Ref	Type	Description	FY 2010 Estimate	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected	
19		I	Regular Residential Rates	4.0%	8.2%	8.2%	8.2%	8.2%	8.2%	
20		I	Alley Maintenance Rates	4.0%	0.9%	0.9%	3.5%	3.5%	3.5%	
21		I	Commercial Rates	0.0%	4.2%	4.2%	4.2%	4.2%	4.2%	
22		I	Other Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
23		I	Transfer-In (from Storm Water Fund)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
24		I	Expenditures	Estimated	Appendix D	Appendix D	Appendix D	Appendix D	3.50%	

(1) FY 2010 Revenues are based on the FY 2010 budget and the actual year-to-date revenues through December 2009.

(2) Includes transfer for the acquisition of capital assets and \$660,000 transfer to Storm Water Fund in FY 2009.

(3) The cash balance (Fund Reserve) reflects the Unrestricted Cash and Investments balance at June 30, 2008 (the beginning balance for FY 2009).

(4) Unrestricted Cash and Investments as a % of Total Expenditures, including the \$600,000 transfer to Storm Water

Impact of Rate Adjustment on Fund Reserves - Scenario 2

Line	Ref	Type	Description	FY 2009 Actual	FY 2010 Estimated ⁽¹⁾	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected
		Type		I	R	R/C	R/C	C	C	C
1			Revenues ⁽¹⁾ :							
2			Regular Residential Revenues:							
3	Ap A	I/R/C	Regular Residential Revenues	\$ 5,973,000	\$ 6,744,000	\$ 7,230,000	\$ 7,751,000	8,309,000	8,907,000	9,549,000
4	Ap A	R/C	Alley Maintenance Revenues	1,291,000	1,328,000	1,424,000	1,527,000	1,637,000	1,755,000	1,881,000
5	Ap A	I/R/C	Commercial Rate Revenues	7,353,000	6,274,000	6,538,000	6,813,000	7,099,000	7,397,000	7,708,000
6	Ap A	I/R/C	Conservation and Oil Block Grants	36,000	36,000	36,000	36,000	36,000	36,000	36,000
7	Ap A	I/R/C	Other Revenues	234,000	208,000	208,000	208,000	208,000	208,000	208,000
8	Ap A	I/R/C	Transfer-In	-	-	-	-	-	-	-
9	Ap A	R/C	Total Revenues	14,887,000	14,590,000	15,436,000	16,335,000	17,289,000	18,303,000	19,382,000
10	Ap B	I/R/C	Total Expenditures, Including Transfer for Acquisition of Capital Assets	12,895,000	16,352,000	15,572,000	16,099,000	16,634,000	17,188,000	17,761,000
11			Add Back Transfer for Acquisition of Capital Assets	558,000	-	-	-	-	-	-
12			Total Expenditures Before Transfer	13,453,000	16,352,000	15,572,000	16,099,000	16,634,000	17,188,000	17,761,000
13		C	Net Revenue (Expenditures)	\$ 1,434,000	\$ (1,762,000)	\$ (136,000)	\$ 236,000	\$ 655,000	\$ 1,115,000	\$ 1,621,000
14		I	Adjustment to Statement of Cash Flows (Timing)	(1,979,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
15		I	Transfer Out ⁽²⁾	(1,218,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
16		I/C	Beginning Unrestricted Cash and Investments ⁽³⁾	\$ 10,582,000	\$ 8,819,000	\$ 6,457,000	\$ 5,721,000	\$ 5,357,000	\$ 5,412,000	\$ 5,927,000
17		I/C	Ending Cash Unrestricted Cash and Investments	\$ 8,819,000	\$ 6,457,000	\$ 5,721,000	\$ 5,357,000	\$ 5,412,000	\$ 5,927,000	\$ 6,948,000
18		C	Unrestricted Cash and Investments as a % of Total Expenditures ⁽⁴⁾	53%	38%	35%	32%	31%	33%	38%
Annual Revenue and Expenditure Adjustment										
Line	Ref	Type	Description	FY 2010 Estimate	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected	
19		I	Regular Residential Rates	4.0%	7.2%	7.2%	7.2%	7.2%	7.2%	
20		I	Alley Maintenance Rates	4.0%	7.2%	7.2%	7.2%	7.2%	7.2%	
21		I	Commercial Rates	0.0%	4.2%	4.2%	4.2%	4.2%	4.2%	
22		I	Other Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
23		I	Transfer-In (from Storm Water Fund)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
24		I	Expenditures	Estimated	Appendix D	Appendix D	Appendix D	Appendix D	Appendix D	

(1) FY 2010 Revenues are based on the FY 2010 budget and the actual year-to-date revenues through December 2009.

(2) Includes transfer for the acquisition of capital assets and \$660,000 transfer to Storm Water Fund in FY 2009.

(3) The cash balance (Fund Reserve) reflects the Unrestricted Cash and Investments balance at June 30, 2008 (the beginning balance for FY 2009).

(4) Unrestricted Cash and Investments as a % of Total Expenditures, including the \$600,000 transfer to Storm Water

Calculation of Annual Rate Adjustments with Balancing of Fund Reserve - Scenario 1

Item	Ref	Type	Description	Residential	Commercial	Total	Fund Reserve	Reserve to Expenditures
1	App A	R	FY 2010 Rate Revenue at Current Rates	\$ 6,744,000	\$ 6,274,000	\$ 13,018,000		
2	App A	R	FY 2010 Alley Maintenance	1,328,000		244,000		
3	App A	R	FY 2010 Other Revenue	112,000	132,000		\$ 6,457,000	
4	E 1B	C	FY 2010 Total Revenue	\$ 8,184,000	\$ 6,406,000	\$ 13,262,000		
5	E 1B	C	Rate Adjustment	8.2%	4.2%	6.3%		
6	L2	R	FY 2011 Revenue	\$ 7,297,000	\$ 6,538,000	\$ 13,835,000		
7	E 1B	C	FY 2011 Alley Maintenance	1,340,000		1,340,000		
8	E 1B	C	FY 2011 Other Revenue	112,000	132,000	244,000		
9	E 1B	C	Total Revenue	8,749,000	6,670,000	15,419,000		
10	E 1B	C	FY 2011 Expenditures	9,601,000	6,571,000	16,172,000		
11	E 1B	C	Net Revenue (Expenditures)	\$(852,000)	\$ 99,000	\$(753,000)	\$ 5,704,000	35%
12	L2	R	Rate Adjustment	8.2%	4.2%	6.3%		
13	E 1B	C	FY 2012 Revenue	\$ 7,895,000	\$ 6,813,000	\$ 14,708,000		
14	E 1B	C	FY 2012 Alley Maintenance	1,352,000		1,352,000		
15	E 1B	C	FY 2012 Other Revenue	112,000	132,000	244,000		
16	E 1B	C	Total Revenue	9,359,000	6,945,000	16,304,000		
17	E 1B	C	FY 2012 Expenditures	9,945,000	6,754,000	16,699,000		
18	L2	R	Net Revenue (Expenditures)	\$(586,000)	\$ 191,000	\$(395,000)	\$ 5,309,000	32%
19	E 1B	C	Rate Adjustment	8.2%	4.2%	6.3%		
20	E 1B	C	FY 2013 Revenue	8,541,000	7,099,000	15,640,000		
21	E 1B	C	FY 2013 Alley Maintenance	1,399,000		1,399,000		
22	L2	R	FY 2013 Other Revenue	112,000	132,000	244,000		
23	E 1B	C	Total Revenue	10,052,000	7,231,000	17,283,000		
24	E 1B	C	FY 2013 Expenditures	10,266,000	6,969,000	17,235,000		
25	E 1B	C	Net Revenue (Expenditures)	\$(214,000)	\$ 262,000	\$ 48,000	\$ 5,357,000	31%
26	E 1B	C	Rate Adjustment	8.2%	4.2%	6.4%		
27	E 1B	C	FY 2014 Revenue	\$ 9,241,000	\$ 7,397,000	\$ 16,638,000		
28	L2	R	FY 2014 Alley Maintenance	1,448,000		1,448,000		
29	E 1B	C	FY 2014 Other Revenue	112,000	132,000	244,000		
30	E 1B	C	Total Revenue	10,801,000	7,529,000	18,330,000		
31	E 1B	C	FY 2014 Expenditures	10,598,000	7,192,000	17,790,000		
32	E 1B	C	Net Revenue (Expenditures)	\$ 203,000	\$ 337,000	\$ 540,000	\$ 5,897,000	33%
33	E 1B	C	Rate Adjustment	8.2%	4.2%	6.4%		
34	E 1B	C	FY 2015 Revenue	\$ 9,998,000	\$ 7,708,000	\$ 17,706,000		
35	L2	R	FY 2015 Other Revenue	1,499,000		1,499,000		
36	E 1B	C	FY 2015 Other Revenue	112,000	132,000	244,000		
37	E 1B	C	Total Revenue	11,609,000	7,840,000	19,449,000		
38	E 1B	C	FY 2015 Expenditures	10,942,000	7,422,000	18,364,000		
39	E 1B	C	Net Revenue (Expenditures)	\$ 667,000	\$ 418,000	\$ 1,085,000	\$ 6,982,000	38%
40	E 1B	C	FY 2015 Operating Ratio (Revenue/Expenditures)	106.1%	105.6%	105.9%		

Calculation of Annual Rate Adjustments with Balancing of Fund Reserve - Scenario 2

Item	Ref	Type	Description	Residential	Commercial	Total	Fund Reserve	Reserve to Expenditures
1	App A	R	FY 2010 Rate Revenue at Current Rates	\$ 8,072,000	\$ 6,274,000	\$ 14,346,000		
2	App A	R	FY 2010 Other Revenue	112,000	132,000	244,000		
3	App A	R	FY 2010 Total Revenue	\$ 8,184,000	\$ 6,406,000	\$ 14,590,000	\$ 6,457,000	
4	E 1B	C	<i>Rate Adjustment</i>	7.2%	4.2%	5.9%		
5	E 1B	C	FY 2011 Revenue	\$ 8,654,000	\$ 6,538,000	\$ 15,192,000		
6	L2	R	FY 2011 Other Revenue	112,000	132,000	244,000		
7	E 1B	C	Total Revenue	8,766,000	6,670,000	15,436,000		
8	E 1B	C	FY 2011 Expenditures	9,601,000	6,571,000	16,172,000		
9	E 1B	C	Net Revenue (Expenditures)	\$ (835,000)	\$ 99,000	\$ (736,000)	\$ 5,721,000	35%
10	E 1B	C	<i>Rate Adjustment</i>	7.2%	4.2%	5.9%		
11	E 1B	C	FY 2012 Revenue	\$ 9,278,000	\$ 6,813,000	\$ 16,091,000		
12	L2	R	FY 2012 Other Revenue	112,000	132,000	244,000		
13	E 1B	C	Total Revenue	9,390,000	6,945,000	16,335,000		
14	E 1B	C	FY 2012 Expenditures	9,945,000	6,754,000	16,699,000		
15	E 1B	C	Net Revenue (Expenditures)	\$ (555,000)	\$ 191,000	\$ (364,000)	\$ 5,357,000	32%
16	E 1B	C	<i>Rate Adjustment</i>	7.2%	4.2%	5.9%		
17	E 1B	C	FY 2013 Revenue	9,946,000	7,099,000	17,045,000		
18	L2	R	FY 2013 Other Revenue	112,000	132,000	244,000		
19	E 1B	C	Total Revenue	10,058,000	7,231,000	17,289,000		
20	E 1B	C	FY 2013 Expenditures	10,266,000	6,969,000	17,235,000		
21	E 1B	C	Net Revenue (Expenditures)	\$ (208,000)	\$ 262,000	\$ 54,000	\$ 5,411,000	31%
22	E 1B	C	<i>Rate Adjustment</i>	7.2%	4.2%	5.9%		
23	E 1B	C	FY 2014 Revenue	\$ 10,662,000	\$ 7,397,000	\$ 18,059,000		
24	L2	R	FY 2014 Other Revenue	112,000	132,000	244,000		
25	E 1B	C	Total Revenue	10,774,000	7,529,000	18,303,000		
26	E 1B	C	FY 2014 Expenditures	10,598,000	7,192,000	17,790,000		
27	E 1B	C	Net Revenue (Expenditures)	\$ 176,000	\$ 337,000	\$ 513,000	\$ 5,924,000	33%
28	E 1B	C	<i>Rate Adjustment</i>	7.2%	4.2%	6.0%		
29	E 1B	C	FY 2015 Revenue	\$ 11,430,000	\$ 7,708,000	\$ 19,138,000		
30	L2	R	FY 2015 Other Revenue	112,000	132,000	244,000		
31	E 1B	C	Total Revenue	11,542,000	7,840,000	19,382,000		
32	E 1B	C	FY 2015 Expenditures	10,942,000	7,422,000	18,364,000		
33	E 1B	C	Net Revenue (Expenditures)	\$ 600,000	\$ 418,000	\$ 1,018,000	\$ 6,942,000	36%
34		C	FY 2015 Operating Ratio (Revenue/Expenditures)	105.5%	105.6%	105.5%		

PROJECTED COMMERCIAL BIN RATE ADJUSTMENT
FY 2010 to FY 2011

Step One: Calculate percentage change in indices

	A	B	C	D	E
Adjustment Factor	Old Index Value	New Index Value	Percent Change In Index ((Column B/Column A) -1)	Percent of Index Change Allowed for Rate Adjustment	Percent Change for Rate Adjustment (Column C x Column D)
Labor	107.7	109.6	1.8%	100%	1.8%
Fuel	224.1	215.9	-3.7%	100%	-3.7%
Equipment	120.5	125.6	4.2%	100%	4.2%
Disposal	212.425	216.33	1.8%	100%	1.8%
All Other	212.425	216.33	1.8%	50%	0.9%

Step Two: Calculate weighted percentage change to rates

	F	G	H
Adjustment Factor	Percent Change	Weighting	Weighted Percent
Labor	1.8%	22%	0.4%
Fuel	-3.7%	5%	-0.2%
Equipment	4.2%	15%	0.6%
Disposal	1.8%	33%	0.6%
All Other	0.9%	25%	0.2%
Total	n/a	100%	1.6%

(1) Employment Cost Index CIS20100005200001, Total Compensation, Private Industry, Transportation and material moving. Used Third Quarter 2008 to Third Quarter 2009.

(2) Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel. Used November 2008 to November 2009

(3) The Producer Price Index, PCU36120336120 Heavy duty truck manufacturing. Used November 2008 to November 2009

(4) Consumer Price Index for All Urban Consumers, not seasonally adjusted, all items index (CPI-U) – U.S. city average. Used November 2008 to November 2009

PROJECTED ROLLOFF BOX RATE ADJUSTMENT
FY 2010 to FY 2011

Step One: Calculate percentage change in indices

	A	B	C	D	E
Adjustment Factor	Old Index Value	New Index Value	Percent Change In Index ((Column B/Column A) -1)	Percent of Index Change Allowed for Rate Adjustment	Percent Change for Rate Adjustment (Column C x Column D)
Service Component					
Labor	107.7	109.6	1.8%	100%	1.8%
Fuel	224.1	215.9	-3.7%	100%	-3.7%
Equipment	120.5	125.6	4.2%	100%	4.2%
All Other	212.425	216.33	1.8%	50%	0.9%
Disposal Component	212.425	216.33	1.8%	100%	1.8%

Step Two: Calculate weighted percentage change to rates

	F	G	H
Adjustment Factor	Percent	Weighting	Weighted
Service Component			
Labor	1.8%	33%	0.6%
Fuel	-3.7%	8%	-0.3%
Equipment	4.2%	22%	0.9%
All Other	0.9%	37%	0.3%
Total Service Component (Pull Rate)	n/a	100%	1.5%

Disposal Component (per ton gate rate)	1.8%	100%	1.8%
--	------	------	------

(1) Employment Cost Index CIS20100005200001, Total Compensation, Private Industry, Transportation and material moving. Used Third Quarter 2008 to Third Quarter 2009.

(2) Producer Price Index, WPU057303 not seasonally adjusted, Fuels and related products and power, #2 diesel fuel. Used November 2008 to November 2009

(3) The Producer Price Index, PCU36120336120 Heavy duty truck manufacturing. Used November 2008 to November 2009

(4) Consumer Price Index for All Urban Consumers, not seasonally adjusted, all items index (CPI-U) – U.S. city average. Used November 2008 to November 2009

Expenditures - Comparison of FY 2009 Actual to FY 2010 Estimate to FY 2011 Projection and FY 2012 Projection to FY 2011 Projection

Item	Ref	Type	Description	2009 Actual	2010 Estimate	2011 Projection	2012 Projection	FY 2010 Estimate Compared to FY 2009 Actual		FY 2011 Projection Compared to FY 2010 Estimate		FY 2012 Projection Compared to FY 2011 Estimate	
								Increase (Decrease)	\$	Increase (Decrease)	\$	Increase (Decrease)	\$
1	Ap C	R	Salaries and Benefits	\$ 1,702,000	\$ 1,906,000	\$ 1,980,000	\$ 2,020,000	\$ 204,000	\$ 74,000	\$ 40,000	\$ -	\$ 40,000	\$ -
2	Ap C	R	Supplies and Small Tools	15,000	215,000	215,000	221,000	200,000	-	-	6,000	-	6,000
3			Other General Expenses:										
4			General Contractual Services										
5		I/C	Crown Collection Services	4,645,000	4,284,000	4,353,000	4,484,000	(361,000)	69,000	131,000			
6	Ap C	R	Crown MRF Processing & Green Waste Disposal	1,049,000	1,238,000	1,300,000	1,365,000	189,000	62,000	65,000			
7		C	Other	300,000	413,000	427,000	447,000	113,000	14,000	20,000			
8	Ap C	R/C	Total General Contractual Services	5,994,000	5,935,000	6,080,000	6,296,000	(59,000)	145,000	216,000			
9	Ap C	R	Special Projects - Pavement Impact (2)	654,000	1,846,000	500,000	500,000	1,192,000	(1,346,000)	-			
10		C	Other General Expenses	56,000	275,000	274,000	284,000	219,000	(1,000)	10,000			
11	Ap C	R/C	Subtotal - Other General Services	6,704,000	8,056,000	6,854,000	7,080,000	1,352,000	(1,202,000)	226,000			
12	Ap C	R	Other Equipment			141,000	123,000	-	141,000	(18,000)			
13	Ap C	R	Vehicles and Facility Expenses	4,358,000	5,251,000	5,456,000	5,729,000	893,000	205,000	273,000			
14			Other Administrative Expenses:										
15	Ap C	R	Debt Service (3)			601,000	631,000	572,000	29,000	30,000			
16	Ap C	R	Interest Expense (Debt Service)	25,000	233,000	204,000	174,000	233,000	(29,000)	(30,000)			
17	Ap C	R	Bad Debts	86,000	25,000	25,000	26,000	-	-	1,000			
18	Ap C	R/C	Depreciation	111,000	86,000	86,000	86,000	-	-	-			
19	Ap C	R	Subtotal - Other Administrative Expenses	111,000	916,000	916,000	917,000	805,000	-	1,000			
20	Ap C	R/C	Utilities	5,000	8,000	10,000	10,000	3,000	2,000	-			
			Total Fund 83 Expenditures	\$ 12,895,000	\$ 16,352,000	\$ 15,572,000	\$ 16,100,000	\$ 3,457,000	\$ (780,000)	\$ 528,000			

(1) There was no rate adjustment for commercial collection services for FY 2010, the rate adjustment for FY 2011 is estimated at 1.6% for commercial bin service and 1.5% for rolloff box service.

(2) In FY 2006 the City initiated a charge for the impact of the residential and commercial refuse trucks on the City's streets. The SWU staff projects pavement management charges of \$500,000 per year. The City budgeted \$2,000,000 in FY 2009 for the refuse vehicle impact cost, including a one-time repayment for prior years of \$1,500,000. Of the \$2,000,000 budgeted for FY 2009, only \$863,000 was expended. FY 2010 pavement impact costs are projected at \$1,847,000, including the remaining transfer of \$1,347,000 from SWU Fund Reserved to recover costs for FY 2006, FY 2007 and FY 2008.

(3) Although budgeted, Inter-City debt service for approximately \$805,000 was not charged in FY 2009.

EXHIBIT 6

Residential Refuse Collection Rate Per Container Build-up

Line	Ref	Type	Description	FY 2010 Estimated Expenditures
1			Residential Refuse Collection Cost:	
2	Ap C	R	Total Residential Operating Cost before Allocations	\$ 7,337,000
3	Ap C	R	Less Debt Service (Principal and Interest)	(483,000)
4		C	Total Annual Residential Refuse Collection Cost	\$ 6,854,000
			Average Monthly Cost	\$ 571,000
5	E7	R	Monthly Capacity in Gallons	14,609,000
			Average Cost per Gallon	\$ 0.0391
6			Gallons per Week for a Typical Customer	450
			Average Number of Weeks per Month	4.33
7		C	Hypothetical Monthly Refuse Collection Rate: Refuse Collection - Regular ⁽¹⁾	\$ 76.19

(1) Based on hypothetical service of 450 gallons of capacity per week.

EXHIBIT 7

RESIDENTIAL CONTAINERS BY TYPE, SIZE AND FREQUENCY

Type of Customer	300-Gallon Mixed Waste Alley Service		95-Gallon Curbside & Alley Service		Mixed Waste		Green Waste	
	Service per Week	Quantity	Service per Week	Quantity	Quantity	Quantity	Quantity	Quantity
SINGLE FAMILY	1X	3,905	1X CURBSIDE	4,051		3,673		
MULTI-FAMILY	2X	1,210	1X ALLEY	-		6,937		
MULTI-FAMILY	3X	90						
Total Containers		5,205		4,051		10,610		

COLLECTION CAPACITY IN GALLONS

Type of Customer	300-Gallon Mixed Waste Alley Service		95-Gallon Curbside & Alley Service		Mixed Waste		Green Waste		All Containers	
	Service per Week	Gallons per Week	Service per Week	Gallons per Week	Gallons per Week	Gallons per Week	Capacity in Gallons per Week	Capacity in Gallons per Month	Capacity in Gallons per Week	Capacity in Gallons per Month
SINGLE FAMILY	1X	1,171,500	1X CURBSIDE	384,845	348,935	1,905,280	8,256,213			
MULTI-FAMILY	2X	726,000	1X ALLEY	-	659,015	1,385,015	6,001,732			
MULTI-FAMILY	3X	81,000				81,000	351,000			
Total Gallons		1,978,500	Total Gallons	384,845	1,007,950	3,371,295	14,608,945			

EXHIBIT 8

Survey of Los Angeles County Cities with Municipal Residential Solid Waste Collection

City	Population (1)	Collection Method		Container Sizes (gallons)		Collection Frequency		
		Refuse	Recycle	Refuse	Recycle	Refuse	Recycle	GW
Burbank	108,000	auto	auto	35, 65, 101	35, 65, 101	1x/wk	1x/wk	1x/wk
Culver City	41,000	auto	auto	64	96	1x/wk	2x/mo	1x/wk
Glendale	207,000	auto	auto	64, 100	64, 100	1x/wk	1x/wk	1x/wk
Pasadena	150,000	auto	auto	32, 60, 100	60	1x/wk	1x/wk	1x/wk
Pomona	163,000	auto	auto	96	96	1x/wk	1x/wk	1x/wk
Santa Monica	92,000	auto	auto	95	95	1x/wk	1x/wk	1x/wk
Torrance	149,000	auto	auto	101	96	1x/wk	1x/wk	1x/wk
			n/a ⁽²⁾		n/a ⁽²⁾			

(1) California Department of Finance, E-5 City/County Population and Housing Estimates, 1/1/2009

(2) Pilot program underway.

EXHIBIT 9

Calculation of Monthly Residential Rate for Equivalent Capacity of 450 Gallons per Week

City	Container Size				Monthly Rate		Total Gallons	Rate/Gallon per Week (total rate/total gallons)	Equivalent Monthly Rate for 450 Gallons
	Large Trash Cart	Recycle Cart	Green Waste Cart	2nd Trash Cart (if no green waste)	1st Trash Cart	2nd Trash Cart (if no green waste)			
Burbank	101	101	101	n/a	\$40.10	n/a	303	\$0.132	\$59.40
Culver City (1)	64	48	64	n/a	\$29.30	n/a	176	\$0.166	\$74.70
Glendale	100	100	100	n/a	\$17.81	n/a	300	\$0.059	\$26.55
Pasadena	100	60	100	n/a	\$36.43	n/a	260	\$0.140	\$63.00
Pomona	96	96	96	n/a	\$25.55	n/a	288	\$0.089	\$40.05
Santa Monica	95	95	95	n/a	\$39.90	n/a	285	\$0.140	\$63.00
Torrance	101	64	0	101	\$22.29	\$16.72	266	\$0.147	\$66.15

(1) Recycle is picked up twice per month (96 gallons x 26 periods/52 weeks = 48 gallons per week).

DETAILED REVENUE
FY 2009 ACTUAL, FY 2010 BUDGET AND FY 2010 ESTIMATE

Acct #	Account	FY 2009 Actual (12/0/09)				FY 2010 Budget				FY 2010 Estimate				
		Residential	Commercial	Conservation	Alley Maintenance	Street Resurfacing/Oil Block Grant	Total	Residential	Commercial	Conservation	Alley Maintenance	Street Resurfacing/Oil Block Grant	Total	
42221	Grants	\$ -	\$ -	\$ -	\$ -	\$ 26,357	\$ 26,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ 36,000
45111	Interest Earned - Functional	83,824	59,747	61,888	-	205,459	70,158	70,158	-	-	-	140,316	-	140,000
45114	Bank Analysis Charges	(1,691)	(789)	-	-	(2,479)	\$ -	\$ -	-	-	-	-	-	-
45141	Penalty on Delinquent Accounts	877	93,042	-	249	94,168	-	-	-	-	-	39,576	-	28,000
45181	Chng Fair Val of Inv - Cen	15,442	15,442	-	-	30,884	19,788	19,788	-	-	-	-	-	40,000
49231	Recycling Income	110	-	-	-	110	-	-	-	-	-	-	-	-
52011	Solid Waste Disp Fees - Com	(129)	4,359,199	-	-	4,359,199	4,213,401	4,213,401	-	-	-	4,213,401	-	4,000,000
52020	Spl Ref Pickup - Bulky Items	(129)	-	-	-	(129)	-	-	-	-	-	-	-	-
52021	Alley Refuse Maintenance	251	-	-	1,290,931	1,291,182	-	-	1,328,000	-	-	1,328,000	-	1,328,000
52031	Landfill/Recycle Refuse	5,791,419	-	-	-	5,791,419	6,607,000	6,607,000	-	-	-	6,607,000	-	6,607,000
52041	Roll-off Services	180,786	2,900,270	-	-	2,900,270	3,032,023	3,032,023	-	-	-	3,032,023	-	2,274,000
52111	Res Collect Roll-Out SVC	-	-	-	-	-	136,675	136,675	-	-	-	136,675	-	137,000
52121	Beverage Contn Recyc Grant	-	-	9,466	-	9,466	-	-	-	-	-	-	-	-
	Total Revenue	\$ 6,070,889	\$ 7,426,912	\$ 71,354	\$ 1,291,180	\$ 26,357	\$ 14,886,692	\$ 6,833,621	\$ 7,335,370	\$ -	\$ 1,328,000	\$ 15,496,691	\$ 6,834,000	\$ 14,590,000

Acct #	Account	FY 2009 Actual (12/0/09)				FY 2010 Budget				FY 2010 Revenue Estimate				
		Residential	Commercial	Conservation	Alley Maintenance	Street Resurfacing/Oil Block Grant	Total	Residential	Commercial	Conservation	Alley Maintenance	Street Resurfacing/Oil Block Grant	Total	
	Residential Collection Revenue	5,973,082	7,352,511	-	1,291,180	26,357	14,886,692	6,743,675	7,245,424	-	1,328,000	15,496,691	6,744,000	6,274,000
	Commercial Collection Revenue	-	7,352,511	-	1,291,180	26,357	14,886,692	7,245,424	7,352,511	-	1,328,000	15,496,691	6,274,000	1,328,000
	Alley Maintenance Fees	-	-	9,466	61,888	-	71,354	9,466	-	-	-	71,354	-	36,000
	Conservation and Oil Block Grants	92,807	74,401	-	-	-	177,208	90,946	89,946	-	-	179,892	90,000	208,000
	Transfer-In Storm Waste	6,070,889	7,426,912	71,354	1,291,180	26,357	14,886,692	6,833,621	7,335,370	-	1,328,000	15,496,691	6,834,000	6,392,000
	Total Revenue	12,911,800	14,886,692	71,354	2,582,360	52,714	29,332,511	14,886,692	14,886,692	-	1,328,000	27,623,376	14,590,000	14,590,000
	Allocation of Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
	Alley Maintenance Fees	58,627	39,084	(71,354)	(1,291,180)	(26,357)	(1,328,000)	22,000	14,000	(10,000)	(1,328,000)	(26,000)	22,000	(26,000)
	Conservation & Oil Block Grant	1,349,807	39,084	(71,354)	(1,291,180)	(26,357)	1,349,807	1,330,000	14,000	(10,000)	(1,328,000)	(26,000)	1,330,000	36,000
	Total Other Revenue	7,426,906	7,465,996	-	-	-	14,886,692	8,184,000	6,406,000	-	-	14,590,000	8,184,000	6,406,000
	Grand Total Revenue	20,338,706	22,352,688	71,354	2,582,360	52,714	44,219,203	23,070,692	21,292,692	-	1,328,000	42,183,376	22,774,000	21,000,000

SUMMARY OF EXPENDITURES
 FY 2010 BUDGET, FY 2010 ESTIMATE, FY 2011 PROJECTION AND FY 2012 PROJECTION

Account	FY 2010 Budget						FY 2010 Estimate					
	Residential	Commercial	Conservation	Alley Maintenance	Street Resurfacing/Oil Block Grant	Total	Residential	Commercial	Conservation	Alley Maintenance	Street Resurfacing/Oil Block Grant	Total
Salaries and Benefits	1,412,212	140,646	12,651	646,072	-	2,211,581	1,189,000	133,000	15,000	569,000	-	1,906,000
Supplies and Small Tools	68,181	212,027	206	45,074	-	325,488	68,000	102,000	-	45,000	-	215,000
Other General Expenses	1,770,605	6,060,402	3,732	414,959	9,095	8,258,793	1,407,000	4,374,000	4,000	415,000	9,000	6,209,000
Other Equipment	4,088,027	210,379	27,617	924,649	-	5,250,672	4,088,000	210,000	28,000	925,000	-	5,251,000
Interdepartmental Expenses	5,499	7,860	-	-	-	13,359	579,000	337,000	-	-	-	916,000
Other Administrative Expense	5,056	345	-	2,622	-	8,023	5,000	-	-	3,000	-	8,000
Utilities	-	-	-	-	1,846,465	1,846,465	-	-	-	-	1,847,000	1,847,000
CIP - Construction	-	-	-	-	-	-	-	-	-	-	-	-
Increase in Vehicle Purchases 2011 and 2012	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund 83 - Solid Waste Services	7,349,580	6,631,659	44,206	2,033,576	1,855,560	17,914,581	7,336,000	5,156,000	47,000	1,957,000	1,856,000	16,352,000
Allocation of Other Operations	31,448	21,853	(44,206)	(2,033,576)	(9,095)	-	33,000	23,000	(47,000)	(9,000)	(9,000)	-
Allocation of Conservation	2,033,576	923,232	923,232	923,232	(1,846,465)	-	1,205,000	752,000	-	(1,957,000)	(1,847,000)	-
CIP - Construction	2,988,257	945,085	(44,206)	(2,033,576)	(1,855,560)	-	2,161,000	1,694,000	(47,000)	(1,957,000)	(1,856,000)	-
Total Allocated Costs	10,337,837	7,576,744	-	-	-	17,914,581	9,497,000	6,855,000	-	-	-	16,352,000
Total Fund 83 - Allocated Total Expenditures												
Year-to-Year Change in Total Expenditures												N/A
Percentage Change in Total Expenditures												N/A

SUMMARY OF EXPENDITURES
 FY 2010 BUDGET, FY 2010 ESTIMATE, FY 2011 PROJECTION AND FY 2012 PROJECTION

Account	FY 2011 Projection						FY 2012 Projection					
	Residential	Commercial	Conservation	Alley Maintenance	Street Resurfacing/ Oil Block Grant	Total	Residential	Commercial	Conservation	Alley Maintenance	Street Resurfacing/ Oil Block Grant	Total
Salaries and Benefits	1,255,000	139,000	15,000	591,000	-	1,980,000	1,260,000	142,000	15,000	603,000	-	2,020,000
Supplies and Small Tools	68,000	102,000	-	45,000	-	215,000	70,000	105,000	-	46,000	-	221,000
Other General Expenses	1,470,000	4,444,000	4,000	427,000	9,000	6,354,000	1,510,000	4,577,000	4,000	449,000	9,000	6,579,000
Other Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Interdepartmental Expenses	4,292,000	210,000	29,000	925,000	-	5,456,000	4,507,000	221,000	30,000	971,000	-	5,729,000
Other Administrative Expense	579,000	337,000	-	-	-	916,000	579,000	338,000	-	-	-	917,000
Utilities	6,000	1,000	-	3,000	-	10,000	6,000	1,000	-	3,000	-	10,000
CIP - Construction	141,000	-	-	-	500,000	641,000	123,000	-	-	-	500,000	623,000
Increase in Vehicle Purchases 2011 and 2012	7,791,000	5,233,000	48,000	1,991,000	509,000	15,572,000	8,085,000	5,384,000	49,000	2,072,000	509,000	16,099,000
Total Fund 83 - Solid Waste Services												
Allocation of Other Operations	34,000	23,000	(48,000)	-	(9,000)	-	35,000	23,000	(49,000)	(9,000)	(9,000)	-
Allocation of Conservation	1,226,000	765,000	(48,000)	(1,991,000)	(500,000)	-	1,275,000	797,000	(49,000)	(2,072,000)	(9,000)	-
Allocation of Alley Maintenance	250,000	250,000	(48,000)	(1,991,000)	(500,000)	-	250,000	250,000	(49,000)	(500,000)	(500,000)	-
CIP - Construction	1,510,000	1,038,000	(48,000)	(1,991,000)	(509,000)	-	1,560,000	1,070,000	(49,000)	(2,072,000)	(509,000)	-
Total Allocated Costs	9,301,000	6,271,000	-	-	-	15,572,000	9,645,000	6,454,000	-	-	-	16,099,000
Total Fund 83 - Allocated Total Expenditures						(780,000)						527,000
Year-to-Year Change in Total Expenditures						-4.8%						3.4%
Percentage Change in Total Expenditures												

DETAILED EXPENDITURES
 FY 2009 ACTUAL, FY 2009 BUDGET, FY 2010 BUDGET AND FY 2010 ESTIMATE

Acct#	Account	FY 2009 Budget						FY 2009 Actual					
		Residential	Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total	Residential	Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total
	Salary and Benefits												
71100	Salaries - Regular	788,372	75,214	8,071	369,138		1,240,795	648,035	75,801	9,096	301,445		1,034,377
71300	Overtime Pay	80,130	20,000		26,710		126,840	44,357	3,266		22,481		70,104
71560	Salary Provision	673		404			1,750						
71600	Health Insurance	154,679	16,276	1,365	70,792		243,112	142,917	16,829	1,380	64,044		225,170
71620	Disability Insurance	5,969	466	46	2,633		9,114	4,210	434	49	1,862		6,555
71640	Unemployment Insurance	9,154					9,154	2,634					2,634
71661	Workers' Compensation Insurance	76,974	5,260	351	39,919		122,504	76,980	5,256	348	39,924		122,508
71670	Dental Insurance	32,206	2,577	172	14,541		49,496	26,626	2,332	155	11,676		40,789
71680	Life Insurance	2,107	231	55	925		3,318	1,668	222	53	721		2,664
71690	Other Insurance	3,703	220	15	1,670		5,608	2,937	213	14	1,314		4,478
71700	Retirement	142,026	13,546	1,452	66,490		223,514	117,227	13,862	1,761	54,363		187,213
71705	Reduction of Unfunded Liabilities	-	802	123	4,971		16,644	10,432	1,234	157	4,838		16,661
71720	Medicare - Permanent Employees	10,748					10,748	9,385					14,518
71820	Unused Leave	6,887	3,475		1,559		11,841	4,427	1,494	329	1,941		8,191
71840	Compensated Absences	960	960		720		2,640	968	963		715		2,646
71850	Cvr Allowance	12,815	660	21	5,701		19,197	10,557	666	21	4,612		15,856
71860	Deferred Compensation							(33,114)		(421)	(15,426)		(52,646)
	Adjustment to CAFR 2009												
	Subtotal Salaries and Benefits	1,327,323	140,360	12,075	605,769		2,085,527	1,070,246	119,751	13,075	498,646		1,701,718
	Supplies and Small Tools												
72020	Commemorative Items	369	179				548	-					-
72030	Printing Supplies	1,100					1,100	-					-
72040	Photo, Video, Draft, Lab Supplies	181	102				283	-					-
72050	Gen Equip and Mach Parts	28,395	210,000				238,395	2,814					2,814
72060	Office Supplies	2,577					2,577	798					798
72070	Janitorial Supplies	1,285	378		383		2,046						
72080	Clothing/Dry Goods/Notions	9,642	923		2,040		12,605	3,354			853		4,207
72100	Books & Publications	1,080	67	207			1,354	384					384
72110	Chemicals	1,721					1,721	944					944
72140	Electrical & Communication Supplies	102	102				204						
72150	Medical Laboratory Supplies	211					211	450					450
72180	Small Equip/Tools/Hardware	19,961			2,550		22,511	5,109					5,109
72190	Bldg & Constr Mat & Suppl				40,000		40,000						
72200	Fire & Other Safety Supplies	245					245						
72220	Other Commodities	1,271					1,271				213		
72310	Refreshment	252	275		102		629						
72500	Beverage Container Recycling Grant			207									
	Subtotal Supplies and Small Tools	68,392	212,026	207	45,075		325,700	13,891			1,066		14,957

DETAILED EXPENDITURES
 FY 2009 ACTUAL, FY 2009 BUDGET AND FY 2010 ESTIMATE

Acct #	Account	FY 2009 Budget						FY 2009 Actual					
		Residential	Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total	Residential	Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total
	Other General Expenses												
73010	Advertising	1,709	689	713	178		3,289	1,645	720				2,365
73030	Maintenance & Repair - Non-Auto	11,202					11,202						
73050	Rentals	63,246					63,246						
73060	Mileage Reimbursement	2,642	781				3,423	50	50	2	35		137
73070	Membership & Dues	4,104	385				4,489	9,632					9,632
73090	Postage & Parcel Delivery	4,502	488	505			5,495						
73100	Printing & Binding	1,586	1,365	1,414	1,530		5,895						
73110	Photo & Blueprint Service												
73120	Professional/Consultant/Spl Svcs	41,000	80,000			26,357	147,357	16,278			17,262		33,540
73122	Ongoing Contractual Services	4,687	1,200				5,887	3,518	587				4,105
73140	Telecom - Wireless	7,183					7,183	5,358					5,358
73150	Laundry/Other Cleaning Services	5,137	1,020	60			6,217	1,485					1,485
73160	Travel		1,857	960			7,937	388					388
73170	Training		5,499,491		413,250		7,268,123	1,048,693	4,644,852		300,000		5,993,545
73180	General Contractual Services	1,355,382											
73180	General Contractual Svcs			80			272	14					14
73190	City Representation	115	77				192						
73220	Messenger Svcs/Express Delivery	146	2,902				5,804						
73250	Legal Fees	250,000	250,000				500,000						
73800	Special Projects (f)	1,760,663	5,840,602	3,732	414,958	26,357	8,046,112	1,086,961	4,646,209	2	300,035	17,262	6,050,469
	Subtotal Other General Expenses												
	Other Equipment												
74120	Heavy Vehicular Equipment	348,180			210,000		558,180	348,179			210,000		558,179
	Interdepartmental Expense												
75011	Fleet Serv Chgs - Gov	1,047,408					1,047,408	1,047,408					1,047,408
75012	Vehicle Repl Chgs - Gov	156,624					156,624	156,624					156,624
75030	Radio Equipment Charges - Gov		55,704				55,704		55,704				55,704
75091	Facilities Serv Chgs - Gov	207,912	12,180	816	92,388		313,296	207,912	12,180	816	92,388		313,296
75092	Facilities Repl Chgs - Gov												
75110	IT Operations Charges	84,456	53,688	4,284	39,732		182,160	84,456	53,688	4,284	39,732		182,160
75120	IT Replacement Charges	3,516	3,516	3,516	3,516		14,064	3,516	3,516	3,516	3,516		14,064
75210	Equip Repl Prog Charge	23,832	1,392	96	10,596		35,916	23,832	1,392	96	10,596		35,916
75220	Print Shop Charges - Gov	2,700	2,700	504	504		6,408	2,700	2,700	504	504		6,408
75240	Graphic Arts Charges - Gov	3,576	3,576	3,576	3,576		14,304	3,576	3,576	3,576	3,576		14,304
75360	Liability Insurance - Gov	279,444	16,368	1,092	124,176		421,080	279,444	16,368	1,092	124,176		421,080
75410	Cable TV Charges - Gov			7,848	1,476		7,848			7,848	1,476		7,848
75419	Compensated Absences Chgbk	3,616					3,616						3,616

DETAILED EXPENDITURES
FY 2009 ACTUAL, FY 2009 BUDGET, FY 2010 BUDGET AND FY 2010 ESTIMATE

Acct #	Account	FY 2009 Budget						FY 2009 Actual					
		Residential	Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total	Residential	Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total
75121	PAL Charges/PW Admin	601,284	35,208	2,352	267,192	-	906,036	601,284	35,208	2,352	267,192	-	906,036
75122	PAL Charges/Policy & Mgmt	268,920	15,744	1,044	-	-	285,708	-	-	-	-	-	-
75123	PAL Charges/Admin	276,240	16,176	1,080	122,760	-	293,496	276,240	16,176	1,080	122,760	-	416,256
75922	Pal/Policy Charges - Ent	-	-	-	119,496	-	119,496	268,920	15,744	1,044	119,496	-	405,204
75923	Pal/PE Admin Charges - Ent	-	-	-	20,592	-	20,592	127,896	84,276	180	20,592	-	232,944
75424	Pal Charges/Legal	127,896	84,276	180	20,592	-	232,944	127,896	84,276	180	20,592	-	232,944
75425	Pal Charges/City Clerk	53,664	3,144	204	23,844	-	80,856	53,664	3,144	204	23,844	-	80,856
75970	PWAB Lease Chargeback - Gov	50,964	5,664	-	-	-	56,628	50,964	5,664	-	-	-	56,628
	Subtotal Interdepartmental Expense	3,192,052	309,336	26,592	829,848	-	4,357,828	3,192,052	309,336	26,592	829,848	-	4,357,828
	Other Administrative Expenses												
76010	Debt Service (Principal & Interest)	-	-	-	-	-	-	-	-	-	-	-	-
76015	Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
76050	Bad Debt Expense	10,000	15,000	-	-	-	25,000	10,000	15,000	-	-	-	25,000
76060	Depreciation Account	255	-	-	-	-	255	86,073	-	-	-	-	86,073
	Subtotal Other Administrative Expenses	10,255	15,000	-	-	-	25,255	96,073	15,000	-	-	-	111,073
	Utilities												
77010	Salary Abatement	-	-	-	-	-	-	-	-	-	-	-	-
77020	Heat, Light, Water & Power	4,933	337	-	2,558	-	7,828	3,262	223	-	1,691	-	5,176
77030	Landline Communications	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal Utilities	4,933	337	-	2,558	-	7,828	3,262	223	-	1,691	-	5,176
85040	CIP - Construction	-	-	-	-	-	-	-	-	-	-	-	-
	Fund Transfers												
90000	Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
91005	Transfer to Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal Fund Transfers	-	-	-	-	-	-	-	-	-	-	-	-
	Total Fund 83 - Solid Waste Services	6,711,798	6,517,461	42,606	2,108,208	1,526,357	16,906,430	5,252,485	5,090,519	39,669	1,841,286	670,797	12,894,756
	Allocation of Conservation	-	-	-	-	-	-	33,589	23,342	(39,669)	(1,841,286)	(17,262)	-
	Allocation of Alley Maintenance	-	-	-	-	-	-	1,133,468	707,818	-	(1,841,286)	(653,535)	-
	Allocation of CIP - Construction	-	-	-	-	-	-	326,768	326,768	-	-	-	-
	Total Fund 83 - Allocated Total Expenditures	6,711,798	6,517,461	42,606	2,108,208	1,526,357	16,906,430	6,716,310	6,148,446	-	-	-	12,894,756
	Year-to-Year Change in Total Expenditures						N/A						(4,011,674)
	Percentage Change in Total Expenditures						N/A						-23.7%

DETAILED EXPENDITURES
 FY 2009 ACTUAL, FY 2009 ACTUAL, FY 2010 BUDGET AND FY 2010 ESTIMATE

Acct #	Account	FY 2010 Budget						FY 2010 Estimate					
		Residential	Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total	8305201 Residential	8305202 Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total
	Salary and Benefits												
71100	Salaries - Regular	806,090	76,918	8,916	382,088		1,274,012	724,483	84,792	10,027	349,003		1,168,305
71300	Overtime Pay	80,130	20,000		26,710		126,840	42,091	2,978		22,289		67,358
71560	Salary Provision												
71600	Health Insurance	238,749	17,015	1,300	106,260		363,324	160,802	19,058	1,567	75,626		257,053
	Disability Insurance	5,539	453	51	2,554		8,597	4,596	514	58	2,234		7,402
71640	Unemployment Insurance												
71661	Workers' Compensation Insurance	67,369	3,945	263	29,937		101,514	67,368	3,946	264	29,938		101,516
71670	Dental Insurance	31,203	2,329	155	13,581		47,268	29,410	2,635	175	13,274		45,494
71680	Life Insurance	2,167	235	56	938		3,396	1,894	266	65	857		3,082
71690	Other Insurance	4,698	275	18	2,088		7,079	3,367	259	17	1,572		5,215
71700	Retirement	146,397	14,431	1,740	69,368		231,936	132,084	15,931	1,956	63,449		213,420
71705	Reduction of Unfunded Liabilities												
71720	Medicare - Permanent Employees	10,990	819	130	4,958		16,897	10,320	934	139	4,699		16,092
71820	Unused Leave	5,105	2,606		1,169		8,880						
71840	Compensated Absences												
71850	Car Allowance	960	960		720		2,640	1,090	1,090		818		2,998
71860	Deferred Compensation	12,815	660	22	5,701		19,198	11,669	746	24	5,314		17,753
	Adjustment to CAFR 2009												
	Subtotal Salaries and Benefits	1,412,212	140,646	12,651	646,072		2,211,581	1,189,174	133,149	14,292	569,073		1,905,688
	Supplies and Small Tools												
72020	Commemorative Items	369	180				549	369	180				549
72030	Printing Supplies	1,100					1,100	1,100					1,100
72040	Photo, Video, Draft, Lab Supplies	181	102				283	181	102				283
72050	Gen Equip and Mach Parts	28,395	210,000				238,395	28,395	100,000				128,395
72060	Office Supplies	2,577					2,577	2,577					2,577
72070	Janitorial Supplies	1,285	378		382		2,045	1,285	378		382		2,045
72080	Clothing/Dry Goods/Notions	9,642	923		2,040		12,605	9,642	923		2,040		12,605
72100	Books & Publications	1,080	67	206			1,353	1,080	67	206			1,353
72110	Chemicals	1,721					1,721	1,721					1,721
72140	Electrical & Communication Supplies	102	102				204	102	102				204
72150	Medical Laboratory Supplies												
72180	Small Equip/Tools/Hardware	19,961			2,550		22,511	19,961			2,550		22,511
72190	Bldg & Constr Mat & Suppl				40,000		40,000				40,000		40,000
72200	Fire & Other Safety Supplies	245					245	245					245
72220	Other Commodities	1,271					1,271	1,271					1,271
72310	Refreshment	252	275		102		629	252	275		102		629
72500	Beverage Container Recycling Grant												
	Subtotal Supplies and Small Tools	68,181	212,027	206	45,074		325,488	68,181	102,027	206	45,074		215,488

DETAILED EXPENDITURES
 FY 2009 ACTUAL, FY 2009 BUDGET AND FY 2010 ESTIMATE

Acct #	Account	FY 2010 Budget						FY 2010 Estimate					
		Residential	Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total	8305201 Residential	8305202 Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total
	Other General Expenses												
73010	Advertising	1,709	688	713	179		3,289	1,709	688	713	179		3,289
73030	Maintenance & Repair - Non-Auto	11,202					11,202	11,202					11,202
73050	Rentals	63,246					63,246	63,246					63,246
73060	Mileage Reimbursement	2,642	781				3,423	2,642	781				3,423
73070	Membership & Dues	4,104	385				4,489	8,537					8,537
73090	Postage & Parcel Delivery	4,502	488				5,995	4,502	488				5,995
73100	Printing & Binding	1,586	1,366	1,414	1,530		5,896	1,586	1,366	1,414	1,530		5,896
73110	Photo & Blueprint Service												
73120	Professional/Consultant/Spl Svcs	50,000	80,000				139,095	50,000	80,000			9,095	139,095
73122	Ongoing Contractual Services	4,687					4,687	4,687					4,687
73140	Telecom - Wireless	8,125	1,200				9,325	8,125	1,200				9,325
73150	Laundry/Other Cleaning Services	5,137	1,020	60			6,217	5,137	1,020	60			6,217
73160	Travel	5,120	1,857	960			7,937	5,120	1,857	960			7,937
73170	Training	1,355,382	5,719,491		413,250		7,488,123	1,237,569	4,283,706		413,250		5,934,525
73180	General Contractual Services		77				77	115					272
73180	General Contractual Svcs		146	80			293	146					293
73190	City Representation	2,902	2,902				5,804	2,902	2,902				5,804
73220	Messenger Svcs/Express Delivery												
73250	Legal Fees	250,000	250,000				500,000						
73800	Special Projects (1)	1,770,605	6,060,402	3,732	414,959		8,258,793	1,407,225	4,374,232	3,732	414,959	9,095	6,209,213
	Subtotal Other General Expenses												
	Other Equipment												
	Heavy Vehicular Equipment												
	Interdepartmental Expense												
75011	Fleet Serv Chgs - Gov	1,414,217					1,414,217	1,414,217					1,414,217
75012	Vehicle Repl Chgs - Gov	584,200					584,200	584,200					584,200
75030	Radio Equipment Charges - Gov	103,978			97,270		201,248	103,978			97,270		201,248
75030	Radio Equipment Charges												
75091	Facilities Serv Chgs - Gov	122,110	7,150	477	54,262		183,999	122,110	7,150	477	54,262		183,999
75092	Facilities Repl Chgs - Gov												
75110	IT Operations Charges	70,265	12,801	9,610	35,324		128,000	70,265	12,801	9,610	35,324		128,000
75120	IT Replacement Charges	44,748	2,513	168	19,069		66,498	44,748	2,513	168	19,069		66,498
75210	Equip Repl Prog Charge	24,582	1,439	96	10,923		37,040	24,582	1,439	96	10,923		37,040
75220	Print Shop Charges - Gov	2,703	2,703	500	500		6,406	2,703	2,703	500	500		6,406
75240	Graphic Arts Charges - Gov	3,290	3,290	3,290	3,290		13,160	3,290	3,290	3,290	3,290		13,160
75360	Liability Insurance - Gov	287,492	16,834	1,122	127,753		433,201	287,492	16,834	1,122	127,753		433,201
75410	Cable TV Charges - Gov			7,292	769		7,292			7,292	769		7,292
75419	Compensated Absences Chgbk	1,879					2,648	1,879					2,648

DETAILED EXPENDITURES
 FY 2009 ACTUAL, FY 2009 ACTUAL, FY 2010 BUDGET AND FY 2010 ESTIMATE

Acct #	Account	FY 2010 Budget						FY 2010 Estimate					
		Residential	Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total	8305201 Residential	8305202 Commercial	Conservation	Alley Maint	Street Resurfacing/Used Oil Block Grant	Total
75421	PAL Charges/PW Admin	609,813	35,708	2,381	270,984		918,886	609,813	35,708	2,381	270,984		918,886
75422	PAL Charges/Policy & Mgmt												
75423	PAL Charges/Admin												
75922	Pal/Policy Charges - Ent	297,115	17,398	1,160	132,030		447,703	297,115	17,398	1,160	132,030		447,703
75923	Pal/PE Admin Charges - Ent	281,563	16,481	1,103	125,140		424,287	281,563	16,481	1,103	125,140		424,287
75424	Pal Charges/Legal	128,715	84,861	182	20,699		234,457	128,715	84,861	182	20,699		234,457
75425	Pal Charges/City Clerk	60,392	3,536	236	26,836		91,000	60,392	3,536	236	26,836		91,000
75970	PWAB Lease Chargeback - Gov	50,965	5,665				56,630	50,965	5,665				56,630
	Subtotal Interdepartmental Expense	4,088,027	210,379	27,617	924,849		5,250,872	4,088,027	210,379	27,617	924,849		5,250,872
	Other Administrative Expenses												
76010	Debt Service (Principal & Interest)							343,000	229,000				572,000
76015	Interest Expense							140,000	93,000				233,000
76050	Bad Debt Expenses	5,244	7,860				13,104	10,250	15,250				25,500
76060	Depreciation Account	255					255	86,000					86,000
	Subtotal Other Administrative Expenses	5,499	7,860				13,359	579,250	337,250				916,500
	Utilities												
77010	Salary Abatement												
77020	Heat, Light, Water & Power	5,056	345		2,622		8,023	5,056	345		2,622		8,023
77030	Landline Communications												
	Subtotal Utilities	5,056	345		2,622		8,023	5,056	345		2,622		8,023
85010	CIP - Construction												
	Fund Transfers												
90000	Transfers Out												
91005	Transfer to Work in Progress												
	Subtotal Fund Transfers												
	Total Fund 83 - Solid Waste Services	7,349,580	6,631,659	44,206	2,033,576		17,914,581	7,336,913	5,157,382	45,847	1,956,577		16,352,279
	Allocation of Conservation							32,416	22,526				(9,095)
	Allocation of Alley Maintenance							1,204,440	752,137				(1,956,577)
	Allocation of CIP - Construction							923,233	923,232				(1,846,465)
	Total Fund 83 - Allocated Total Expenditures	7,349,580	6,631,659	44,206	2,033,576		17,914,581	9,497,002	6,885,277				16,352,279
	Year-to-Year Change in Total Expenditures						5,019,825						(1,562,302)
	Percentage Change in Total Expenditures						38.9%						-8.7%

FINANCIAL ASSUMPTIONS

Line	Description	Account	FY 2010 Estimate	FY 2011	FY 2012
1	Inflation for all expenditures except specifically identified items				
2	Salaries and Benefits	71000	N/A	2%	2%
3	Health Insurance (\$148.36 x 12 mo x 20 staff)	71600	N/A	\$ 36,000	2%
4	Supplies and Equipment	72000	N/A	0%	3%
5	Other General Expenses	73000	N/A	0%	3%
6	Interdepartmental Expenses	75000	N/A	5%	5%
7	Utilities	77000	\$ 8,000	\$ 10,000	\$ 10,000
8	Vehicle Replacement Cost in Excess of Budget		\$ -	\$ 141,000	\$ 123,000
9	Other General Services				
10	General Contract Services:	73180	\$ 4,284,000	\$ 4,353,000	\$ 4,484,000
11	Crown Contract - Commercial (\$5,420,000)		1.6%	3.0%	
12	Crown Contract - Rolloff		1.5%		
13	Crown - MRF (\$1,300,000)		5.0%		
14	Total Crown Contract		1,238,000	1,300,000	1,365,000
15	Alley Maintenance:		5,522,000	5,653,000	5,849,000
16	Alley Weed Abatement and Tree Trimming	73180	240,000	251,000	264,000
17	Alley Maintenance (See detail below)		60,000	63,000	67,000
18	Other Alley Maintenance General Service Contracts (unidentified)		113,000	115,000	116,000
19	Total Alley Maintenance Contracts		413,000	427,000	447,000
20	Total General Contract Services		5,935,000	6,080,000	6,296,000
21	Other General Services		274,000	274,000	283,000
22	Total General Service Expense		6,209,000	6,354,000	6,579,000
23	Annual Refuse Vehicle Impact:				
24	Residential (50%)		\$ 923,000	\$ 250,000	\$ 250,000
25	Commercial (50%)		923,000	250,000	250,000
26	Total Annual Refuse Vehicle Impact (Included in CIP Street Resurfacing)		1,846,000	500,000	500,000
27	Refuse Vehicle Impact - Recovery For Prior Periods				
28	Residential		\$ 673,000		
29	Residential (50%)		673,000		
30	Commercial (50%)		1,346,000		
31	Total Refuse Vehicle Impact - Recovery for Prior Periods		500,000		
32	Current Year Refuse Vehicle Impact		1,846,000		
33	Total Annual Refuse Vehicle Impact (Included in CIP Street Resurfacing)		\$ 300,000	Alternative	Alternative
34	Storm Water Transfer		\$ 300,000	\$ 300,000	\$ 300,000
35	Residential (50%)		300,000	300,000	300,000
36	Commercial (50%)		\$ 600,000	\$ 600,000	\$ 600,000
37	Total Storm Water Transfer (Treated Like Refuse Vehicle Impact)		\$ 100,000	\$ 100,000	\$ 100,000
38	Other Equipment:	74030	\$ 584,000	\$ 754,000	\$ 767,000
39	Commercial Street Receipts	74030	\$ 684,000	\$ 854,000	\$ 867,000
40	Residential Equipment Replacement				
41	Total Vehicle and Equipment Replacement		\$ 572,000	\$ 601,000	\$ 631,000
42	Other Administrative Services:				
43	Debt Service (FY 2009 & FY 2010 per schedule provided by City)	76010	233,000	204,000	174,000
44	Interest Expense	76050	25,000	25,000	26,000
45	Bad Debt Expenses		86,000	86,000	86,000
46	Depreciation		\$ 916,000	\$ 916,000	\$ 917,000
47	Total Other Administrative		\$ 916,000	\$ 916,000	\$ 917,000

(1) Based on actual tonnage trend and tipping fees provided by City staff.

APPENDIX E

Solid Waste - Vehicle Acquisition Summary
Fiscal Years 2011 - 2016

Fiscal Year/Quantity	2011	#	2012	#	2013	#	2014	#	2015	#	2016	#	Total 2011 - 2012
Replacement of Solid Waste Vehicles*													
1996 Ford Cargo	\$ 64,696	1											\$ 64,696
2002 Chevrolet 3500HD			\$ 39,625	1									39,625
Sterling Condor (Refuse)			\$1,350,783	4	\$1,451,908	4	\$ 315,288	1	\$ -		\$1,018,250	3	4,136,229
Total Replacement of Solid Waste Vehicle Cost	\$ 64,696	1	\$1,390,408	5	\$1,451,908	4	\$ 315,288	1	\$ -		\$1,018,250	3	\$ 4,240,550
Summary of Vehicle Replacement⁽²⁾													
Ford	\$ 65,000	1											\$ 65,000
Chevrolet			\$ 40,000	1									40,000
Refuse Vehicle	689,000	2	690,000	2	\$ 689,000	2	\$ 690,000	2	\$ 689,000		\$ 689,000	2	4,136,000
Total Annual Cost	754,000		730,000		689,000		690,000		689,000		689,000		4,241,000
Total Annual Cost w/Inflation (5%)			767,000		760,000		799,000		837,000		879,000		4,796,000
Current Vehicle Replacement Estimate ⁽³⁾	613,000		644,000		676,000		710,000		746,000		783,000		4,172,000
Increase in Annual Cost with Inflation and Current Budget ⁽⁴⁾	\$ 141,000		\$ 123,000		\$ 84,000		\$ 89,000		\$ 91,000		\$ 96,000		\$ 624,000

- (1) Summary based on Replacement of Solid Waste Vehicles schedule provided by City staff.
- (2) Summary of solid waste vehicle replacement realigned for two refuse vehicles per year per Solid Waste staff.
- (3) 2010 Vehicle replacement budget (\$584,000 plus 5% per year)
- (4) Per Solid Waste staff, Solid Waste Operation is responsible for any capital asset acquisition cost in excess of the budgeted Vehicle Replacement Expense.

Allocation of Costs FY 2010 and FY 2011 and Allocation of Other Revenue - FY 2010 Estimate

Allocation of Alley Maintenance, Street Sweeping and Conservation Costs - FY 2010

Line	Ref	Type	Expenditures	Residential & Commercial Refuse Collection	Alley Maintenance (1)	Total	% of Total Used to Allocate Conservation	Conservation & Oil Block Grant
14			Operating Costs:					
15	Ap C	R/C	Residential	\$ 7,337,000	\$ 1,204,440	\$ 8,541,000	59%	\$ 32,000
16	Ap C	R/C	Commercial	5,157,000	752,137	5,909,000	41%	23,000
17	Ap C	R/C	Total	\$ 12,494,000	\$ 1,956,577	\$ 14,450,577	100%	\$ 55,000

Allocation of Alley Maintenance and Conservation Costs - FY 2011

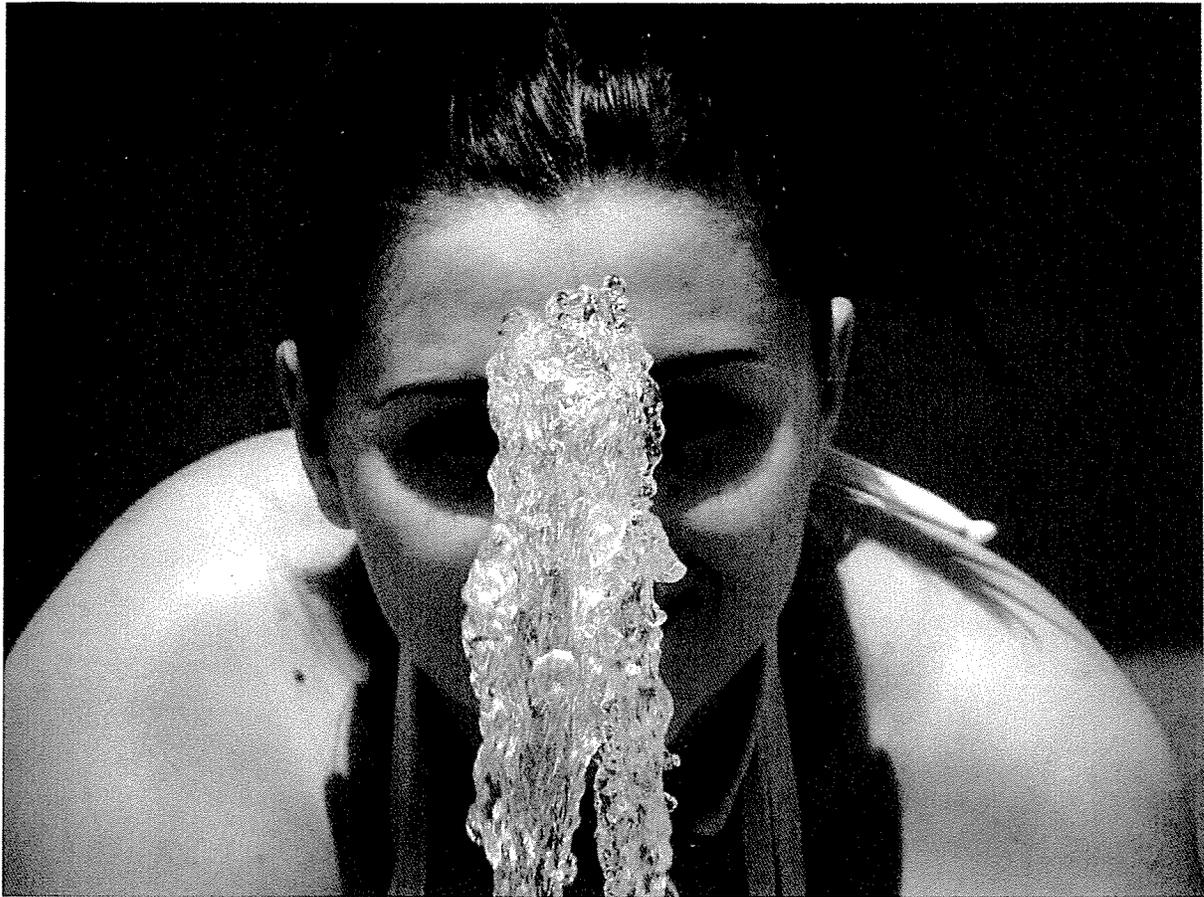
Line	Ref	Type	Expenditures	Residential & Commercial Refuse Collection	Alley Maintenance (1)	Total	% of Total Used to Allocate Conservation	Conservation
14			Operating Costs:					
15	Ap C	R/C	Residential	\$ 7,791,000	\$ 1,226,000	\$ 9,017,000	60%	\$ 34,000
16	Ap C	R/C	Commercial	5,233,000	765,000	5,998,000	40%	23,000
17	Ap C	R/C	Total	\$ 13,024,000	\$ 1,991,000	\$ 15,015,000	100%	\$ 57,000

Allocation of Other Revenues - FY 2010 Estimate

Line	Ref	Type	Other Revenues	Residential & Commercial Refuse Collection	Alley Maintenance (1)	Conservation	Total Other Revenues
18		C	Residential	n/a	\$ 1,328,000	\$ 22,000	\$ 1,350,000
19		C	Commercial	n/a	-	14,000	14,000
20	Ap A	R/C	Total	n/a	\$ 1,328,000	\$ 36,000	\$ 1,364,000

(1) For rate adjustment purposes all of the Alley Maintenance Expenditures were allocated between residential and commercial services based on the percentage of streets swept (Appendix G).

Attachment 4



Beverly Hills Water Rate Study

Executive Summary

February 24, 2010
Revised March 31, 2010

RFC

RAFTELIS FINANCIAL
CONSULTANTS, INC.



RAFTELIS FINANCIAL
CONSULTANTS, INC.

201 S. Lake Blvd, Suite 301
Pasadena • CA • 91101

Phone 626•583•1894
Fax 626•583•1411

www.raftelis.com

February 24, 2010

Shana Epstein
Environmental Utilities Manager
Department of Public Works & Transportation
City of Beverly Hills
Beverly Hills, CA 90210

Subject: Executive Summary for Water Rate Study

Dear Ms. Epstein:

Raftelis Financial Consultants Inc. (RFC) is pleased to present this executive summary report on the water rate study to the City of Beverly Hills (City). This report summarizes the recommendations and findings of the study.

RFC recommends that the City retains the existing rate structure for all customer classes and implements a revenue adjustment of 15 percent each for FY 2011 and FY 2012. The City's reserves are depleted and under the proposed plan will meet target within the five year plan period.

	Revenue Adjustment
FY 2011	15%
FY 2012	15%

All assumptions, including all increases in operating and capital costs, purchased water and groundwater projections, etc. were factored into the rates. The various tables describing the calculation of the rates are included.

We appreciate the assistance you and Mr. Christian Di Renzo provided during the course of the study. If you have any questions, please call me at (626) 583-1894.

Sincerely,

Sudhir Pardiwala, Project Manager

TABLE OF CONTENTS

BACKGROUND	1
PROCESS	1
DATA AND ASSUMPTIONS SUMMARY	2
<i>Table 1 – Escalation Factors and Assumptions</i>	2
<i>Table 2 – Accounts and Usage Data</i>	3
<i>Table 3 – Water Purchase/Production Projections</i>	3
<i>Table 4 – Operation and Maintenance (O&M) Expenses</i>	3
<i>Table 5 – Capital Improvement Projects (CIP) – Inflated</i>	4
REVENUE ADJUSTMENTS	4
<i>Figure 1 – Revenue Adjustments and Debt Coverage</i>	5
<i>Figure 2 – Water Enterprise Fund Reserves</i>	5
<i>Figure 3 – Water Operating Financial Plan</i>	6
COST OF SERVICE	6
PROPOSED RATES	6
<i>Table 6 – Proposed Rates for FY 2011 and FY 2012</i>	8
<i>Table 7 – Proposed Rates for Fire Service</i>	8
RECOMMENDATIONS	9
CUSTOMER IMPACTS	9
<i>Table 8 – Customer Impacts</i>	10
<i>Table 9 – Customer Impacts for Different Customer Classes</i>	11
<i>Figure 4 – Customer Rate Impacts</i>	11
RATE SURVEY	12
<i>Figure 5 – Bi-monthly Single Family Water Charges Comparison</i>	12

BACKGROUND

In 2008, Raftelis Financial Consultants, Inc. (RFC) reviewed and updated the rate structure of the City of Beverly Hills (City), which included a four-tiered increasing water rate structure for single family residences and multiple family residences and a uniform rate structure for non-residential customers. In fiscal year (FY) 2009-10, the City's water enterprise is facing challenges from increasing operating and capital costs. The Metropolitan Water District of Southern California (MWD) has increased its wholesale rates twice, in January and September of 2009; the later rate increase was significant at 21 percent. The purchased water cost is expected to increase further in future years due to the drought and water shortage. In addition, the City is replacing five steel reservoirs at a cost of about \$9 million and incurring significant expenses for replacement of water mains and hydrants. To address these challenges and ensure the financial stability of the water enterprise, the City engaged RFC to update its financial planning model (Rate Model) and water rates.

The objective of the rate study was to develop a five-year financial plan that would allow the City to meet its financial objectives, primarily the funding of the increasing water operating and capital costs and ensuring long-term financial stability. Additionally, the rates should promote conservation. In keeping with its practice, the City will implement rates for two years.

PROCESS

RFC utilized an approach that is consistent with industry standards for conducting a water rate study. The process includes the following steps:

1. Calculation of revenues under existing rates;
2. Identification of revenue requirements)
 - a. O&M expenses
 - b. Capital expenses and capital financing
3. Cash flow analysis that compares the revenue under existing rates with the revenue requirements to determine the necessary revenue adjustments;
4. Cost of service analysis to allocate costs appropriately to customer classes; and
5. Rate structure design and rate calculation to promote conservation.

Based on the City's objective, RFC has developed a financial plan and performed a water rate study that accomplishes the following goals:

- Ensures revenue sufficiency to meet operating and capital expenses;
- Equitably allocates the costs to provide service to the City's customers; and
- Determines water rates that conform to cost of service principles and promote conservation.

DATA AND ASSUMPTIONS SUMMARY

In order to conduct the rate study, RFC compiled current and historical data from the City. This data included number of accounts, billable water usage, MWD's water supply allocation and rates, operating budgets, and capital improvement projects. The current budgeted data was the starting point for the financial plan. Historical data was used to help determine appropriate escalation factors. The following table shows the key assumptions RFC has used in this rate study.

Table 1 – Escalation Factors and Assumptions

	Projected	Projected	Projected	Projected	Projected
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Inflation					
General O&M	4.00%	4.00%	4.00%	4.00%	4.00%
Personnel	2.00%	3.00%	3.00%	3.00%	3.00%
Supplies & Contract Services	0.00%	3.50%	3.50%	3.50%	3.50%
Internal Service Funds	2.00%	2.00%	2.00%	2.00%	2.00%
Capital	4.00%	4.00%	4.00%	4.00%	4.00%
Misc. Revenue	4.00%	4.00%	4.00%	4.00%	4.00%
CPI	0.94%	1.00%	3.00%	3.00%	3.00%
Financing Assumptions					
Debt Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%
Debt Term	30	30	30	30	30
Issuance Cost	2.50%	2.50%	2.50%	2.50%	2.50%
Month of Issue	1	1	1	1	1
Cash Flow Assumptions					
Reserve Target	50%	50%	50%	50%	50%
Reserve Interest Rate	2.00%	3.00%	4.00%	4.00%	4.00%
Required Debt Coverage Ratio	125%	125%	125%	125%	125%

RFC used the FY 2010 budgeted expenses to make projections for future years.

During the forecast period, the City is assumed to have no growth in the number of accounts and total water usage. Due to the drought, MWD has mandated a water usage cutback on its agencies. The City's water usage is currently within MWD's allocation and the City is assumed to maintain the same level of water usage during the forecast period. Due to conservation, the usage projected here is about 8.5 percent less than projected in the last rate study. The City's drought ordinance is set up to provide water allocations and penalties for excessive usage and should provide the City adequate revenues in case usage exceeds MWD's allocations. Usage less than the projections shown here could result in a deficit that would need to be mitigated by higher rates or reduced reserves. The account and usage data used for the study is shown in Table 2.

Table 2 – Accounts and Usage Data

2009 Data	Inside City		Outside City	
	# of Accounts	Usage (AF)	# of Accounts	Usage (AF)
Residential - Single	6,101	5,799	812	215
Residential - Multi	1,216	1,735	366	554
Residential - Duplex	227	118	248	92
Commercial/ Industrial	1,033	1,986	450	363
Municipal/Irrigation	204	348	29	45
Total	8,781	9,986	1,905	1,269

The City’s projected groundwater production is 1,302 acre-feet annually during the forecast period. Accounting for the groundwater production and the water loss obtained from the City’s operating budget, the projected annual water purchases will be around 10,931 acre-feet, which is in line with MWD’s projections for the City. Water purchase and production data is shown in Table 3 below.

Table 3 – Water Purchase/Production Projections

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Billable Water Flow	11,254	11,254	11,254	11,254	11,254	11,254	11,254
Plus Water Loss	6%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Total Water Needed (Purchased & Produced)	11,969	12,233	12,233	12,233	12,233	12,233	12,233
Groundwater Production	964	1,302	1,302	1,302	1,302	1,302	1,302
MWD Purchases (acre feet)	11,005	10,931	10,931	10,931	10,931	10,931	10,931
MWD projection		10,908	10,908	10,908	10,908	10,908	10,908

Tables 4 and 5 represent the projected O&M and capital expenses for the City in the next five years. These projections are based on the City’s FY 2010 budget and the escalation factors shown in Table 1.

Table 4 – Operation and Maintenance (O&M) Expenses

	Budgeted	Projected	Projected	Projected	Projected	Projected
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Salaries and Benefits	\$ 2,590,918	\$ 2,642,737	\$ 2,722,019	\$ 2,803,679	\$ 2,887,790	\$ 2,974,423
Materials and Supplies	\$ 9,928,932	\$ 10,688,294	\$ 11,353,593	\$ 11,706,075	\$ 12,270,690	\$ 12,974,506
Contractual Services	\$ 1,130,100	\$ 1,130,100	\$ 1,169,654	\$ 1,210,592	\$ 1,252,962	\$ 1,296,816
Internal Services Fund Charges	\$ 5,464,414	\$ 5,573,702	\$ 5,685,176	\$ 5,798,880	\$ 5,914,857	\$ 6,033,154
Other Charges	\$ 71,478	\$ 74,337	\$ 77,311	\$ 80,403	\$ 83,619	\$ 86,964
Other Contractual Services	\$ 652,518	\$ 678,619	\$ 705,764	\$ 733,994	\$ 763,354	\$ 793,888
TOTAL (excluded depreciation)	\$ 19,838,361	\$ 20,787,789	\$ 21,713,516	\$ 22,333,623	\$ 23,173,272	\$ 24,159,752

Table 5 – Capital Improvement Projects (CIP) – Inflated

CIP #	Project Name	Budgeted	Projected	Projected	Projected	Projected	Projected
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
***	Project Management	\$ -	\$ 900,700	\$ 936,728	\$ 974,197	\$ 1,013,165	\$ -
195	Street Resurfacing	\$ 275,000	\$ 286,000	\$ 297,440	\$ 309,338	\$ 321,711	\$ 334,580
387	Water Main and Hydrant Replacement	\$ 4,537,264	\$ 3,848,000	\$ 4,110,080	\$ 4,274,483	\$ 4,445,463	\$ 4,623,281
576	Replace Coldwater Canyon Reservoir	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
602	Irrigation Upgrades	\$ 150,000	\$ 147,420	\$ 153,317	\$ 159,449	\$ 165,827	\$ 172,461
647	General Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
669	Water Meter Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
795	Water Treatment Plant	\$ -	\$ 78,000	\$ -	\$ 224,973	\$ -	\$ -
796	Reservoir Replacement and Repair	\$ 784,504	\$ 4,944,912	\$ 5,209,751	\$ 803,834	\$ 250,000	\$ 250,000
880	Water Facility Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,112
896	Public Works Asset Management System	\$ 26,500	\$ 27,560	\$ -	\$ -	\$ -	\$ 32,241
916	Wells Rehab and Groundwater Development	\$ 1,710,000	\$ 1,560,000	\$ 108,160	\$ 112,486	\$ 116,986	\$ 121,665
TOTAL CIP		\$ 7,483,268	\$ 11,792,592	\$ 10,815,476	\$ 6,858,761	\$ 6,313,152	\$ 5,566,340

REVENUE ADJUSTMENTS

RFC reviewed the operating and capital expenses and the revenues under the current rates to determine the revenue adjustments over the planning period.

Revenue requirements for the five-year planning period were projected from the City’s FY 2010 budget. The projections indicated that the City needs rate adjustments over the next few years. The key reasons for the rate increases are the increasing purchased water cost from MWD and major capital projects, such as replacement of reservoirs, mains and hydrants. The proposed rate adjustments will be effective in July of each year.

The City’s current practice is to maintain an operating reserve balance of 50 percent of the total revenues. The City’s reserves are depleted because of the capital improvement program. To minimize impacts on customers, we recommend the following revenue adjustments over the five year plan period:

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
15%	15%	10%	5%	5%

Under the proposed plan, the City will meet the debt coverage requirement of 125 percent. Figure 1 shows the revenue adjustments and debt coverage level during the plan period. As shown, the revenues projected to be generated from rates are sufficient to maintain a debt coverage ratio above the 125 percent requirement.

Figure 1 – Revenue Adjustments and Debt Coverage

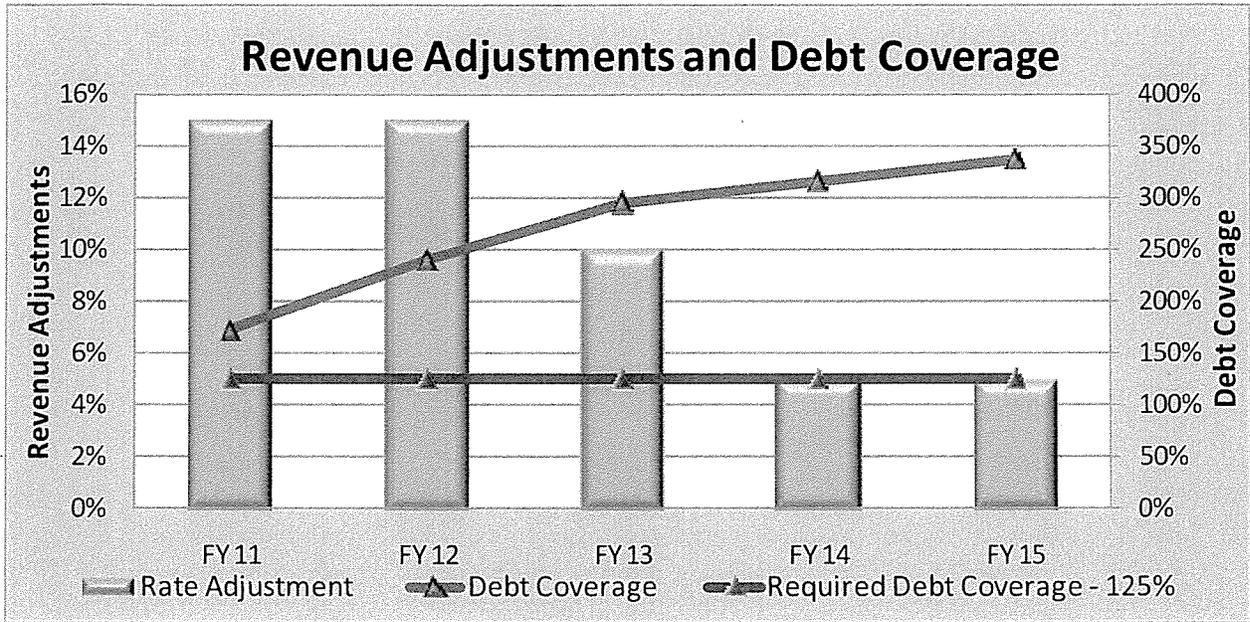
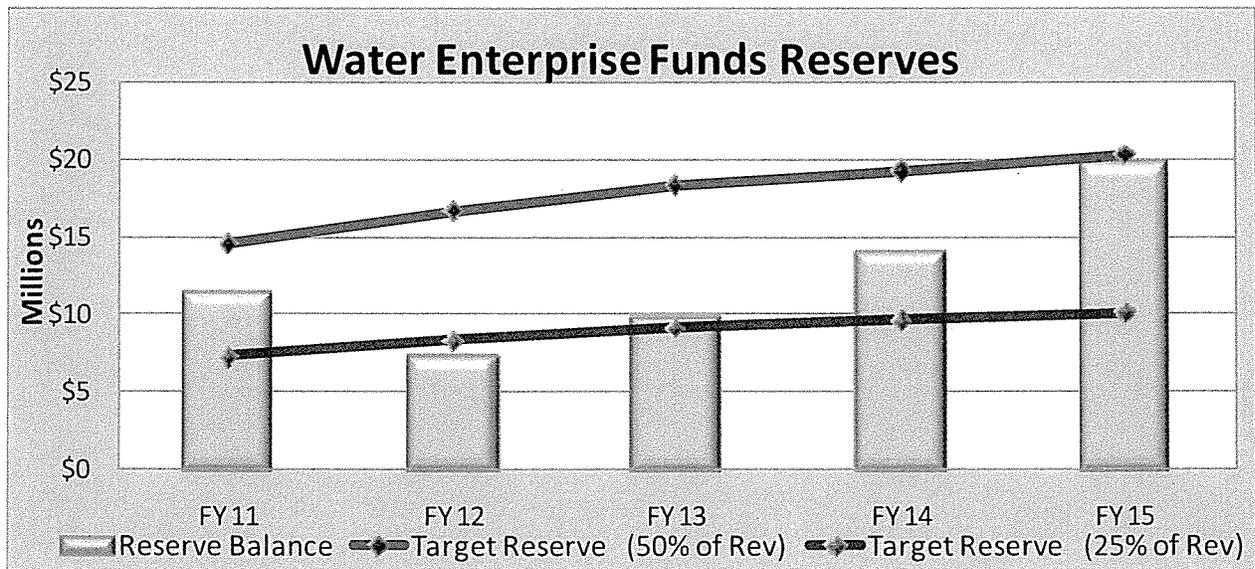


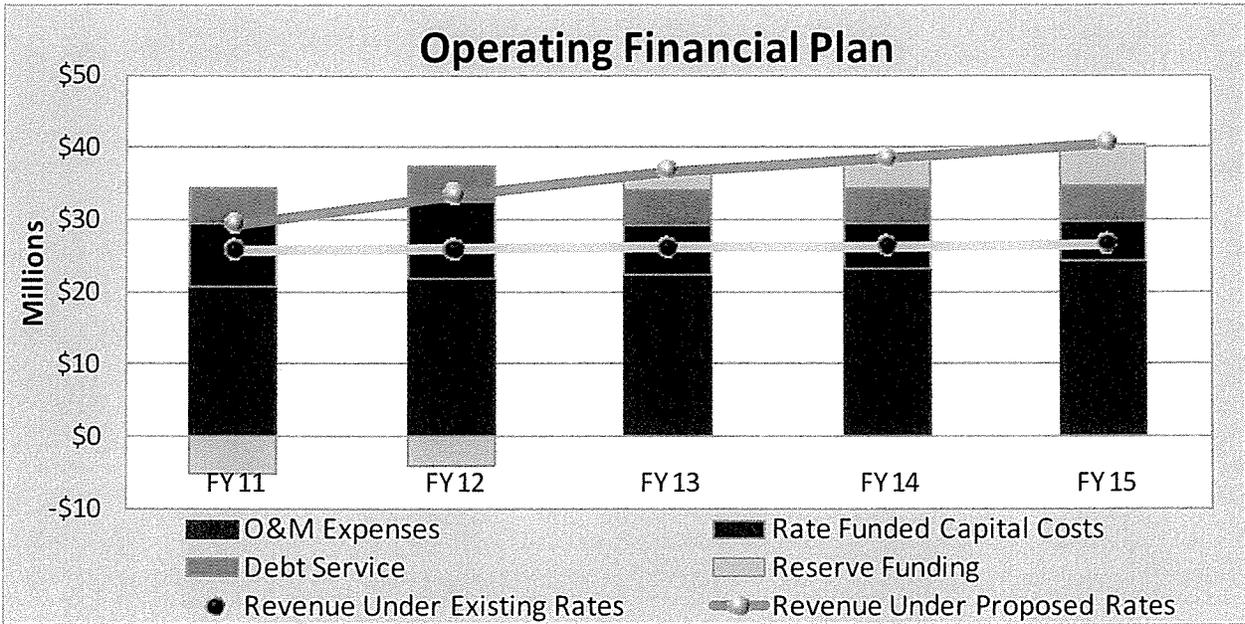
Figure 2 shows the water enterprise reserve balance levels. The reserve is being depleted in the early years to fund capital projects. The City should gradually replenish the reserves so that they meet targets by the end of the plan period. This will be accomplished from revenues generated from proposed rates.

Figure 2 – Water Enterprise Fund Reserves



The total projected revenue requirements for the City, which include projected O&M expenses, debt service, rate funded capital costs, revenues under existing and proposed rates, as well as the replenishment of the reserve fund are shown in Figure 3.

Figure 3 – Water Operating Financial Plan



COST OF SERVICE

The cost of service is developed to recover all revenue requirements needed from the City’s users. The cost of service allocations in this study are based on the Base-Extra Capacity method endorsed by the American Water Works Association (AWWA), a nationally recognized industry group. Under the Base-Extra Capacity method, revenue requirements are allocated to different user classes proportionately to their use of the water system. Allocations are based on average day (Base) usage, maximum day (Max Day) usage, maximum hour peak (Max Hour) usage, meter services and billing and collection. For this rate study, RFC used the same peaking factors that were used in the last water rate study for each customer class.

PROPOSED RATES

RFC recommends that the City retains the use of a rate structure that includes both a fixed bi-monthly service charge and a quantity or quality charge.

Service Charge: We suggest that the City continues to utilize a bi-monthly service charge varying with meter sizes. The service charge is composed of a fixed customer charge that is constant for all meters and a meter charge that varies with the capacity of the meter.

Quantity Charge:

Single Family Residences (SFR): RFC recommends retaining the same four-tiered rate structure and tiers for single family residential customers. The **bi-monthly tiers** and usage levels in each tier are:

	Water Usage (ccf)		% of Usage in the Block	% of Bills in the Block
	From	To		
Tier 1	0	10	14%	3%
Tier 2	11	55	47%	49%
Tier 3	56	120	25%	34%
Tier 4	121	& Higher	14%	14%

Multiple Family Residences (MFR): The rate structure for MFR customers will not change as well. The **bi-monthly tiers** and usage levels in each tier are:

	Water Usage (ccf)		% of Usage in the Block	% of Bills in the Block
	From	To		
Tier 1	0	4	31%	3%
Tier 2	5	9	33%	33%
Tier 3	10	16	23%	42%
Tier 4	17	& Higher	13%	22%

Non- Residential: RFC recommends continuing a uniform rate for non-residential customers.

Outside-City Customers: RFC projections are based on the City retaining the current outside-city rate differential of 125 percent of inside-city rates.

Fire Service: The fire service charge is recommended to be escalated by Consumer Price Index (CPI).

Table 6 shows the proposed rates for the first two years of the plan period. Table 7 shows the proposed rates for fire service. The proposed FY 2011 rates for fire service are based on a CPI increase of 0.94 percent from November 2008 to November 2009, while the rates for FY 2012 are based on City’s CPI projection of one percent. These projections are based on the rates calculated in our prior study.

Table 6 – Proposed Rates for FY 2011 and FY 2012

Bi-Monthly Service Charge

Meter Size	Current FY 2010		Proposed FY 2011		Proposed FY 2012	
	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
1" or less	\$ 28.25	\$ 35.31	\$ 30.58	\$ 38.23	\$ 35.17	\$ 43.96
1 1/2"	\$ 48.51	\$ 60.64	\$ 52.57	\$ 65.71	\$ 60.46	\$ 75.58
2"	\$ 72.83	\$ 91.04	\$ 78.96	\$ 98.70	\$ 90.80	\$ 113.50
3"	\$ 129.58	\$ 161.98	\$ 140.53	\$ 175.66	\$ 161.61	\$ 202.01
4"	\$ 210.65	\$ 263.31	\$ 228.48	\$ 285.60	\$ 262.76	\$ 328.45
6"	\$ 413.32	\$ 516.65	\$ 448.38	\$ 560.48	\$ 515.63	\$ 644.54

Quantity Charge (in 100 cu ft , ccf)

Single- Family Residential Rates & Duplexes (SFR)

	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
1 to 10	\$ 2.49	\$ 3.11	\$ 2.76	\$ 3.45	\$ 3.17	\$ 3.96
11 to 55	\$ 3.10	\$ 3.88	\$ 3.58	\$ 4.48	\$ 4.12	\$ 5.15
56 to 120	\$ 4.61	\$ 5.76	\$ 5.57	\$ 6.96	\$ 6.41	\$ 8.01
121 & up	\$ 8.41	\$ 10.51	\$ 10.63	\$ 13.29	\$ 12.22	\$ 15.28

Multi- Family Residential Rates (MFR)

1 to 4	\$ 2.49	\$ 3.11	\$ 2.76	\$ 3.45	\$ 3.17	\$ 3.96
5 to 9	\$ 3.10	\$ 3.88	\$ 3.58	\$ 4.48	\$ 4.12	\$ 5.15
10 to 16	\$ 4.61	\$ 5.76	\$ 5.57	\$ 6.96	\$ 6.41	\$ 8.01
17 & up	\$ 8.41	\$ 10.51	\$ 10.63	\$ 13.29	\$ 12.22	\$ 15.28

Non- Residential Rates

All water used	\$ 4.09	\$ 5.11	\$ 4.69	\$ 5.86	\$ 5.39	\$ 6.74
----------------	---------	---------	---------	---------	---------	---------

Table 7 – Proposed Rates for Fire Service

Fire Protection Service Charge

Meter Size	Current FY 2010		Proposed FY 2011		Proposed FY 2012	
	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
2"	\$ 23.47	\$ 33.95	\$ 23.69	\$ 29.61	\$ 23.93	\$ 29.91
2 1/2"	\$ 35.02	\$ 50.66	\$ 35.35	\$ 44.19	\$ 35.70	\$ 44.63
3"	\$ 51.01	\$ 73.79	\$ 51.49	\$ 64.36	\$ 52.00	\$ 65.01
4"	\$ 98.51	\$ 142.53	\$ 99.44	\$ 124.29	\$ 100.43	\$ 125.54
6"	\$ 269.01	\$ 389.19	\$ 271.54	\$ 339.42	\$ 274.25	\$ 342.82
8"	\$ 563.07	\$ 814.62	\$ 568.36	\$ 710.45	\$ 574.05	\$ 717.56
10"	\$ 1,005.40	\$ 1,454.57	\$ 1,014.85	\$ 1,268.56	\$ 1,025.00	\$ 1,281.25

RECOMMENDATIONS

RFC recommends that the City adopt revenue adjustments of 15 percent per year for FY 2011 and 2012. The City will build its reserve to the target level over the five year plan.

CUSTOMER IMPACTS

Before implementing any rate structure recommendations, it is important to understand the impacts on customers. RFC worked closely with City staff to ensure that the new rate structure would recover the necessary revenue requirements while at the same time maintaining manageable customer impacts.

Since residential customers represent a large part of the City's customer base, RFC has developed the following tables and figures that demonstrate the impacts of the proposed rates for FY 2011 across varying usage levels.

Table 8 shows the rate impacts on customers at varying usage levels and also the percentage of bills falling within that level. Both the dollar and percentage impacts increase with usage level. The table also highlights the impacts on customers with average usage of 70 ccf bi-monthly. Table 9 shows the comparison between existing and proposed rates of different customer classes under average bi-monthly water usage.

Figure 4 shows a graphical presentation of the level of rate increases experienced by residential customers with 1-inch or smaller meter. The red line represents the percentage change in bi-monthly bills and the blue area represents the cumulative percentage of bills at each level of usage for residential customers with 1-inch or smaller meter.

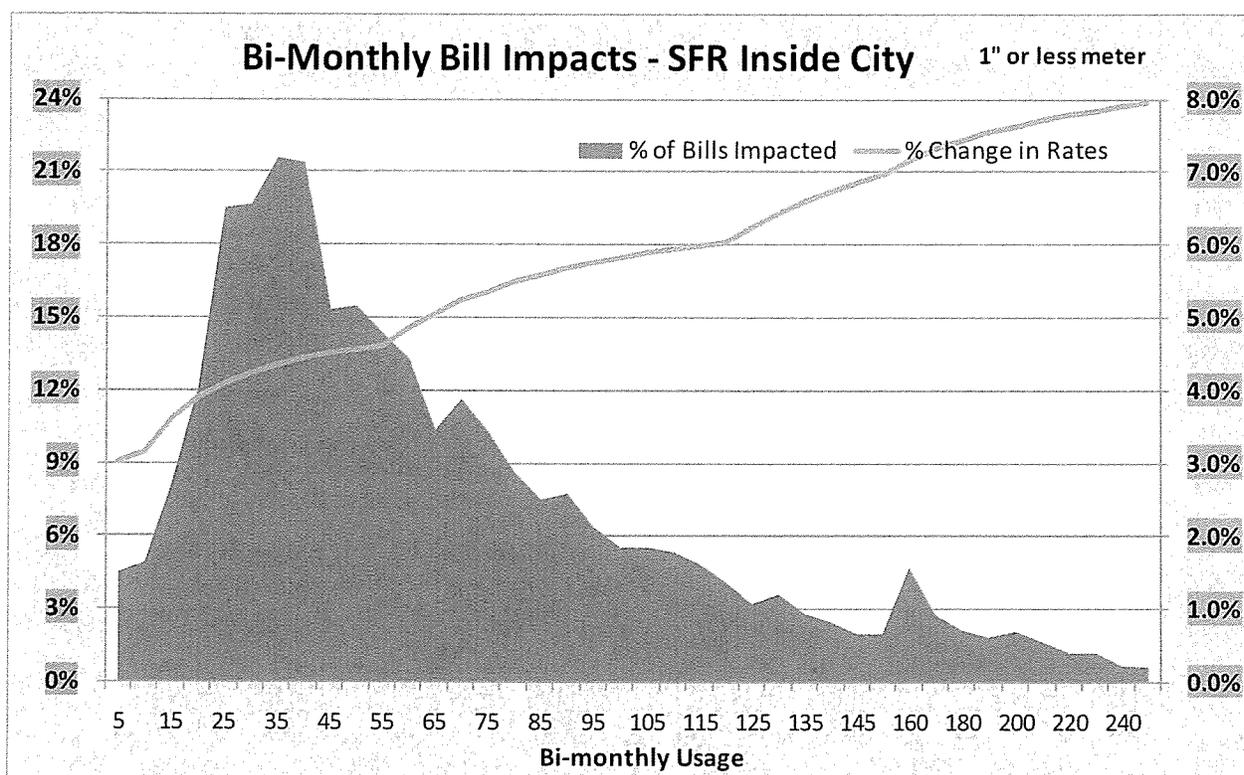
Table 8 – Customer Impacts

Bi-Monthly Usage (hcf)	Existing	Proposed	% Change	\$ Change	% of Bills in the Block
5	\$ 40.70	\$ 44.38	9%	\$ 3.68	1.51%
10	\$ 53.15	\$ 58.18	9%	\$ 5.03	1.64%
15	\$ 68.65	\$ 76.08	11%	\$ 7.43	2.72%
20	\$ 84.15	\$ 93.98	12%	\$ 9.83	4.03%
25	\$ 99.65	\$ 111.88	12%	\$ 12.23	6.51%
30	\$ 115.15	\$ 129.78	13%	\$ 14.63	6.56%
35	\$ 130.65	\$ 147.68	13%	\$ 17.03	7.20%
40	\$ 146.15	\$ 165.58	13%	\$ 19.43	7.13%
45	\$ 161.65	\$ 183.48	14%	\$ 21.83	5.11%
50	\$ 177.15	\$ 201.38	14%	\$ 24.23	5.16%
55	\$ 192.65	\$ 219.28	14%	\$ 26.63	4.79%
60	\$ 215.70	\$ 247.13	15%	\$ 31.43	4.44%
65	\$ 238.75	\$ 274.98	15%	\$ 36.23	3.46%
70	\$ 261.80	\$ 302.83	16%	\$ 41.03	3.89%
75	\$ 284.85	\$ 330.68	16%	\$ 45.83	3.44%
80	\$ 307.90	\$ 358.53	16%	\$ 50.63	2.89%
85	\$ 330.95	\$ 386.38	17%	\$ 55.43	2.51%
90	\$ 354.00	\$ 414.23	17%	\$ 60.23	2.59%
95	\$ 377.05	\$ 442.08	17%	\$ 65.03	2.13%
100	\$ 400.10	\$ 469.93	17%	\$ 69.83	1.85%
105	\$ 423.15	\$ 497.78	18%	\$ 74.63	1.85%
110	\$ 446.20	\$ 525.63	18%	\$ 79.43	1.79%
115	\$ 469.25	\$ 553.48	18%	\$ 84.23	1.62%
120	\$ 492.30	\$ 581.33	18%	\$ 89.03	1.38%
125	\$ 534.35	\$ 634.48	19%	\$ 100.13	1.08%
130	\$ 576.40	\$ 687.63	19%	\$ 111.23	1.21%
135	\$ 618.45	\$ 740.78	20%	\$ 122.33	0.95%
140	\$ 660.50	\$ 793.93	20%	\$ 133.43	0.84%
145	\$ 702.55	\$ 847.08	21%	\$ 144.53	0.67%
150	\$ 744.60	\$ 900.23	21%	\$ 155.63	0.67%
160	\$ 828.70	\$ 1,006.53	21%	\$ 177.83	1.57%
170	\$ 912.80	\$ 1,112.83	22%	\$ 200.03	0.93%
180	\$ 996.90	\$ 1,219.13	22%	\$ 222.23	0.72%
190	\$ 1,081.00	\$ 1,325.43	23%	\$ 244.43	0.62%
200	\$ 1,165.10	\$ 1,431.73	23%	\$ 266.63	0.70%
210	\$ 1,249.20	\$ 1,538.03	23%	\$ 288.83	0.56%
220	\$ 1,333.30	\$ 1,644.33	23%	\$ 311.03	0.41%
230	\$ 1,417.40	\$ 1,750.63	24%	\$ 333.23	0.41%
240	\$ 1,501.50	\$ 1,856.93	24%	\$ 355.43	0.23%
250	\$ 1,585.60	\$ 1,963.23	24%	\$ 377.63	0.21%

Table 9 – Customer Impacts for Different Customer Classes

	Bi-Monthly Bill			
	Average Usage (hcf)	Total Current Bill	Total Proposed Bill	\$ Increase
Residential 1" meter (Inside-City)	70	\$261.80	\$302.83	\$41.03
Residential 2" meter (Inside-City)	150	\$789.18	\$948.61	\$159.43
Multi-Family 1" meter (Inside-City) 13.3 hcf/unit	13.3	\$73.53	\$83.47	\$9.94
Non-Residential 1" meter (Inside-City)	40	\$ 191.85	\$ 218.18	\$26.33
Non-Residential 2" meter (Inside-City)	500	\$ 2,117.83	\$ 2,423.96	\$306.13

Figure 4 – Customer Rate Impacts



RATE SURVEY

Comparing water rates with other representative communities can provide insights into a utility’s pricing policies related to water service. Care should be taken, however, in drawing conclusions from such a comparison. High rates may not mean the utilities are operated and managed poorly. Many factors affect the level of costs and the pricing structure employed to recover those costs. Some of the most prevalent factors include geographic location, demand, water source, customer constituency, level of treatment, level of grant funding, age of system, level of general fund subsidization, and rate-setting methodology.

Figure 5 compares bi-monthly bills under existing and proposed rates to other bills within the region, using regional charges that will be in effect at the time of the City’s rates increase. In order to provide a meaningful comparison, all bills are calculated on a bi-monthly basis for an SFR customer using a 1” meter and an assumed bi-monthly usage of 70 hundred cubic feet, which is the average usage for SFR customers in Beverly Hills. From the figure, the City’s bi-monthly residential water charge is still comparable to other agencies even after the rate adjustments.

Figure 5 – Bi-monthly Single Family Water Charges Comparison

