1. **Introduction.** The following report has been prepared for the City Council to provide an overview of the City’s Municipal Water System, including a brief history, summary of water sources and water costs, history of MWS water rates, prior year accomplishments, and major initiatives for the coming year.

2. **Definitions.** Where used herein:

   - “Acre foot” or “af” means the amount of water necessary to cover an acre of land to a depth of one-foot. One acre foot of water equals 325,851 gallons or 43,560 cubic feet. This is the standard unit of volume for large scale water resources.
   - “Billing Cycle” or “BiMB” means the interval between water bills, presently bimonthly.
   - “BSMWC” means Bellflower Somerset Mutual Water Company.
   - “CBMWD” means the Central Basin Municipal Water District.
   - “City” means the City of Bellflower.
   - “Commodity Charge” means the rate charged per 100 cubic feet of water used, as established by resolution of the City Council.
   - “CPUC” means the California Public Utilities Commission, a regulatory body that oversees, among other things, privately held water companies.
   - “Customer” means the owner, tenant, or other occupant of the property who has established the service connection.
   - “Groundwater” means water pumped by a provider from its own wells for its own use.
   - “GPM” means “gallons per minute,” the standard measurement used for water flow.
   - “Imported water” means water obtained from a third-party source.
   - “MWS” means the City of Bellflower Municipal Water System.
   - “MWD” means the Metropolitan Water District of Southern California.
   - “Owner” means the owner of the property at which the service connection is located, or his/her authorized agent.
   - “Person” means any individual, firm, company, public entity, association, society, corporation, partnership, or group.
   - “Service Charge” means a charge which is applicable to all metered service to provide reimbursement to the City for the costs of services related to the supplying of water to the property but which are not directly related to the amount of water utilized at a site but,
instead, are otherwise appropriately apportioned to the customer, as established by resolution of the City Council.

- “Service Connection” means the water line and appurtenant facilities used to extend water service from the water main to the meter box.

- “Service Extension” means the water line and appurtenant facilities used to extend water service from the meter to the customer’s premises.

- “Water Service Area” means the area of the City served by the MWS.

- “Water Service” or “Water Services” means supplying service through a pipe or other constructed conveyance for any purpose, but does not include the sale of water for human consumption by a water supplier to another water supplier for resale.

- “Water System” means the infrastructure of the City’s water system only.

- “Water System Operator” or “Operator” means the party with whom the City contracts for the operation of the water system, or delegated specific responsibilities for the operation of the water system, presently Bellflower-Somerset Mutual Water Company.

3. **Background.** The MWS was established by the City Council in 2007 to operate the water system acquired from Peerless Water Company at a cost of $5.8 million.

   a. The MWS currently serves 1,825 customers, or approximately 10% of the City, from eight separate systems in geographically separated areas:

<table>
<thead>
<tr>
<th>System</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>412</td>
</tr>
<tr>
<td>2 &amp; 3</td>
<td>171</td>
</tr>
<tr>
<td>4</td>
<td>244</td>
</tr>
<tr>
<td>5</td>
<td>161</td>
</tr>
<tr>
<td>6</td>
<td>275</td>
</tr>
<tr>
<td>8</td>
<td>312</td>
</tr>
<tr>
<td>9</td>
<td>243</td>
</tr>
<tr>
<td>Non-System Customers</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,825</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8” x 3/4”</td>
<td>1,774</td>
</tr>
<tr>
<td>3/4”</td>
<td>24</td>
</tr>
<tr>
<td>1”</td>
<td>8</td>
</tr>
<tr>
<td>1 1/2”</td>
<td>3</td>
</tr>
<tr>
<td>2”</td>
<td>15</td>
</tr>
<tr>
<td>3”</td>
<td>0</td>
</tr>
<tr>
<td>4”</td>
<td>1 Fire</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,825</strong></td>
</tr>
</tbody>
</table>
Of the MWS’ 1,825 customers, 1,791 are single-family residential, 30 are multi-family residential, 1 is commercial, and 3 are industrial.

Water System Map – June 2014
b. The MWS production facilities consist of one high capacity water well (HCW):

<table>
<thead>
<tr>
<th>Well</th>
<th>Location</th>
<th>Status</th>
<th>Dimension</th>
<th>Depth to Water</th>
<th>Pumping Capacity</th>
<th>Quantity Pumped</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCW 1</td>
<td>Flora Vista Street</td>
<td>Active</td>
<td>30&quot;</td>
<td>101'</td>
<td>3,500 gpm</td>
<td>3,243 af/yr</td>
</tr>
</tbody>
</table>

Wells 2, 3 and 8 were previously taken out-of-service and are waiting decommissioning. Well 17 was decommissioned in June 2014.

c. The MWS distribution system consists of 78,103 lineal feet of asbestos cement pipe, ductile iron, polyvinyl chloride and welded steel pipe ranging from 2-inches to 12-inches in diameter. The majority of the distribution system consists of 4-inch and 6-inch AC pipe. The system also includes approximately 1,824 meters and 79 fire hydrants.

d. The MWS System owns 986 acre feet of water rights which is sufficient to meet our 700 acre feet per year service demand and to lease water rights surplus to our needs at competitive rates to other water purveyors. Separate from the MWS the City also owns another 394 acre feet of water rights for a grand total of 1,380 acre feet.

e. The MWS' average estimated service demand is 700 acre feet per year, including 632 acre feet delivered to our retail MWS customers, and 68 acre feet used for system flushing and other maintenance operations.

f. Under the direction of the City Manager, the Director of Public Works oversees strategic planning, financial management, policy development, and capital projects for the MWS. The Director is assisted by the City’s Finance Department, the City’s contract water program manager, and the City’s contract water system operator.

g. The City’s contract water system operator, Bellflower-Somerset Mutual Water Company, is responsible for the day-to-day operation of the Water System.
4. **Key Dates.** The following are key dates in the history of the Municipal Water System:

- **Circa 1940** Peerless Land and Water Company founded
- **May 2000** Southern California Water Company and Peerless Water Company submit joint application to CPUC for approval of merger
- **October 2000** Peerless customers ask that City intervene to block merger
- **October 9, 2000** City Council adopts resolution opposing the proposed merger
- **October 23, 2000** Residents initially requested City Council action to block merger
- **November 8, 2001** CPUC denied the proposed merger
- **August 2002** City began formal negotiations for purchase of Peerless Water System
- **February 2004** Responsibility for MWS oversight assigned to Assistant City Manager
- **May 24, 2004** City Council authorizes offer to purchase Peerless Water Company assets and research into issuance of bonds to finance acquisition
- **December 13, 2004** City Council initiated action to condemn Peerless Water Company
- **February 2005** City suspended negotiations to purchase Peerless Water System
- **May 2005** City entered into litigation with Peerless Water Company
- **June 2006** Bellflower Public Financing Authority (BFA) created
- **August 14, 2006** Concluded Operating Agreement with BSMWC
- **December 11, 2006** City adopted PWC rates as initial MWS water rates
- **January 12, 2007** City of Bellflower assumed control of PWC assets; litigation terminated
- **June 16, 2007** City increased water rates by 60%
- **June 16, 2008** City increased water rates by 4%
- **June 2008** City completed system interconnection at Lakewood and Walnut
- **July 9, 2008** Completed sale of $8.23 million in MWS Certificates of Participation
- **November 2008** City completed closure of 12 inactive/abandoned water wells
- **October 28, 2009** City completed system interconnection from Mapledale to Van Ruiten
- **November 9, 2009** City increased water rates by 3.5%
- **April 2010** Completed partial reconstruction of System 1 serving 108 customers
- **October 1, 2010** City began principal payments on MWS Certificates of Participation
- **August 2011** Responsibility for MWS oversight assigned to Director of Public Works
- **March 2012** High Capacity Well #1 completed
- **June 2012** Wells #3 and #8 taken off-line and out-of-service
- **November 2012** Dunbar interconnection completed
- **February 2013** First meeting of the Municipal Water Commission
5. **Water Conservation.** Traditionally, the City has relied on voluntary water conservation measures. In the event of a statewide drought or other water emergency, the City may implement mandatory water conservation measures regulating hose watering, watering lawns and landscaping, indoor plumbing and fixtures, washing vehicles, drinking water in restaurants, and water-efficient landscaping. These measures are found in Chapter 13.16 of the Bellflower Municipal Code. Although water conservation is not mandatory, given Southern California’s arid climate and longstanding water supply issues, residents are most strongly encouraged to conserve water whenever possible. Water remains our most valuable and essential natural resource.

6. **Water Usage.** As a result of conservation efforts and improved system maintenance, the MWS’ water usage has decreased by up to 3% from 2007-08 levels. The City continues to search for ways to reduce consumption and improve efficiency.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>756.11 af</td>
<td>717.43 af</td>
<td>672.40 af</td>
<td>672.00 af</td>
<td>659.34 af</td>
<td>658.36 af</td>
<td>732.00 af</td>
<td>735.00 af</td>
<td></td>
</tr>
</tbody>
</table>

7. **Water Sources.** Water used by Bellflower customers is either “groundwater” (i.e., water pumped from a well) or “imported water” (i.e., water transported via aqueduct or pipe from a remote source - Colorado River, Sacramento Delta, etc.). These water supplies are not unlimited, therefore it is necessary to conserve water and prevent the unnecessary and wasteful use of these limited resources. The City is served by four retail water providers:

<table>
<thead>
<tr>
<th>Water Sources</th>
<th>Water Provider</th>
<th>Percent of City Served</th>
<th>Service Demand</th>
<th>Operating Wells</th>
<th>Water Source</th>
<th>Water Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bellflower Municipal Water System</td>
<td>10%</td>
<td>732 af/yr</td>
<td>1</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Bellflower-Somerset Mutual Water Company</td>
<td>61%</td>
<td>5,425 af/yr</td>
<td>8</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Park Water Company²</td>
<td>25%</td>
<td>1,770 af/yr</td>
<td>1¹</td>
<td>27%</td>
<td>68%</td>
</tr>
<tr>
<td></td>
<td>Bellflower Home Garden Water Company</td>
<td>4%</td>
<td>388 af/yr</td>
<td>0</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100%</td>
<td>8,315 af/yr</td>
<td>10</td>
<td>33%</td>
<td>67%</td>
</tr>
</tbody>
</table>

The shortfall in water rights needed to meet citywide service demand is fulfilled by leasing additional water rights on the open market or by importing water from the MWD.

In addition to the above water rights, the City owns 394 af which are separate from the MWS and which are leased on the open market. Another approximately 99 af of water rights exist within the City and may be available for lease. Park Water Company owns substantial additional water rights in areas outside the City.

---
¹ Includes approximately 50 af/yr expended for system flushing and other maintenance operations.
² Park Water Company’s data is for calendar year 2013. Service demand and water source data is extrapolated from data for its Bellflower-Norwalk service area, and uses 2% recycled water.
³ Only includes the single well physically located in Bellflower.
⁴ Includes all Park Water Company water rights in the Central Basin.
8. **Water Costs.** The cost of water is largely determined by its source, with groundwater being much less expensive than imported water. Presently the MWS relies entirely on groundwater. For historical information on the cost of imported water see the 2011 (or earlier) MWS Annual Report.

<table>
<thead>
<tr>
<th>MWS Current and Estimated Future Water Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>WRD Recharge Assessment&lt;sup&gt;5&lt;/sup&gt;</td>
</tr>
<tr>
<td>Energy&lt;sup&gt;6&lt;/sup&gt;</td>
</tr>
<tr>
<td>Treatment</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

9. **Water Rates.** The water rates are reviewed annually, whether or not any rate change is proposed. Water rates have been raised three times since the MWS began operations in January 2007: June 2007, June 2008, and November 2009.

The following is a summary of water rate changes made since acquisition of the MWS in January 2007 (note: the decreased average customer’s cost is due to decreased use).

The total rate increase since 2007 amounts to about $1 per day, and is roughly equal to one-half penny for every gallon of water used by the customer.

<table>
<thead>
<tr>
<th>History of MWS Water Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bi-Monthly Service Charge&lt;sup&gt;8&lt;/sup&gt;</strong></td>
</tr>
<tr>
<td><strong>Initial Rate</strong></td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>2009</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2014</td>
</tr>
</tbody>
</table>

The following chart compares current local water rates.

---

<sup>5</sup> MWS is required to pay a $244 per acre foot Replenishment Assessment (“RA”) to the Water Replenishment District of Southern California to cover the MWS’ share of the costs incurred to recharge the aquifer that supplies groundwater to the MWS.

<sup>6</sup> WRD Recharge Assessment figures may be impacted by pending litigation regarding the Third Amended Judgment governing the Central Basin. If the Judgment is approved, the RA would increase by an additional approximately $49/af.

<sup>7</sup> Assumesh no increase to electric rates

<sup>8</sup> Bimonthly service charge for 5/8 x 3/4-inch meter

<sup>9</sup> Per 100 cubic feet of water used; 100 cubic feet of water is equal to 748 gallons

<sup>10</sup> Individual customer’s estimated actual average bimonthly use

<sup>11</sup> Average bimonthly water bill using average use and service charge for 5/8 x 3/4-inch meter
### Comparison of Current Local Water Rates

<table>
<thead>
<tr>
<th>Provider</th>
<th>Service Charge per BiMB</th>
<th>Commodity Charge per ccf</th>
<th>Average Customer Bill$^{12}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Water System</td>
<td>$59.26 BiMB</td>
<td>$2.208/ccf</td>
<td>$123.56</td>
</tr>
<tr>
<td>Bellflower-Somerset Mutual Water Company</td>
<td>$0.00 BiMB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bellflower Somerset Mutual Water Company (X-County Customers)$^{13}$</td>
<td>$20.00 BiMB</td>
<td>1st 9 ccf – 25.75 ea ccf &gt; 9 - $1.75</td>
<td>$80.96</td>
</tr>
<tr>
<td>Bellflower Home Garden Water Company$^{14}$</td>
<td>$55.00 BiMB</td>
<td>$0.00</td>
<td>$55.00</td>
</tr>
<tr>
<td>Park Water Company</td>
<td>$38.28 BiMB</td>
<td>Res &lt; 10 ccf - $4.53</td>
<td>$178.42</td>
</tr>
</tbody>
</table>

### Federal Grants Received and Pending

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
<th>Match</th>
<th>Total</th>
<th>Use</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 EPA STAG</td>
<td>$873,000</td>
<td>$714,273</td>
<td>$1,587,273</td>
<td>Interconnect &amp; HCW</td>
<td>10/31/12</td>
</tr>
<tr>
<td>2006 EPA STAG</td>
<td>$361,300</td>
<td>$295,609</td>
<td>$656,909</td>
<td>HCW</td>
<td>10/31/12</td>
</tr>
<tr>
<td>2009 CDBG-R</td>
<td>$319,000</td>
<td>$0</td>
<td>$319,000</td>
<td>System 1 Partial Replacement</td>
<td>9/30/12</td>
</tr>
</tbody>
</table>

### City General Fund Expenditures for MWS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Staff Support &amp; Forgone Interest</th>
<th>Ratepayer Assistance</th>
<th>Total Subsidy</th>
<th>Advance for MWS Cash Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>$55,000</td>
<td>$0</td>
<td>$55,000</td>
<td>$276,595</td>
</tr>
<tr>
<td>2007-08</td>
<td>$110,000</td>
<td>$2,944</td>
<td>$112,944</td>
<td>$0</td>
</tr>
<tr>
<td>2008-09</td>
<td>$110,000</td>
<td>$7,504</td>
<td>$117,504</td>
<td>$435,929</td>
</tr>
<tr>
<td>2009-10</td>
<td>$110,000</td>
<td>$9,339</td>
<td>$119,339</td>
<td>$707,137</td>
</tr>
<tr>
<td>2010-11</td>
<td>$113,000</td>
<td>$15,618</td>
<td>$128,618</td>
<td>$180,680</td>
</tr>
<tr>
<td>2011-12</td>
<td>$116,000</td>
<td>$12,575</td>
<td>$128,575</td>
<td>$712,718</td>
</tr>
<tr>
<td>2012-13</td>
<td>$80,000</td>
<td>$11,612</td>
<td>$91,612</td>
<td>$0</td>
</tr>
<tr>
<td>2013-14 Estimated</td>
<td>$64,000</td>
<td>$11,600</td>
<td>$75,600</td>
<td>$0</td>
</tr>
<tr>
<td>2014-15 Estimated</td>
<td>$66,000</td>
<td>$12,000</td>
<td>$78,000</td>
<td>$0</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>$525,510</td>
</tr>
<tr>
<td>Total</td>
<td>$824,000</td>
<td>$83,192</td>
<td>$907,192</td>
<td>$2,838,569</td>
</tr>
</tbody>
</table>

Less MWS Repayment to General Fund$^{15}$: $(143,574)$

---

$^{12}$ Based on MWS' average customer use of 29.12 ccf/BiMB

$^{13}$ In 2005 BSMWC acquired a portion of County Water Company which did not include water rights. As a consequence BSMWC customers who were formerly customers of County Water Company are charged an additional fee to pay for the additional water imported by BSMWC to serve their needs. This fee is based on the size of the property serviced, but averages $20 per bi-monthly billing period.

$^{14}$ Bellflower Home Garden charges a flat rate for each dwelling unit (a.k.a., “door”) on a property.

$^{15}$ Beginning in FY2012-13 and including $82,000 interest payment and $61,574 working capital repayment.
In July 2008, the City completed the sale of $8.23 million in Certificates of Participation (COP), the proceeds of which have been used to reimburse the City’s general fund for the purchase price of the MWS, pay the costs of issuance, and help pay for capital improvements to the System’s infrastructure. As collateral for the Certificates of Participation the City used the Bellflower Civic Center (City Hall and William & Jane Bristol Civic Auditorium) and Thompson Park. With the completion of the high capacity well project, the balance of these funds was exhausted.

<table>
<thead>
<tr>
<th>Proceeds From Sale of Certificates of Participation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue From Sales</td>
<td>$8,230,000</td>
</tr>
<tr>
<td>Less PWC Acquisition Costs</td>
<td>-$6,212,081</td>
</tr>
<tr>
<td>Less Cost of Issuance</td>
<td>-$244,598</td>
</tr>
<tr>
<td>Less Underwriter’s Discount</td>
<td>-$123,450</td>
</tr>
<tr>
<td>Less Net Original Issue Discount</td>
<td>-$144,983</td>
</tr>
<tr>
<td>Less Deposit to Debt Service Reserve Fund</td>
<td>-$539,819</td>
</tr>
<tr>
<td>Less Expenditures for MWS Capital Projects:</td>
<td></td>
</tr>
<tr>
<td>Well Disconnection / Destruction / Rehabilitation</td>
<td>-$292,267</td>
</tr>
<tr>
<td>Mapledale - Van Ruiten Waterline Interconnection</td>
<td>-$171,169</td>
</tr>
<tr>
<td>Local Match for System 1 Partial Water Main Replacement</td>
<td>-$140,721</td>
</tr>
<tr>
<td>High Capacity Well #1</td>
<td>-$360,912</td>
</tr>
<tr>
<td>Balance</td>
<td>$0</td>
</tr>
</tbody>
</table>

High Capacity Well #1 was completed in June 2012 at a cost of $2.83 million, and paid for using Federal grants, proceeds from the sale of Certificates of Participation, and cash advances from the City’s general fund reserves.

<table>
<thead>
<tr>
<th>Expenditures for High Capacity Well</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Grants</td>
<td>$987,323</td>
</tr>
<tr>
<td>2008 Certificates of Participation</td>
<td>$360,912</td>
</tr>
<tr>
<td>Advanced from City’s General Fund</td>
<td>$1,480,987</td>
</tr>
<tr>
<td>Total</td>
<td>$2,829,222</td>
</tr>
</tbody>
</table>


a. **High Capacity Well Operations.** During FY 2013-14 the High Capacity Well pumped 2,242.97 af of water, 732.00 af to MWS customers and 1,510.97 af to a third party customer (e.g., BSMWC).

b. **Decommissioning of Well 17.** Well 17, previously abandoned due to manganese contamination above maximum permissible levels, was decommissioned in June 2014.

c. **Service Connections.** Of approximately 1,825 customer service connections, 483 have been replaced since 2007, including 8 in FY 2013-14.

d. **Water Meters.** Of approximately 1,816 water meters, 339 have been replaced since 2007, including 12 in FY 2013-14.

---

16 The total of expenditures for MWS capital projects is $965,069
e. **Fire Hydrants.** The MWS has 77 fire hydrants, including one added in FY 2013-14. The City's long term goal is to replace the older hydrants and add additional hydrants as the serving water mains are replaced.

f. **Somerset/Leahy Main Extension.** A new section of water main was installed in Somerset Boulevard connecting to System 2, and a new hydrant was installed on Leahy.

12. **Major Initiatives for 2014 – 2015.**

   a. **Bellflower Boulevard Main Services.** Due to a series of water main failures effecting 12 service connections on Bellflower Boulevard south of Somerset Boulevard, the MWS is working on a project with BSMWC to abandon 800 feet of MWS 4-inch steel water main and connect the services to BSMWC’s existing water main on Bellflower Boulevard. No fire hydrants will be affected. Estimated cost - $35,000

   b. **High Capacity Well Install Phosphate Treatment System.** The installation of phosphate treatment equipment at the High Capacity Well will keep iron and manganese in solution and mitigate colored water conditions. Estimated cost - $33,000

   c. **Glandon Avenue Water Main Replacement.** To improve low water pressure problems on Glandon Avenue between Blaine and Prichard, the MWS will replace 220 feet of an existing 4 inch water main with a 6 inch main. This project includes no service connections or fire hydrants replacements. Estimated cost - $74,000

   d. **Remote Radio Read Meter Installations.** To eliminate the need for MWS personnel to enter the backyards of customers in order to read water meters the MWS will replace 279 existing meters with remote radio read meters. This project adds to the 60 remote radio read meters previously installed and when completed 18% of the MWS will be equipped with remote read meters. Estimated cost - $83,700

   e. **Interconnection at Felson and Carpintero.** There is presently only one water supply connection to System 8 and a secondary water source is needed. To ensure redundant water service for the customers in System 8, the MWS will install a metered service connection to BSMWC’s adjacent distribution system. Estimated cost - $86,500

   f. **High Capacity Well Chlorine Analyzer.** The MWS uses chlorine to treat water produced by the High Capacity Well. The existing analyzer has experienced some problems and to improve its efficiency and reliability the MWS will install a new analyzer. Estimated cost - $12,000

   g. ** Decommissioning and Destruction of Abandoned Wells 2, 3 and 8.** The MWS will continue plans for the decommissioning of these wells when funds become available.

   h. **Service Connections.** The MWS will continue to replace service connections as needed.

   i. **Water System Reconstruction - Planning.** Continue planning for phased reconstruction of the system, including replacement of water mains and fire hydrants.
j. **Grants and Loans.** The City will continue its aggressive pursuit of Federal and State grant and loan funds necessary to rebuilding the Water System.

k. **Water Atlas.** Complete conversion of hand drawn water atlas maps to GIS maps.

13. **Residential Ratepayer Assistance Programs.** The City continues to provide ratepayer assistance programs to qualified residential customers. Customers seeking more information about these programs should contact the Municipal Water System office.

   a. **Amortization Payment Plan.** Any residential customer who, on the certification of a licensed physician that the termination of water service will be life threatening to the customer, and upon the customer providing information to demonstrate that the customer is financially unable to pay for service within the normal payment period, and who is willing to enter into an amortization agreement with the City with respect to all charges that the customer is unable to pay prior to delinquency shall, upon request, be permitted to amortize, over a period not to exceed 12 months, the unpaid balance of any bill asserted to be beyond the means of the customer to pay within the normal period for payment.

   b. **Low Income Assistance Program for Water Rate Increases.** At any time that the City implements an increase in the water rate(s) charged, qualified low income residential customers may be determined by the City to be exempt from payment of fifty percent (50%) of the increase for a period not to exceed two years. The City Manager will establish additional rules and regulations necessary to administer this program.

   c. **Low Income Assistance Program for Service Line Repairs.** Subject to the availability of funds, qualified low income residential customers may receive a deferred loan under the City’s Home Improvement Program for the purpose of repairing service lines (i.e., the line connecting the meter to the house, up to the customer’s turn-off valve). The City Manager will establish additional rules and regulations necessary to administer this program.

   d. **Shutoff Protection for Qualified Military Customers.** In accordance with Section 827 of the California Military and Veterans Code, a Qualified Military Customer may apply for and receive shutoff protection for a period of 180 days.