

**Application for Extension of Service by
Contract signed by the City of Rialto
including a Copy of the Unsigned
Extraterritorial Agreement, a Map and
Legal Description for County Service Area
70 Zone BL, and a Copy of the city of
Rialto's Resolution No. 6119 Establishing
the City's Revised Schedule of Water and
Sewer Rates and Charges**

Attachment 3

SAN BERNARDINO LAFCO APPLICATION FOR EXTENSION OF SERVICE BY CONTRACT

(A certified copy of the City Council/District Board of Directors resolution or a letter from the City Manager/General Manager requesting approval for an out-of-agency service agreement must be submitted together with this application form.)

AGENCY TO EXTEND SERVICE:

AGENCY NAME: City of Rialto

CONTACT PERSON: Marcus Fuller

ADDRESS: 335 W. Rialto Ave.
Rialto, CA 92376

PHONE: (909) 421-7279

EMAIL: mfuller@rialtoca.gov

CONTRACTING PARTY:

NAME OF PROPERTY OWNER: County Service Area 70, Zone BL

CONTACT PERSON: James A. Oravets

MAILING ADDRESS: 157 W Fifth Street, Second Floor
San Bernardino, CA 92415-0450

PHONE: 909-387-5940

EMAIL: joravets@sdd.sbcounty.gov

ADDRESS OF PROPERTY PROPOSED FOR CONTRACT: See attached map of Service Area
County Proposed Project
18010 Valley Blvd, Bloomington, CA 92316

CONTRACT NUMBER/IDENTIFICATION: N/A

PARCEL NUMBER(S): Various for the Zone
Project: 0252-051-70, 0252-051-69 0252-051-06

ACREAGE: Approximately 9 acres

The following questions are designed to obtain information related to the proposed agreement/contract to allow the Commission and staff to adequately assess the proposed service extension. You may include any additional information which you believe is pertinent. Please use additional sheets where necessary.

1. (a) List the type or types of service(s) to be provided by this agreement/contract.

Sewer Service for sewer conveyance, treatment and disposal

- (b) Are any of the services identified above "new" services to be offered by the agency? YES NO. If yes, please provide explanation on how the agency is able to provide the service.

2. Is the property to be served within the agency's sphere of influence? YES NO

3. Please provide a description of the service agreement/contract.

County Service Area 70, Zone BL (Bloomington) was approved and formed by the Board of Supervisors on November 19, 2013. The Zone was approved to provide sewer service for this area of Bloomington, which the project will be its only initial user. An Extraterritorial Agreement was prepared to set the terms and conditions of service. The agreement addresses the delivery and receipt of wastewater, connection requirements, wastewater plant capacity, user fees, connection fees, rate modifications, terms and conditions and termination.

4. (a) Is annexation of the territory by your agency anticipated at some point in the future? YES NO. If yes, please provide a projected timeframe when it anticipates filing an application for annexation of territory that would include the area to be served. If no, please provide an explanation as to why a jurisdictional change is not possible at this time.

The unincorporated Bloomington area is within the City of Rialto sphere of influence, and may be annexed by the City within the next 20 years; however there are currently no applications for annexation pending.

- (b) Is the property to be served contiguous to the agency's boundary?
 YES NO. If yes, please provide explanation on why annexation to the agency is not being contemplated.

5. Is the service agreement/contract outside the Agency's sphere of influence in response to a threat to the public health and safety of the existing residents as defined by Government Code Section 56133(c)?
 YES NO. If yes, please provide documentation regarding the circumstance (i.e. letter from Environmental Health Services or the Regional Water Quality Control Board).

6. (a) What is the existing use of the property?

Various uses are within the Zone and vacant land for the project

- (b) Is a change in use proposed for the property? YES NO. If yes, please provide a description of the land use change.

Various changes may occur within the zone and the project will go from vacant to a planned development with 190 units of Affordable Housing and a County library

7. If the service agreement/contract is for development purposes, please provide a complete description of the project to be served and its approval status.

The Service agreement is for the entire zone identified but the first rate payer of the district will be the planned development project.

8. Are there any land use entitlements/permits involved in the agreement/contract?
 YES NO. If yes, please provide documentation for this entitlement including the conditions of approval and environmental assessment that are being processed together with the project. Please check and attach copies of those documents that apply:

Tentative Tract Map / Parcel Map	<input type="checkbox"/>
Permit (Conditional Use Permit, General Plan Amendment, etc.)	<input type="checkbox"/>
Conditions of Approval	<input type="checkbox"/>
Negative Declaration (Initial Study)	<input type="checkbox"/>
Notice of Determination (NOD)/Notice of Exemption (NOE)	<input checked="" type="checkbox"/>
Department of Fish and Game (DFG) Receipt	<input type="checkbox"/>
Others (please identify below)	<input type="checkbox"/>

As the Out of Area Agreement doesn't require entitlements the County of San Bernardino, Economic Development Agency (EDA) planned project to develop certain portion of land identified as APNs 0252-051-06, 0252-051-69, and 0252-051-70, has gone through the entitlements of which all the documents above apply and can be provided.

9. Has the agency proposing to extend service conducted any CEQA review for this contract? YES NO. If yes, please provide a copy of the agency's environmental assessment including a copy of the filed NOD/NOE and a copy of the DFG Receipt.

10. Plan for Service:

(a) Please provide a detailed description of how services are to be extended to the property. The response should include, but not be limited to, a description of: 1) capacity of existing infrastructure, 2) type of infrastructure to be extended or added to serve the area, 3) location of existing infrastructure in relation to the area to be served, 4) distance of infrastructure to be extended to serve the area, and 5) other permits required to move forward with the service extension.

1. Rialto has additional available capacity at its Wastewater Treatment Plant and in the Rialto Disposal System available for the use and benefit of CSA 70, Zone BL.

2, 3 and 4. CSA 70 Zone BL will construct an 18-inch diameter pipeline from the Project Site on Locust Avenue and Valley Boulevard to the connection point with the Rialto Disposal System at the intersection of Valley Boulevard and Cedar Avenue. The connection point shall be extended to include the next upstream manhole (5-foot diameter), parshal flume, sonic level indicator and flow recorder, and the interconnecting 18-inch diameter between the metering facility and the Rialto manhole that will receive the Project and DISTRICT wastewater flows. The length of the line is 5150 feet.

5. No other permits are required at this time.

(b) Please provide a detailed description of the overall cost to serve the property. The response should include the costs to provide the service (i.e. fees, connection charges, etc.) and also the costs of all improvements necessary to serve the area (i.e. material/equipment costs, construction/installation costs, etc.).

Description of Fees/Charges	Cost	Total
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CERTIFICATION

As a part of this application, the city of Rialto, or the _____ district agree to defend, indemnify, hold harmless, and release the San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The agency signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement and information presented herein are true and correct to the best of my knowledge and belief.

SIGNED

Marcus Fuller

NAME:

Marcus Fuller

POSITION TITLE:

Public Works Director/City Engineer

DATE:

11/26/13

REQUIRED EXHIBITS TO THIS APPLICATION:

1. Copy of the agreement/contract.
2. Map(s) showing the property to be served, existing agency boundary, the location of the existing infrastructure, and the proposed location of the infrastructure to be extended.
3. Certified Plan for Service (if submitted as a separate document) including financing arrangements for service.

Please forward the completed form and related information to:

Local Agency Formation Commission
215 North D Street, Suite 204
San Bernardino, CA 92415-0490

PHONE: (909) 383-9900 • FAX: (909) 383-9901



FOR COUNTY USE ONLY

**BOARD GOVERNED
COUNTY SERVICE AREAS

F A S

STANDARD CONTRACT**

<input checked="" type="checkbox"/> New	FAS Vendor Code		SC	Dept.	Contract Number			
<input type="checkbox"/> Change				SPD	A			
<input type="checkbox"/> Cancel								
ePro Vendor Number				ePro Contract Number				
County Department			Dept.	Orgn.	Contractor's License No.			
Special Districts Department			105	105				
County Department Contract Representative				Telephone		Total Contract Amount		
James A. Oravets, Division Manager				(909)387-5940				
Contract Type								
<input type="checkbox"/> Revenue	<input type="checkbox"/> Encumbered	<input type="checkbox"/> Unencumbered	<input checked="" type="checkbox"/> Other: Agreement					
If not encumbered or revenue contract type, provide reason:								
Commodity Code		Contract Start Date	Contract End Date	Original Amount	Amendment Amount			
		Dec 3, 2013	N/A	\$				
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No	Amount		
						\$		
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount		
						\$		
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount		
						\$		
Project Name			Estimated Payment Total by Fiscal Year					
			FY	Amount	I/D	FY	Amount	I/D

THIS CONTRACT is entered into in the State of California by and between the County Service Area 70, Zone BL, hereinafter called the DISTRICT, and

Name
City of Rialto hereinafter called Rialto
Address
335 W. Rialto Avenue
Rialto, CA 92376
Telephone (909) 421 - 7279 Federal ID No. or Social Security No. On file

IT IS HEREBY AGREED AS FOLLOWS:

**EXTRATERRITORIAL AGREEMENT FOR WASTEWATER CONVEYANCE AND TREATMENT
BETWEEN THE CITY OF RIALTO
AND
COUNTY SERVICE AREA 70, ZONE BL**

This Extraterritorial Agreement (the "Agreement") is entered into this ____ day of December, 2013 ("Commencement date"), by and between the City of Rialto ("Rialto"), a municipal corporation of the State of California and County Service Area 70, Zone BL (Bloomington, herein referred to as "DISTRICT"), which are hereafter collectively referred to as the "Parties".

Auditor-Controller/Treasurer Tax Collector Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

RECITALS:

WHEREAS, DISTRICT is a public agency authorized to provide sewer service within its boundaries; and

WHEREAS Rialto is also a public agency authorized to provide sewer service within it's boundary; and

WHEREAS the County of San Bernardino, Economic Development Agency ("County") has entered into an agreement with respect to the development of a certain portion of land identified as APNs 0252-051-06, 0252-051-69, and 0252-051-70 (herein referred to as the "PROJECT"), and DISTRICT expects to enter into future sewer service agreements within the DISTRICT boundary ("Service Area"), a map of which is attached as Exhibit "A". The County will enter into a Development Agreement at a future date, which will be provided to Rialto at that time, and

WHEREAS, DISTRICT desires to and has committed to provide adequate sewer service to the PROJECT and desires to or will commit to provide sewer service to future development within its Service Area; and

WHEREAS, Rialto owns and operates a sewage treatment facility located at 501 East Santa Ana Avenue ("The Treatment Plant") and the sewer transmission line in Valley Boulevard, from Cedar Avenue to the Treatment Plant, and any and all related collection and/or transmission facilities used for the conveyance, treatment and disposal of sewage originating in Rialto's service area including extensions, expansions and replacements of any of the above hereinafter referred to as the "Rialto Disposal System," and

WHEREAS, other economical wastewater collection and treatment facilities in the DISTRICT's Service Area are not available and DISTRICT desires to connect to Rialto's Disposal System at the intersection of Valley Boulevard and Cedar Avenue for the general health, safety and welfare of the Service Area; and

WHEREAS, County and DISTRICT agree to construct the facilities, including a metering facility comprised of a 5-foot diameter manhole, parshal flume and sonic level indicator to measure and record the flows, necessary to connect to Rialto's Disposal System at DISTRICT's sole cost as approved by Rialto, including all road cuts, patching, design, permits and inspections; and

WHEREAS, Rialto has defined and established by Council Resolution a policy and administrative guidelines to provide for wastewater service outside the Rialto's corporate boundaries; and has agreed to provide wastewater conveyance, treatment and disposal services for wastewater originating from the Project and future wastewater originating from DISTRICT's Service Area on the terms and conditions contained herein; and

WHEREAS, by its approval of this Agreement, the City Council of the City of Rialto finds that the significant financial and physical benefits to be received by Rialto as provided herein, authorizes the provision of extraterritorial sewer services at a rate of 1.3 times the rates that are paid within the City limits; and

WHEREAS, in order to accommodate the conveyance, treatment and disposal of wastewater originating from the Project and future wastewater originating from the DISTRICT's Service Area, Rialto agrees to maintain the Rialto Disposal System and such related and/or additional facilities, up and unto the connection point at Cedar Avenue and Valley Boulevard, but excluding the metering facility, as may be necessary to adequately provide such service for Project and Service Area, and

WHEREAS, DISTRICT agrees that it will not, without the prior written consent of Rialto, allow connection of more than 419 equivalent dwelling units (EDUs), the current available capacity at the Treatment Plant, to deliver flow to the Rialto Disposal System during any period set forth above. Rialto shall continue to own, operate and maintain the Rialto Disposal System for the conveyance, treatment and disposal of Project and Service Area wastewater, and

WHEREAS, both DISTRICT and Rialto are self insured entities, and

WHEREAS, DISTRICT acknowledges that after the current available capacity at the Treatment Plant of 419 EDUs is exhausted, DISTRICT will need to finance and construct improvements to the Rialto Disposal System as required and approved by Rialto and/or its Agent to make additional capacity available, and

WHEREAS, DISTRICT agrees to make payments described herein with respect to wastewater from the Project and the DISTRICT Service Area discharged into the Rialto Disposal System at 1.3 times the monthly rates, in place at the time of issuance of either building permit or sewer connection permit and subject to rate increases by either the DISTRICT or Rialto, charged by Rialto to customers within Rialto, all on terms and conditions more fully set forth herein.

NOW THEREFORE, in consideration of the above and the terms and conditions contained herein, the parties hereto hereby agree as follows:

ARTICLE I, RIGHTS AND OBLIGATIONS:

Section 1.01 Recitals Incorporated: The recitals set forth above are true and correct and are hereby incorporated into and made a part of this agreement.

Section 1.02 Delivery and Receipt of Wastewater: At all times, except as may be restricted by unforeseeable emergencies, DISTRICT shall have the right (but not the obligation) to deliver an equivalent flow to the Rialto Disposal System as contributed by up to 419 EDUs, the current available capacity at the Treatment Plant, and Rialto shall have the obligation to receive all such wastewater into the Rialto Disposal System and to convey, treat and dispose of such wastewater. Payment to Rialto by DISTRICT shall be made based on the number of connections to the Rialto Disposal System and not the available capacity.

Section 1.03 Disposal of Project and Service Area Wastewater; Ownership and Reclamation of Effluent: The cost of constructing, expanding, extending, maintaining and operating the Rialto Disposal System and of conveying, treating and disposing of the aggregate Project and Service Area Wastewater (including without limitation any effluent or by-product thereof) after delivery of such Project and Service Area Wastewater, up to and including 419 EDU capacity, to the Rialto Disposal System shall be the responsibility solely of Rialto and DISTRICT shall have no responsibility for, and shall not be liable to Rialto or any third party for, any costs or other expenses incurred by Rialto in connection with or related thereto, other than payment of the Wastewater User Fees set forth herein, provided DISTRICT adopts

and enforces an acceptable Industrial Pretreatment Program and complies with all aspects of the Rialto Municipal Code and the State of California Codes and policies, incorporated herein by reference, as they relate to wastewater discharge for industrial and commercial customers.

Section 1.04 Ownership of Project and Service Area Wastewater: It is the intention and agreement of the parties that Rialto shall have total ownership and control of all aggregate Project and Service Area Wastewater delivered to the Rialto Disposal System. DISTRICT warrants that it shall ensure customers comply with all aspects of the DISTRICT's standards, policies and Rules and Regulations pertaining to discharges to the DISTRICT's public sewer system.

Section 1.05 Connection Point(s): DISTRICT agrees to construct, at its sole cost, and Rialto agrees to provide one (1) connection point to the Rialto Disposal System under the terms and conditions of this agreement. The proposed connection point is to an existing Rialto sewer manhole and 18-inch diameter pipeline stub located at the intersection of Valley Boulevard and Cedar Avenue. The connection point shall be extended to include the next upstream manhole (5-foot diameter), parshal flume, sonic level indicator and flow recorder, and the interconnecting 18-inch diameter between the metering facility and the Rialto manhole that will receive the Project and DISTRICT wastewater flows. The costs to construct the connection point, including materials, labor, permits and inspection (both DISTRICT and Rialto), are solely the responsibility of the Project and the DISTRICT. Maintenance of the connection point and all related connectors in the Service Area shall be the responsibility of the DISTRICT, and Rialto shall not be liable to DISTRICT or any third party with respect thereto or maintenance thereof.

ARTICLE II, PAYMENTS FOR CONSTRUCTION OF FACILITIES TO THE RIALTO DISPOSAL SYSTEM

Section 2:01 Initial Special Service Availability Payment: In consideration of this agreement between Rialto and DISTRICT for Rialto to accept Project and DISTRICT Service Area Wastewater for conveyance, treatment and disposal, Rialto and DISTRICT agree that no Initial Special Service Availability payments are warranted, required or desired.

Section 2:02 Wastewater Treatment Capacity Payments: Within sixty (60) days following the issuance of the earlier of a building permit or a sewer connection permit with respect to any structure located or to be located in the DISTRICT Service Area, DISTRICT will have paid or will pay 1.3 times the Sewage Treatment Facilities Development Fee currently in effect and imposed on new development within Rialto on the date of issuance of such permit, subject to rate modifications by either the DISTRICT or Rialto.

Section 2.03 Permit Records: DISTRICT shall maintain records of all permits issued and fees collected by DISTRICT and will submit copies of such records to Rialto each month, together with any related payments due under the terms and conditions of this agreement.

Section 2.04 Calculation of Service Area Wastewater: The amount of Service Area Wastewater attributable to any structure within the Project or the DISTRICT Service Area delivered by the DISTRICT to the Rialto Disposal System shall be estimated by:

- (a) Except as set forth below, each single-family residence, condominium unit, apartment unit and mobile home or mobile home space within the Project and the Service Area shall be assumed to generate two hundred and seventy gallons per day (270 gpd), which amount shall constitute one EDU;

- (b) Each one bedroom, one bathroom residential unit shall be assumed to generate 0.8 EDU; and
- (c) The number of gallons attributable to commercial and/or industrial units shall be determined in accordance with the calculations set forth in Rialto's standards as amended periodically.

DISTRICT shall utilize the above requirements for estimating flows within the Service Area and for reporting to Rialto. DISTRICT Rules and Regulations shall be used for sizing of all facilities within the Service Area.

In the event that the actual monitored wastewater from the Project and Service Area, measured at the connection point metering facility, and delivered to the Rialto Disposal System substantially exceeds or is less than the estimated discharges so calculated, the parties agree to amend this Agreement in accordance with the terms and conditions of this agreement. The parties agree to amend the agreement to use the actual wastewater measured at the metering facility and to utilize an alternative method of calculating user discharges, which method shall be mutually agreeable to both Rialto and the DISTRICT.

ARTICLE III, WASTEWATER USER CHARGES

Section 3.01 Monthly Wastewater User Fees: After the Commencement date, DISTRICT shall collect from users of wastewater services within the PROJECT and Service Area and shall pay to Rialto within sixty (60) days after the conclusion of any month for the provisions of wastewater conveyance, treatment and disposal services a wastewater fee for that month calculated at a rate equal to 1.3 times the rate then charged by Rialto to its residential, industrial and commercial users, in accordance with chapter 12.08.200 of the Rialto Municipal Code, as the same may be amended from time to time. Such payments shall be in lieu of taxes, assessments and other charges imposed by Rialto for the provision of such services. DISTRICT shall pay for such use whether or not it collects from property owners or tenants in the Project or the DISTRICT Service Area.

Section 3.02 Rialto Not To Charge DISTRICT Users: DISTRICT may impose and collect wastewater user charges within the Service Area and, except as set forth herein, shall be entitled to retain, use and expend such charges for any lawful purpose. Rialto shall not impose nor seek to impose wastewater user charges within the DISTRICT Service Area, nor shall DISTRICT impose nor seek to impose wastewater user charges within the Rialto Service Area except as expressly stated in this Agreement, without the prior written consent of the other Party.

Section 3.03 Rate Changes and Notification: DISTRICT acknowledges Rialto's prior adoption of sewer rates pursuant to its Resolution No. 6119 adopted June 28, 2012, included herewith as Exhibit "B", which implements additional increases to its current sewer rates on January 1, 2014; January 1, 2015; January 1, 2016; and January 1, 2017; all of which are subject to annual adjustment every July 1 by the increase in the Consumer Price Index as indicated in its Resolution No. 6119. DISTRICT shall provide legal notification of Rialto's adopted sewer rate increases, and any future sewer rate increases adopted by Rialto, to its rate payers. Rialto shall provide DISTRICT with notification of any planned rate increase at least thirty (30) days prior to its adoption. DISTRICT shall be responsible to notify its rate payers in accordance with the Proposition 218 notification requirements and deadlines. Should Proposition 218 protests from DISTRICT's rate payers overturn any of Rialto's future adopted sewer rate increases, DISTRICT shall retain responsibility to pay Rialto monthly wastewater user fees pursuant to Section 3.01

and in accordance with Rialto's adopted sewer rates, including any increase differential which may not be implemented by DISTRICT to its rate payers pursuant to a Proposition 218 protest.

ARTICLE IV, MONITORING OF SERVICE AREA WASTEWATER

Section 4.01 Pre-Treatment Program, Quality Specifications and Standards: DISTRICT shall, solely at its cost and expense, maintain and enforce a pretreatment program for the DISTRICT Service Area wastewater. Rialto shall have the right to monitor or restrict the discharge of any individual user located within the Service Area as if the user was located in Rialto if it suspects or discovers the user has discharged prohibited substances, as described in the Rialto Municipal Code, into the Rialto Disposal System or violated other provisions of said Code. Rialto may, at its option, allow discharge to resume with the installation and proper maintenance of an approved pretreatment device or system.

ARTICLE V, MISCELLANEOUS

Section 5.01 Term of Agreement: This Agreement shall remain in effect in perpetuity or until such time as both Parties agree, in writing, to revise or repeal this Agreement as set forth herein.

Section 5.02 Termination: Either Party may terminate this Agreement upon sixty (60) days written notice to the other Party following the review period as noted herein, in the event DISTRICT is able to provide an alternative source of treatment for the PROJECT and the Service Area. The request shall be given a sixty (60) day review period prior to submission to the respective governing bodies for approval. In no case shall service be interrupted by any Party to this Agreement for ninety (90) days following the original notification. No other termination of this Agreement shall be effective for any purpose.

Section 5.03 Amendment: No amendment or waiver of any provisions of this Agreement or consent to any departure from its terms shall be effective unless the same shall be in writing and signed by the parties hereto. Any Party desiring to change or otherwise amend the Agreement must submit a written request to the other Party. The request shall be given a sixty (60) day review period prior to submission to the respective governing bodies for approval.

Section 5.04 Assignment: No Party may assign or transfer its rights or obligations under this Agreement without the express written consent of the other Party. This Agreement shall inure to the benefit of, and be binding upon, the lawful successors in interest and permitted assign of each Party.

Section 5.05 Effective Date: This Agreement shall become effective when the agreement has been duly executed by both Parties hereto, and shall be binding upon the heirs, assigns and successors of the Parties.

Section 5.06 Amendment, Etc.: No amendment or waiver of any provisions of this Agreement or consent to any departure from its terms shall be effective unless the same shall be in writing and signed by the parties hereto.

Section 5.07 Notices: All notices and other communications provided for hereunder shall be in writing addressed to the Parties as noted below:

County Service Area 70, Zone BL
ATTN: Director
157 West Fifth Street, Second Floor
San Bernardino, CA 92415-0450

City of Rialto
ATTN: City Administrator
150 South Palm Avenue
Rialto, CA 92376

Section 5.06 Indemnification: DISTRICT agrees to indemnify, defend, save and hold harmless Rialto, it's authorized agents, officers, and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnifying Party or its officers, agents or employees in connection with this agreement.

Section 5.07 Indemnification: Rialto agrees to indemnify, defend, save and hold harmless DISTRICT, it's authorized agents, officers, and employees from and against all liability, claims, damages, losses and expense of any nature whatsoever, including but not limited to bodily injury, death, personal injury, property damages and attorney's fees, arising directly or indirectly from any acts or omissions of such indemnifying Party or its officers, agents or employees in connection with this agreement.

Section 5.08 Sewer Rate Increase Litigation: If DISTRICT's customers challenge a rate increase for sewer services as a result of increases to Rialto's costs for providing services pursuant to this Agreement, and Rialto is sued as a result, DISTRICT will defend Rialto at the DISTRICT's own cost.

Section 5.09 Dispute Resolution: In the event a dispute arises out of this Agreement between the parties, the parties must engage in dispute resolution as a condition precedent to the enforcement of any rights under this Agreement or the law, including but not limited to, the filing of any litigation. The parties must first engage in good faith negotiations to end the dispute. The dispute must be submitted within 60 days of when it arises to the City Administrator for Rialto and the County Chief Executive Officer for the DISTRICT. These individuals shall have 60 days to resolve the dispute. If the dispute is not resolved within that time frame, the parties must request mediation within fifteen days. The parties shall agree upon a mediator who shall conduct mediation within 90 days. The mediation shall consist of a minimum of four hours, to be conducted when and as agreed upon by the parties, so long as the mediation is completed within 30 days of commencement. If the mediation is unsuccessful, neither party may file litigation until 30 days after the completion of the mediation. Failure to satisfy this condition precedent of prelitigation dispute resolution shall result in the forfeiture of any attorneys' fees and any costs that could otherwise be awarded in any subsequently filed litigation.

Section 5.10 Attorneys' Fees: In the event of any litigation between the parties arising from this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred including staff time, court costs and reasonable attorneys' fees. In the event of a no-adjudicative settlement of litigation between the parties or a resolution of a dispute by arbitration should the parties agree to engage in arbitration, the term "prevailing party" shall be determined by the conductor(s) of the proceedings in accordance with the standards of California Civil Code 1717 and 1021. If the parties resolve the litigation on their own, then each party shall bear its own costs and attorneys' fees.

Section 5.11 Binding Effect: This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors and assigns, except that no Party hereto shall have the right to assign or transfer, hereunder or interest herein without the prior written consent of the other Party. Any such attempted assignment shall be void and of no force and effect, and no such assignee or transferee shall acquire any right or interest by reason of such attempted assignment or transfer.

Auditor-Controller/Treasurer Tax Collector Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

Section 5.12 Entire Agreement: This writing constitutes the entire Agreement between the Parties with respect to the subject matter hereof, and supersedes all oral or written representations or written agreements, which may have been entered into between the Parties prior to the execution of this Agreement.

Section 5.13 Counterparts: This Agreement may be executed in counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same instrument.

Section 5.14 Partial Invalidity: The invalidity of any provision of this agreement will not affect the validity of the remainder hereof.

Section 5.15 Time of Essence: Time is of the essence in the fulfillment by the Parties hereto of their obligations under this Agreement.

Section 5.16 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Signature Page Follows

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date set forth above.

CITY OF RIALTO, CALIFORNIA

By _____
Deborah Robertson
Mayor

ATTEST:

By _____
Barbara McGee
City Clerk

COUNTY SERVICE AREA 70, ZONE BL

► _____
Janice Rutherford, Chair, Board of Supervisors

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Laura H. Welch
Clerk of the Board of Supervisors
of the County of San Bernardino

By _____
Deputy

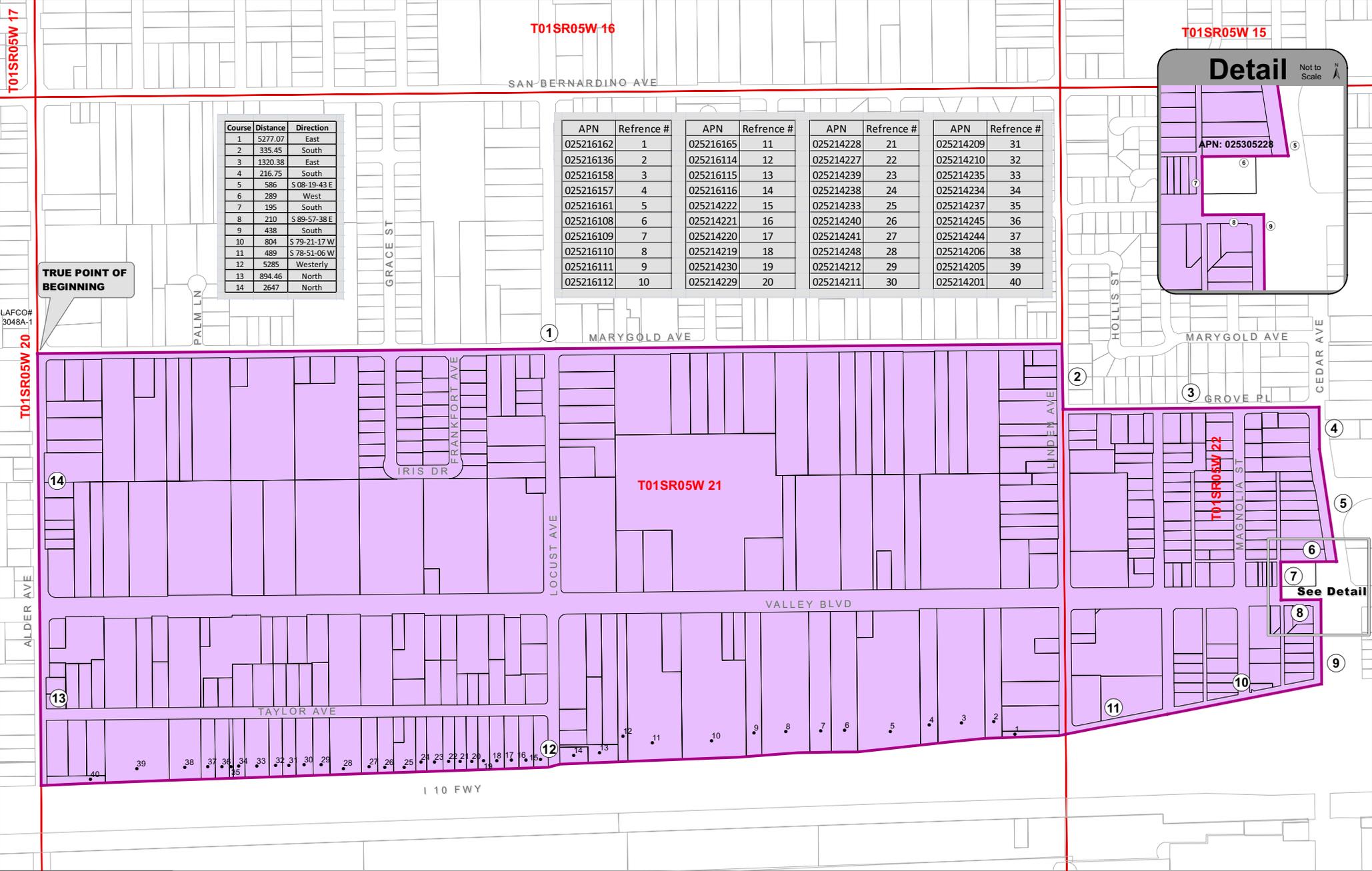
APPROVED AS TO FORM:

By _____
Jimmy L. Gutierrez
City Attorney

RECOMMENDED:

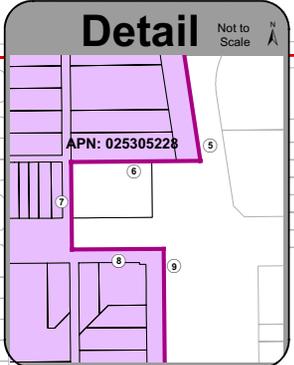
By _____
Marcus L. Fuller
Public Works Director/City Engineer

Approved as to Legal Form	Reviewed by Contract Compliance	Presented to BOS for Signature
► _____ County Counsel Dawn M. Messer	► _____ James A. Oravets	► _____ Department Head Jeffrey O. Rigney
Date _____	Date _____	Date _____



Course	Distance	Direction
1	5277.07	East
2	335.45	South
3	1320.38	East
4	216.75	South
5	586	S 08-19-43 E
6	289	West
7	195	South
8	210	S 89-57-38 E
9	438	South
10	804	S 79-21-17 W
11	489	S 78-51-06 W
12	5285	Westerly
13	894.46	North
14	2647	North

APN	Reference #						
025216162	1	025216165	11	025214228	21	025214209	31
025216136	2	025216114	12	025214227	22	025214210	32
025216158	3	025216115	13	025214239	23	025214235	33
025216157	4	025216116	14	025214238	24	025214234	34
025216161	5	025214222	15	025214233	25	025214237	35
025216108	6	025214221	16	025214240	26	025214245	36
025216109	7	025214220	17	025214241	27	025214244	37
025216110	8	025214219	18	025214248	28	025214206	38
025216111	9	025214230	19	025214212	29	025214205	39
025216112	10	025214229	20	025214211	30	025214201	40



TRUE POINT OF BEGINNING

LAFCO# 3048A-1

T01SR05W 20

ALDER AVE

T01SR05W 16

T01SR05W 15

T01SR05W 21

T01SR05W 22

COUNTY SERVICE AREA 70, ZONE BL

Those portions of Section 21 and 22, Township 1 South, Range 5 West, S.B.M., in the unincorporated territory of the County of San Bernardino, State of California.

- Parcel Index Number
- Ⓢ Course Number
- ▭ CSA 70 Zone BL - Containing 305.3 Acres, More or Less
- ▭ Parcels
- ▭ Section Lines



Revised 11/12/2013
 THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION
 Ryan S. Hunsicker
 Deputy County Surveyor
 PLS 8302
 Date 11/12/13
 Exp. 12/31/2013
 Job Number 00128CPO

COUNTY SERVICE AREA 70, ZONE BL

Those portions of Section 21 and 22, Township 1 South, Range 5 West, S.B.M., in the unincorporated territory of the County of San Bernardino, State of California, lying within the following described boundary:

Beginning at a point being the centerline intersection of Alder Avenue and Marygold Avenue, said intersection also being a point on the west line of said Section 21, said Township and Range and also being a point on the east boundary of the existing City of Fontana, per Annexation No. 168, Island 4, LAFCO 3048A-1;

1. Thence Leaving said west line and said existing City boundary, following along said centerline of Marygold Avenue East a distance of 5277.07 feet, more or less to the centerline intersection of Linden Avenue, said point also being a point on the west line of said Section 22, said Township and Range;
2. Thence along said centerline of said Linden Avenue and said west line, South a distance of 335.45 feet, more or less to the centerline intersection of Grove Place;
3. Thence leaving said west line and along said centerline of Grove Place, East a distance of 1320.38 feet, more or less to the centerline intersection of Cedar Avenue;
4. Thence along said centerline of Cedar Avenue, South a distance of 216.75 feet, more or less to an angle point in said centerline;
5. Thence continuing along said centerline, South $8^{\circ} 19' 43''$ East a distance of 586 feet, more or less to the easterly prolongation of that parcel of land described in Grant Deed to HHI San Bernardino in Doc # 2010-0200734, Official Records of said County;
6. Thence West along said easterly prolongation and the north line of said Grant Deed a distance of 289 feet, more or less to the northwest corner of said Deed;
7. Thence South along the west line of said Grand Deed and its southerly prolongation a distance of 195 feet, more or less to the original centerline of Valley Boulevard, as shown on Parcel Map No. 14988, PMB 182 pages 94 to 95, records of said County;
8. Thence along said original centerline of Valley Boulevard, South $89^{\circ} 57' 38''$ East a distance of 210 feet, more or less to the centerline of Cedar Avenue to the south;
9. Thence along said centerline of Cedar Avenue, South a distance of 438 feet, more or less to the northerly right-of-way of Interstate Highway 10;
10. Thence leaving said Cedar Avenue and along said northerly right-of-way, South $79^{\circ} 21' 17''$ West a distance of 804 feet, more or less to an angle point;

COUNTY SERVICE AREA 70, ZONE BL

11. Thence continuing along said northerly right-of-way, South 78° 51' 06" West a distance of 489 feet, more or less to the centerline of Linden Avenue, as shown on Record of Survey Book 122/8-21, records of said County;
12. Thence continuing along said northerly right-of-way, Westerly along its various courses a distance of 5285 feet, more or less to the centerline of Alder Avenue, as shown on said Record of Survey Book 122/8-21, said point also being a point on the West Line of Section 21, said Township and Range and being a point on said existing boundary of the City of Fontana per Annexation No. 168, Island 26, LAFCO 3048A-3;
13. Thence leaving said northerly right-of-way of Interstate Highway 10 and along said centerline of Alder Avenue, said West Line of Section 21 and said existing City boundary, North a distance of 894.64 feet, more or less to said original centerline of Valley Boulevard;
14. Thence continuing along said centerline of Alder Avenue, said Section Line and said existing boundary, North a distance of 1326.48 feet, more or less to the centerline of Marygold Avenue, being the **Point of Beginning**;

Containing 305.3 Acres, more or less.

Revised 11/07/2013

This legal description was prepared by me or under my direction.

 11/12/13

Ryan S. Hunsicker Date
Deputy County Surveyor

PLS 8302, Expiration; December 31, 2013



1 **WHEREAS**, a properly noticed public hearing concerning the proposed rates and charges set forth in
2 this Resolution was held on June 12, 2012, as required by law; and

3
4 **WHEREAS**, written protests regarding the revised schedule for water and sewer rates and charges were
5 accepted from the public and considered before the close of the public hearing; and

6
7 **WHEREAS**, a tally of the written protests against the revised schedule of water and sewer rates and
8 charges shows that less than a majority of the property owners have submitted written protests against
9 the revised schedule of water and sewer rates and charges;

10
11 **NOW, THEREFORE**, it is hereby **ORDERED** and **DETERMINED**, as follows:

12 Section 1. The foregoing recitals are true and correct and the City Council hereby so finds and
13 determines.

14 Section 2. Effective January 1, 2013, water and sewer rates and charges are increased and
15 established in the amounts as set forth in the "Water Rates" and "Sewer Rates" attached hereto and
16 incorporated by reference as Exhibit A and Exhibit B, respectively.

17 Section 3. Effective January 1, 2013, the City will offer *Low Income* and *Senior Citizen* Discount
18 programs that will provide for a 20% discount on the flat rate sewer rate and base water rate as noted in
19 Exhibit A and Exhibit B respectively. The *Low Income* discount program is applicable to all households
20 in the respective service area who can effectively demonstrate that the total household income of the
21 property represented is equal to or lower than the "Low Income" levels as set annually by the Housing
22 and Urban Development department for the County of San Bernardino. Annual confirmation of
23 household income is required to remain in the program. Non-compliance with the annual application
24 process is cause for suspension or disqualification from the program. The *Senior Citizen* Discount
25 program requires that the account holder of the utility account be at age 65 or older at the time of the
26 application for the program. There is no annual qualification required for the Senior Citizen Discount
27 program. The Council reserves the right to amend, augment, limit or suspend the discount programs at
28 any time.

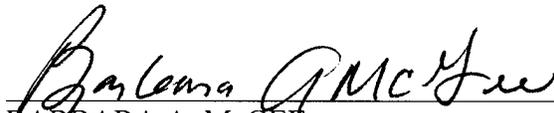
1 Section 4. Effective January 1, 2013, the delinquency penalty percentage shall increase from
2 1.5% to 10%.

3 Section 5. This Resolution shall take effect from and after the date of its passage and adoption.

4
5 ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk this 26th day of
6 June, 2012.

7
8 
9 GRACE VARGAS
10 Mayor of the City of Rialto

11 ATTEST:

12 
13 BARBARA A. MCGEE
14 City Clerk of the City of Rialto

15
16
17 APPROVED AS TO FORM:

18 
19
20 JIMMY GUTIERREZ
21 City Attorney of the City of Rialto

1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO) ss
3 CITY OF RIALTO)

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing
5 Resolution No. 6119 was duly passed and adopted at a regular meeting of the City Council of the City of
6 Rialto held on the 26th day of June, 2012.

7 Upon motion of Council Member Scott, seconded by Council Member Robertson, the foregoing
8 Resolution No. 6119 was duly passed and adopted.

9 Vote on the motion:

10 AYES: Mayor Vargas, Council Members: Robertson, Scott, Palmer

11 NOES: Council Member Baca Jr.

12 ABSENT: None

13 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of
14 Rialto this 28th day of June, 2012.

15
16
17 
18 BARBARA A. MCGEE, CITY CLERK

EXHIBIT A

WATER RATES

Line	Water Rate Component	Current	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	Unit
1	Monthly Minimum Charge							
2	<u>Single Family Residences, Multiple Family Connections, Commercial, Landscape, and Industrial Service Customers</u>							
3	1/2" & 5/8" meter	\$12.00	\$16.26	\$21.59	\$28.24	\$29.57	\$29.57	per month
4	3/4" meter	12.00	16.26	21.59	28.24	29.57	29.57	per month
5	1" meter	17.36	23.52	31.24	40.86	42.78	42.78	per month
6	1 1/2" meter	20.92	28.35	37.64	49.24	51.55	51.55	per month
7	2" meter	60.16	81.52	108.25	141.60	148.25	148.25	per month
8	3" meter	127.95	173.37	230.24	301.15	315.31	315.31	per month
9	4" meter	217.13	294.21	390.71	511.05	535.07	535.07	per month
10	6" meter	449.02	608.42	807.98	1,056.84	1,106.52	1,106.52	per month
11	8" meter	645.23	874.29	1,161.05	1,518.66	1,590.03	1,590.03	per month
12	Fire Hydrant Water	127.95	173.37	230.24	301.15	315.31	315.31	per month
13								
14	Volume Charge for Monthly Consumption							
15	<u>All Customers Except those Noted Below</u>							
16	1 - 5 Units	\$0.428	\$0.58	\$0.77	\$1.01	\$1.05	\$1.05	per HCF
17	6 - 30 Units	\$0.674	0.91	1.21	1.59	1.66	1.66	per HCF
18	31 - 60 Units	\$1.069	1.45	1.92	2.52	2.63	2.63	per HCF
19	61 - Over units	\$1.315	1.78	2.37	3.10	3.24	3.24	per HCF
20	<u>Multiple Apartments</u>							
21	Over 49 Units and Mobile Homes	\$0.949	\$1.29	\$1.71	\$2.23	\$2.34	\$2.34	per HCF
22	<u>Landscape</u>							
23	1 to 30 Units	\$1.069	\$1.45	\$1.92	\$2.52	\$2.63	\$2.63	per HCF
24	31 and over units	\$1.315	1.78	2.37	3.10	3.24	3.24	per HCF
25								
26	Fireline							
27	Rate	\$11.010	\$14.92	\$19.81	\$25.91	\$27.13	\$27.13	per inch of line
28	Hydrant							
29	Rate	\$1.320	\$1.79	\$2.38	\$3.11	\$3.25	\$3.25	per HCF
30	Per Day	\$4.265	\$5.78	\$7.67	\$10.04	\$10.51	\$10.51	per day

*Fees shall be adjusted annually every January 1st by the increase in the Consumer Price Index ("CPI") for "All Urban Wage Earners and Clerical Workers" (West urban) category as published by Bureau of Labor Statistics in October of each year. Provided, however, any inflation adjustment shall not exceed the cost of providing the service. Such automatic increases shall not exceed five years.

(Line 14-24) The "Volume Charge for Monthly Consumption" of the water rate recovers costs of purchasing water and the cost of pumping water from our local basins, increased electricity, chemical and natural gas costs and the cost of complying with new Federal and/or State regulations and mandates. The adjustment rate is calculated annually and becomes effective the first day of October. The adjustment charge does not necessarily change annually. It is based on the costs described above for the previous 12 months. Such automatic adjustments shall not exceed five years."

NOTE: notices of any adjustments shall be given pursuant to subdivision (a) of Section 53755, not less than 30 days before the effective date of the adjustment.

Delinquency Rate – Effective January 1, 2013, the existing delinquency rate will be adjusted to 10% of the delinquent amount of the bill charged monthly.

Senior Citizen Discount Program – Effective January 1, 2013, residential customers age 65 and over qualify for a 20% discount on the "Monthly Minimum Charge." Qualifying residents must present the proof of age, residence and a copy of the bill to apply for the program. The discount will apply to all charges applied after the date of application. Applications are available upon request. The discount is not applicable to commercial or industrial customers. The City Council reserves the right to change, augment, modify or eliminate this program at any time.

Low Income Discount Program – Effective January 1, 2013, households who have incomes at or below the Low Income Limits (80% of Median Income) as published annually by the U.S. Department of Housing and Urban Development (HUD) for San Bernardino County qualify for a 20% discount on the "Monthly Minimum Charge." Customers must present proof of identification, proof of income (Rialto Utility Authority, or its designee, reserves the right to request any necessary information to determine the income for the purpose of program acceptance), proof of residence, and a copy of a current bill to apply for the program. Applications are available upon request. The discount is not applicable to commercial or industrial customers. The City Council reserves the right to change, augment, modify or eliminate this program at any time.

EXHIBIT B

SEWER RATES

Customer Type	Current	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	Unit
Group I (1)							
Residential	\$25.97	\$32.46	\$40.58	\$50.72	\$60.19	\$60.19	per month
Residential X 3	77.91	97.39	121.73	152.17	180.56	180.56	per month
Residential PS	27.26	34.08	42.59	53.24	63.18	63.18	per month
Residential Multi.	25.97	32.46	40.58	50.72	60.19	60.19	per month per unit
Group II (1)							
Commercial	\$2.83	\$3.54	\$4.42	\$5.53	\$6.56	\$6.56	per HCF
(includes - Softwater Service, Car Wash, Office Buildings, Cleaners, Department/Retail Stores, Warehouse, Car lots, Equipment Rental, Storage Units, Hospitals, Manufacturing, Indoor Theater, Day Care, Pre School, Disabled Care, Nail/Hair Salon, Church)							
Group III (1)							
Commercial	\$3.33	\$4.16	\$5.20	\$6.50	\$7.72	\$7.72	per HCF
(includes - Hotels /Motels (no restaurant), repair and Service Station, Shopping Center, Recreation Park, Nursery/Florist, Manufacturing - Non-Domestic, Lumber Yard, Nightclub, Bar, Hall)							
Group IV (1)							
Commercial	\$4.25	\$5.31	\$6.64	\$8.30	\$9.85	\$9.85	per HCF
(includes - Hotels /Motels (w/restaurants), Bakeries, Dairy, Supermarkets, Dairy, Meat Market, Mom & Pop, Mortuary, Restaurants, Fast Food, Catering)							
Group V (1)							
Schools -							
Elementary	\$0.36	\$0.45	\$0.56	\$0.70	\$0.83	\$0.83	Per month per student
Junior High	0.85	1.06	1.33	1.66	1.97	1.97	Per month per student
High	0.85	1.06	1.33	1.66	1.97	1.97	Per month per student
Continuation	0.36	0.45	0.56	0.70	0.83	0.83	Per month per student
Adult Education	0.36	0.45	0.56	0.70	0.83	0.83	Per month per student
Group VI (1)							
Large Volume	\$2.83	\$3.54	\$4.42	\$5.53	\$6.56	\$6.56	per HCF
Hospital	2.83	3.54	4.42	5.53	6.56	6.56	per HCF
Commercial Building	2.83	3.54	4.42	5.53	6.56	6.56	per HCF

*Fees shall be adjusted annually every July 1st by the increase in the Consumer Price Index ("CPI") for "All Urban Wage Earners and Clerical Workers" (West urban) category as published by Bureau of Labor Statistics in April of each year. Provided, however, any inflation adjustment shall not exceed the cost of providing the service. Such automatic increases shall not exceed five years. NOTE: notices of any adjustments shall be given pursuant to subdivision (a) of Section 53755, not less than 30 days before the effective date of the adjustment.

The sewer rate recovers costs of treatment of the wastewater, increased electricity, chemical and natural gas costs and the cost of complying with new Federal and/or State regulations and mandates. The adjustment rate is calculated annually and becomes effective the first day of July of each year. The adjustment charge does not necessarily change annually. It is based on the costs described above for the previous 12 months. Such automatic adjustments shall not exceed five years."

Delinquency Rate – Effective January 1, 2013, the existing delinquency rate will be adjusted to 10% of the delinquent amount of the bill charged monthly.

Senior Citizen Discount Program – Effective January 1, 2013, customers age 65 and over qualify for a 20% discount on the "Total Sewer Flat Rate." Qualifying residents must present their proof of age, residence and a copy of their most current bill to apply for the program. The discount will apply to all charges applied after the date of application. Applications are available upon request. For multi-family units the discount can only apply to the units where the qualifying Senior Citizen resides. The discount is applicable for residential customers only. The City Council reserves the right to change, augment, modify or eliminate this program at any time.

Low Income Discount Program – Effective January 1, 2013, households who have incomes at or below the Low Income Limits (80% of Median Income) as published annually by the U.S. Department of Housing and Urban Development (HUD) for San Bernardino County qualify for a 20% discount on the "Total Sewer Flat Rate." Customers must present proof of identification, proof of income (Rialto Utility Authority, or its designee, reserves the right to request any necessary information to determine the income for the purpose of program acceptance), proof of residence, and a copy of a current bill to apply for the program. Applications are available upon request. For multi-family units the discount can only apply to the units where the low income applicants reside. The discount is applicable for residential customers only. The City Council reserves the right to change, augment, modify or eliminate this program at any time.