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June 26, 2015

Santa Ana Regional Water Quality Control Board  
3737 Main Street Suite 500  
Riverside, CA 92501

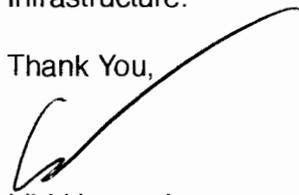
ATTN: James Famiglietti

RE: City of Beaumont Order #R8-2015-0026

Attached are additional documents regarding the City of Beaumont's sewer facility. Based on their previous track record; I am very concerned that your Staff will not uphold the provisions of the Order.

It is imperative that the Regional Board is diligent in upholding the provisions of this Order. There are 40,000 Citizens in the City of Beaumont that need to know the truth regarding their Infrastructure.

Thank You,

A handwritten signature in black ink, appearing to be 'Libi Uremovic', written over a thin, curved line that extends from the left towards the right.

Libi Uremovic

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June 26, 2015

Santa Ana Regional Water Quality Control Board  
3737 Main Street Suite 500  
Riverside, CA 92501

RE: City of Beaumont Order #R8-2015-0026

The Santa Ana Regional Water Quality Control Board is once again issuing an Order for the City of Beaumont to produce Title 22 Complaint Recycled Water and provide for Brine disposal. The Order contains many good provisions, but will be worthless without enforcement from the Regional Board.

In 1993 the City was required to build a recycled water facility as a condition for the approval of additional housing. The facility was scheduled to be completed in November, 1995. The population of Beaumont has increased from 8,000 to 40,000. Bonds were issued and Mitigation Fees collected, but a Title 22 complaint recycled water facility has never been built. We now know that the money earmarked to build the recycled water facility was embezzled.

For the past 20 years the Regional Board has turned a blind eye as the City of Beaumont neglected/ refused to produce Title 22 compliant recycled water. Instead of enforcing Title 22 compliance the Board has neglected their duties to regulate and have even helped the City hide penalties imposed from sewage spills.

In 2007 Beaumont not only failed to meet another deadline to produce recycled water they even forged their General Plan and stated that they did in fact produce Title 22 compliant recycled water. Deadlines to produce Title 22 complaint recycled water have come and gone without any enforcement from the Board. The December 30, 2014 deadline to produce Title 22 compliant recycled water was not even acknowledged by the City.

Even after the FBI Raids and State Auditor's Investigation the City still continues to defraud the Public and the State Water Quality Control Board.

Beaumont recently attempted a 'mock' public bid to appear as though the City was hiring a legitimate company to operate the sewer facility. Contractors attempting to Bid on the Contract stated that it was obvious that the City had no intention of hiring a legitimate sewer plant operator.

Deepak Moorjani, Principal of Urban Logic Consultants, has been the City's Sewer Plant Operator for the past 20 years. When new operators were required the City simply opened another dummy corporation and changed the letterhead. The City claims that Moorjani stopped working at the sewer plant on March 31, 2015, but they have made this claim numerous times in the past. The Santa Ana Regional Board addresses correspondence to Urban Logic Employees and Urban Logic Employees are noted in the Regional Board Minutes as representing the City of Beaumont.

Wildermuth has also been involved with Beaumont's sewer plant for 20 years. The Santa Ana Regional Board has accepted documents and reports from Wildermuth that the Board knew or should have known were fraudulent. Wildermuth has refused to release their Payroll as required by State Law for all sewer plant contractors.

The Order lists Beaumont City Manager Alan Kapanicas and Utility Partners as the City's contacts, but neither the City Manager nor the Company are working for the City.

The Order requires Beaumont to identify the Plant operators and signature with penalty of perjury on all documents, but the City can not produce an Employee or Contractor with the credentials to operate the facility. The City recently hired HRGreen to work 8 hours per week in order to fulfill the requirement to have an Engineer. HRGreen will not be operating the sewer facility and may not even be allowed access to the facility.

The Order requires the City of Beaumont to invest millions of dollars to produce Title 22 compliant recycled water. Beaumont City Council has not even set a Budget for their next Fiscal Year. All of the bond funds, mitigation fees, and taxes collected to build a recycled water facility and brine disposal are gone.

This Order has never been presented to Council. A week after the Order was released Beaumont City Council approved expansion of the plant, which is a direct violation of the Order. The City has no made no provisions to comply with this Order and no provisions to produce Title 22 compliant recycled water and brine disposal.

The Santa Ana Regional Water Quality Control Board's gross negligence has aided and abetted the City of Beaumont's fraud and embezzlement. The Santa Ana Regional Water Quality Control Board's gross negligence has put 40,000 Citizens' well being at risk.

It is now imperative that the Regional Board strictly enforce Beaumont's compliance with Order #R-8-2015-0026. The Board must invoke a Cease and Desist Order for failure to comply as monetary penalties have no effect on the City.

It is also Imperative that the Regional Board report any knowledge of criminal activity to the appropriate State and Federal Authorities.

## ATTACHMENTS

Beaumont Financing Authority

1993 Revenue Bond Series A \$8,500,000

(Sewer Enterprise Project)

1993 Sewer Bond: <http://emma.msrb.org/MS90568-MS65876-MD127415.pdf>

Beaumont Financing Authority

1994 Local Agency Revenue Bond Series A \$7,535,000

1994 Local Agency Revenue Bond Series B \$2,755,000

1994 Sewer Bond: <http://emma.msrb.org/MS98152-MS73460-MD142327.pdf>

\$9,790,00 2001 Wastewater Bond Called After Embezzlement Discovered.

Email from Contractor regarding the City of Beaumont's Fraudulent Public Bid Contract.

Email from Regional Board Director to Kyle Warsinski, who is the City's front for Deepak Moorjani, regarding my comments to the State Water Quality Control Board.

Begin forwarded message:

**From:** Mark Wippler <wipplerm@hotmail.com>

**Subject:** Tour of the City of Beaumont's WWTP 5/14/15

**Date:** May 14, 2015 at 4:11:42 PM PDT

**To:** "libi@libionline.net" <libi@libionline.net>

Libi,

Today the City of Beaumont provided a pre-bid walk through of their "state of the art" wastewater treatment facility to potential Operational and Maintenance contractors. The current contract operators "Utility Partners" contract is due to expire soon and it is time to rebid these services.

As part of due diligence for the Operations and Maintenance company I work for it brought me to some of your articles.

I do not know your experience regarding wastewater treatment processes but your insight into Beaumont not having a "state of the art" wastewater treatment facility is correct.

I have been in the water/wastewater treatment career field for 35 years. I possess a CA Grade V Wastewater Treatment Plant Operator license, CWEA Maintenance Technologist Grade IV, and CWEA Laboratory Analyst Grade I.

It is not likely that the company I work for will waste their time bidding for this contract.

Certain clues from the city staff indicate that the city is not willing to conduct due diligence on their part in actually looking for an operation and maintenance contractor for their facilities.

1.) Short timelines from the pre-bid walk through which was today (May 14, 10:00 am), to when the sealed bid is due (two weeks)(May 28,2015) At a minimum it should be 30 to 60 days.

2) NO Pictures to be taken of the facility. (Of course IF your a terrorist and plan to sabotage the facility I could see their point ;-). However you would not have been able to capture the dead bird floating in the effluent stream of their filters, the chipping paint on their clarifiers, or other operation and maintenance issues that you figure would have been corrected BEFORE allowing a tour.

3) In the Pre-Bid documents the City is requiring specific CA grade certifications that do not match facility requirements. From my experiences these requests could be "current contractor" specific items that limit other outside contractors from the bidding process.

4) One item requesting the new contractor to have experience operating a "Biolac" treatment system is absurd. Their process is considered conventional activated sludge and is no different to operate than any other activated sludge process. The only reason communities go with this type system is price. It is cheap to install but can become expensive to operate over time.

If you would like further information regarding wastewater treatment do not hesitate to call.

Thanks for your time :-)

As we have therefore opportunity, let us do good unto all men... (Galatians 6:10a)

Mark Wippler  
[wipplerm@hotmail.com](mailto:wipplerm@hotmail.com)  
1.661.874.2248

## City of Beaumont Sewer Plant Scam

On September 10, 2014 the Beaumont-Cherry Valley Water District voted to obtain Title 22 Compliant Recycled Water from the Yucaipa Valley Water District after waiting 20 years for the City of Beaumont to build a Wastewater Treatment Plant and produce Title 22 Compliant Recycled Water. (Action Item 4)

[http://www.bcvwd.org/PDF/Files/bcvwd\\_minutes/2014/09\\_10\\_2014%20Regular%20Board%20Meeting%20Minutes.pdf](http://www.bcvwd.org/PDF/Files/bcvwd_minutes/2014/09_10_2014%20Regular%20Board%20Meeting%20Minutes.pdf)

The City of Beaumont's original Sewer Plant was built in 1929. It had the sewage capacity for a few thousand homes and no wastewater recycling abilities.

In 1993 the City obtained an \$8.5 Million Bond to upgrade and expand the old Sewer Plant and build a Wastewater Treatment Plant to provide sewer and recycled water for the 4,000 current homes and businesses and 2,200 anticipated new homes and businesses.

From 1993 – 2001 the City of Beaumont has obtained a total of \$25.8 Million in Bond Debt to build a Wastewater Treatment Plant, but the facility was never built.

Review of the 2001 Wastewater Bond Fund Account reveals that between July 2009 - March 2012 Union Bank transferred \$3.9 Million to another accounted coded 'Urban Logic Consultants'.

The City has built over 13,000 homes in the last 20 years without adequate sewer facilities or a recycled water facility. The City relies on an Aquifer Basin that has been in Overdraft for years, and water purchased from the State, if available.

If the Beaumont-Cherry Valley area continues to use drinking water for construction, lawns, and golf courses their drinking water supply is projected to run out in less than 5 years.

The Property Owners in the Developments pay additional Mello Roos taxes in part for proper sewer facilities and a Wastewater Treatment Plant that produces Title 22 Compliant recycled water. Developers were also charged Mitigation Fees for Recycled Water. Unknown Millions in Additional Taxes and Fees have been collected from Property Owners and Developers for a Wastewater Treatment Facility that was never built.

For 20 years the Sewer Plant has been operated by Deepak Moorjani, City Engineer/Urban Logic Consultant. The City claims outside companies operate the Sewer Plant, but in the last 20 years the 'outside companies' have consisted of Moorjani changing the letterhead from 'Urban Logic Services' to 'Aquarion' to 'Utility Partners'.

The last time the City attempted to become Title 22 Compliant was in 2007.

The State Regional Quality Control Board has issued Guidelines and Penalties upon the City of Beaumont, but the Board has failed to uphold any Standards or properly Regulate the City and protect the Citizens.

Instead of building the Wastewater Treatment Plant the City lied and told the community that they built a state-of-the-art Wastewater Treatment Facility when in fact they built nothing at all.

The City now has the construction of the Wastewater Treatment Facility on their 'to do' list with a price tag of \$69.5 Million. The City has collected enough money to build the Plant, but all the money's gone.

All of the Bond money is gone. All of the Mello Roos Taxes are gone. All of the Mitigation Fees are gone. All of the Additional Fees and Taxes charged to the citizenry are gone. In the last 20 years the City of Beaumont has collected over \$50 Million to build a Wastewater Treatment Facility. There is no Plant and all the money's gone.

The City claims that it currently 'recharges' - meaning dumps - millions of gallons of wastewater into the Basin every day. Wastewater that did not meet the standards for Title 22 Compliance in 2007.

The City of Beaumont has a Population of 40,000 People, Bond Debt over \$350 Million, Lawsuits over \$100 Million, 30 Year Mortgages, a 3-4 Year Drinking Water Supply, and an Infrastructure that's little more than smoke and mirrors.

## Beaumont Wastewater Treatment Plant Time-Line

1993: City Adopts Resolution 1993-65 Charging Sewer Connection Fees to build a Wastewater Treatment Plant.

1993: City Obtains an \$8.5 Million Sewer Bond to Upgrade the Sewer Plant and Construct a Wastewater Treatment Facility. Bond states that the new facilities will have the Capacity to serve the 4,000 Existing homes and 2,200 Additional Homes.

1994: City Obtains \$10,290,000 Mello Roos Bond to Build 2,200 Homes.

1996: City Adopts Resolution 2006-73 Increasing Wastewater Treatment System Fees, Establishing a Salt Mitigation Fee, and Authorizing Expansion of Wastewater Treatment Facility.

1996: City Obtains \$7.5 Million Sewer Bond to Construct Wastewater Treatment Plant and Pay 1993 Bond

2001: City Obtains \$9.78 Million Wastewater Lease Revenue Bond. Bond States Wastewater Facility was Built in 1994 and is Title 22 Compliant

2002: March 5<sup>th</sup> Council Agenda Item 3.j 'Contract Extension for Wastewater Services with Urban Logic Services'

2003: Deepak Moorjani Changes Letterhead from 'Urban Logic Services' to 'Aquarion Services' and submits letter to Kapanicas stating that he sold the company, which consisted of the Beaumont Wastewater Contract, to an out-of-state company.

2000-2011: City Obtains \$300 Million in Mello Roos Bonds and Builds an Additional 8,000 Homes. All Bonds state that Funds will be Used to Build Sewer and Wastewater Treatment Facilities.

2006: City Council Passes Resolution 2006-73 Increasing Wastewater Treatment System Fees and Authorizes Expansion of Wastewater Treatment Plant.

2007: California Department of Health Issues 12 Requirements for the City of Beaumont to Become Title 22 Compliant. City never replies or attempts to qualify for Title 22 again.

2008: City Adopts Resolution 2008-45 Authorizing Funding to Construct Recycled Water System

2008: City Adopts Resolution 2008-50 Establishing Recycled Water Capital Reserve Fund in Accordance with State Water Resources Control Board Requirement.

2009: 403,000 Gallons of Raw Sewage Spill into the San Timoteo Creek

2010: California Regional Water Quality Control Board Issues Administrative Civil Liability Order No. R8-2010-0022

2010: Moorjani Changes Letterhead From 'Aquarion Services' to 'Utility Partners'

2009-2012: Union Bank Funnels \$6.6 Million to Urban Logic Consultants through the 2001 Wastewater Improvement Bond Fund Account

September 10, 2014: Beaumont-Cherry Valley Water District Votes to Receive Recycled Water from Yucaipa Water District as the City of Beaumont has Not built a Wastewater Treatment Plant or Attempted to Become Title 22 Compliant Since 2007.

September 16, 2014: Beaumont City Council Workshop list on the 'Critical Facilities Future Budget (What Beaumont will need to do in 2015) - \$60.5 Million Wastewater Treatment Plant Upgrades - Desalination and Brine Removal

## Beaumont Wastewater Treatment Plant Fraud

The legal definition of Fraud is: *A false representation of a matter of fact—whether by words or by conduct, by false or misleading allegations, or by concealment of what should have been disclosed—that deceives and is intended to deceive another so that the individual will act upon it to her or his legal injury.*

In the WRCOG vs City of Beaumont Ruling Judge Chaffee stated: “..fraud by clear and convincing evidence..”

Judge Chaffee was referring to mitigation fees collected for roads, but the fraud committed by the City of Beaumont regarding the Wastewater Treatment Plant is even more obvious and detrimental to the citizens of the Pass Area.

A 'sewer plant' is a facility that processes sewer waste.

A 'wastewater treatment plant' is a facility that produces recycled water from sewer waste.

In 1993 the City of Beaumont received their first bond to upgrade the sewer plant and build a wastewater treatment plant. *The wastewater treatment plant was supposed to be completed in 1995. 'Completed' as in able to produce Title 22 Compliant recycled water.*

The hard fact is that Beaumont Council and Staff never built a wastewater treatment plant - they just started calling the sewer plant a wastewater treatment plant.

For 20 years Beaumont City Council and Staff have repeatedly lied about having a 'state-of-the-art' wastewater treatment plant that produced Title 22 Compliant recycled water. The City repeatedly issued press releases and publicly lied to their citizens and to other agencies.

Page 19 of their 2007 General Plan states: “The City of Beaumont Wastewater Treatment Plant was recently expanded to accommodate up to 4.0 million gallons per day of effluent. The City estimates that up to 2,240 acre-feet of recycled wastewater are made available to the community through this plant's operation on an annual basis.”

In the State of California wastewater can not be not classified as 'recycled wastewater' until/unless it is Title 22 Compliant. The City has never produced Title 22 Compliant recycled water. NEVER.

The City hasn't even attempted to become Title 22 Compliant since 2007. The Bond Fund Accounts verified that the money from the 2001 Wastewater Bond was embezzled between 2009 - March 2012.

The Beaumont-Cherry Valley Water District did their part and installed the purple pipes for recycled water, but the City didn't/couldn't produce the recycled water. Instead they just put signs on the purple pipes stating that the water was recycled water.

The City has refused to allow Beaumont-Cherry Valley Water District Board and Staff Members access to their alleged wastewater treatment plant. The City refuses to allow the men in the door because these men will know that it's all a big lie.

“If you tell a lie big enough and keep repeating it, people will eventually come to believe it.”  
Joseph Goebbels

The City's lies about building a state-of-the-art recycled water plant is fraud by clear and convincing evidence. The only question is: what did the developers know?

Below are City of Beaumont links containing fraudulent documents regarding the recycled water and wastewater treatment plant:

General Plan pg 19: <http://www.ci.beaumont.ca.us/DocumentCenter/Home/View/63>

“The City’s treatment plant and recycled water meet or exceed all stat and federal standards”  
<http://www.ci.beaumont.ca.us/documentcenter/view/2804>

“In 1994 the city replaced the old plant with a new state-of-the-art facility ..”  
<http://www.ci.beaumont.ca.us/ArchiveCenter/ViewFile/Item/132>

“Water Use Per Home 280 Gal/Day Available for Recycling, Landscape Irrigation, Recharge, and Reuse.”  
<http://www.ci.beaumont.ca.us/documentcenter/view/19140>

“Wastewater treatment plant expansion and upgrading, water recycling, and storm drains: \$21.2 Million.”  
“Beaumont’s Water History 1994: The City’s wastewater treatment plant is expanded and upgraded”  
<http://www.ci.beaumont.ca.us/ArchiveCenter/ViewFile/Item/167>

“The City owns and operates its own Wastewater Treatment Plant”  
<http://www.ci.beaumont.ca.us/documentcenter/view/15910>

Transcripts from the September 10, 2014 Beaumont-Cherry Valley Water District Workshop

Dr Avi Greene, Four Seasons: “I have no knowledge at all, so I am a complete novice at this. The only thing that spurred my interest was that we have these purple pipes that we paid for that was part of, you know, and I was asking about those. Those are suppose to be for the reclaimed water. So I said, “O great”. When we moved in, which was about five years ago, we were told that this would be for reclaimed water. I said “great, great idea.” It turns out of course as everyone knows, there is no reclaimed water flowing through those, it’s all clean water.”

Water Board Director Ken Ross: “I met with the Regional Water Quality Control Board to find out if the City in fact had a state-of-the-art sewer operation like they said. The members of the Board laughed. They can not get the water clean enough to recycle.”

Water Board Director Dr. Blair Ball: “We got our people together to go look at the wastewater treatment plant, but we were denied access because one staff member from the City of Beaumont didn’t wear her right shoes. So everything stopped and they never let us in. They never let us in.”

District General Manager Eric Fraser: “there was discussion from the City of Beaumont Officials at the ad hock committee and also reported out at the alliance meeting that “Beaumont’s on track, 45 days we will be on track and have our Title 22 approval and legalize that water right away.” And that’s what was assured to me by Kyle and some other Officials from Beaumont. So I took a moment and called Mr. Williams at the Department of Public Health and asked him where are they at and do you think that’s going to happen? Have they approved the protocols? What’s going on? Mr. Williams indicated that he hasn’t heard from the City of Beaumont in quite some time.”

From: [redacted]  
Subject: IMG-20141004-00117.jpg  
Date: October 4, 2014 at 2:52 PM  
To: libl [redacted]

Sent from my Verizon Wireless BlackBerry





**Community Development Goal 8. The City of Beaumont will continue to provide for the development of wastewater treatment infrastructure to accommodate future demand.**



The City of Beaumont Wastewater Treatment Plant was recently expanded to accommodate up to 4.0 million gallons per day of effluent. The City estimates that up to 2,240 acre-feet of recycled wastewater are made available to the community through this plant's operation on an annual basis.

- *Community Development Element Policy 28.* The City of Beaumont will continue to protect water quality through effective wastewater system management.
- *Community Development Element Policy 29.* The City of Beaumont will continue to ensure that future development is adequately served by wastewater treatment facilities.
- *Community Development Element Policy 30.* The City of Beaumont will continue to plan for the development of a system that will use reclaimed water for irrigation.

**Community Development Goal 9. The City of Beaumont will continue to cooperate with the local school district to ensure the existing and future demands are met.**

The following policies underscore the City's commitment in working with the Beaumont Unified School District to ensure that there are adequate services and facilities to meeting existing and future demand.

- *Community Development Element Policy 31.* The City of Beaumont will cooperate with the

Beaumont Unified School District and the community college district to promote the provision of high quality services and facilities for local residents.

- *Community Development Element Policy 32.* The City of Beaumont will continue to maintain a proactive relationship with the Beaumont Unified School District as a means to promote quality school facilities and programs.

**Community Development Goal 10. The City of Beaumont will continue to explore innovative strategies to pay for needed infrastructure.**

While much of the Planning Area is currently undeveloped, most of this undeveloped land has entitlements for future development. Many thousands of new housing units and millions of square feet of commercial and industrial development are contemplated under the General Plan's land use policy. The timely provision of new infrastructure to meet both existing and projected demand is an important consideration that is addressed in the policies contained herein.

- *Community Development Element Policy 33.* The City of Beaumont will continue to require future development to pay their pro-rata share for infrastructure and public facilities.
- *Community Development Element Policy 34.* The City of Beaumont will continue to explore the feasibility of using assessment districts, benefit assessment districts, traffic mitigation fees, Mello-Roos, or other financial mechanisms as a means to finance the construction of new infrastructure.
- *Community Development Element Policy 35.* The City of Beaumont will continue to assist

Beaumont City Document Dated January 1, 2010, which begs the question: Did the City also take money from the Developers for a new wastewater treatment plant?

<http://www.ci.beaumont.ca.us/ArchiveCenter/ViewFile/Item/84>

The 1929 sewer plant had served the community well. But with development just over the horizon, a modern wastewater treatment plant had to be built at a cost \$6.2 million.

The capacity of the new facility allowed new subdivisions and commercial and industrial development that created jobs.

To raise money, Beaumont came up with an innovative method of turning developers into "partners" for growth.

→ About a dozen developers put up the money for a new wastewater treatment plant that would allow building to go forward and upgrade water quality for existing residents. Builders believed in the city's future potential, so they put a special tax on their raw land.

Builders like John Stewart recalled sitting in day-long meetings for weeks with city officials. His company put up \$750,000 to help pay for the new treatment plant. Later, his approximately 500-home project, Three Rings Ranch, helped ignite Beaumont's building boom.

The plant opened in 1994 --- five years ahead of the housing boom.

^  
There is  
no recycled  
water plant

<http://www.ci.beaumont.ca.us/ArchiveCenter/ViewFile/Item/132>

## Waste Water Treatment Plant

High-tech control rooms, big, blue ponds, and 140 miles of underground lines keep up with sewer treatment in Beaumont.

### Long and growing tradition

In 1929, Beaumont built its first treatment plant and located it in the southwestern portion of the city. In 1994, the city replaced the old plant with a new state-of-the-art facility on 15 acres in the very same location along 4th Street.

Developer fees paid for most of the plant.

*we hardly notice because it, doesn't exist.*

Today, the treatment facility handles 4 million gallons a day. And we hardly notice in a plant where we have come to expect excellence and the highest level of service. The facility, which is operated by a private company for Beaumont, works diligently to uphold the strict state and federal standards for recycled water.

The plant has a modular design that keeps costs down and can be expanded in years to come.

### Cutting edge water recycling

Beaumont's treatment plant uses a seven-step process to turn waste into environmentally safe recycled water and sludge.

In 1994, the city was the first to get a permit and use the ultraviolet process —instead of toxic chlorine — to disinfect and recycle water.

By working closely with the plant's operator and county and state agencies, Beaumont has become a leader in the world of water recycling. Our efforts help the environment and the Beaumont Basin.

1.8 million gallons a day are fed into Cooper's Creek to preserve riparian habitat.

700,000 gallons a day are poured into the Basin to replenish water levels.

Future: 8 million gallons a day —enough water to supply 15,000 homes for a year — will be recycled for landscaping and to replenish our groundwater supply.

Beaumont's recycled water travels down the Santa Ana River and is used by thirsty Southern Californians as it flows toward Orange County and the ocean.

### Looking ahead

We're able to double the capacity of our wastewater treatment plant and create 8 million gallons a day of recycled water enough to supply the needs of 15,000 homes for a year.

# Regulatory Environment

*city  
propaganda  
no date*

Treatment plants operate in a complicated and rigorous regulatory environment.

Beaumont's plant operates under a permit issued by the Santa Ana Regional Water Quality Control Board.

Recycled water must meet or exceed federal and state water quality standards.

↘ The city's treatment plant and recycled water ↙ meet or exceed all state and federal standards.

The plant operator is a private company under contract with the City of Beaumont.

## Beaumont 2001 Wastewater Treatment Bond Embezzlement

Bond Fund Accounts are individual accounts established and maintained by the Bond Trustee. All \$350 Million Bond Debt issued to the City of Beaumont has one (1) Bond Trustee: Union Bank.

The Use and Amount of money deposited into each Fund Account is established by each Bonds' Sources and Uses of Funds Disclosure page.

The Beaumont 2001 Wastewater Bond page 19 list the Bond Fund Accounts as:

Wastewater Escrow Fund \$7,987,365

Wastewater Improvement Fund \$1,518,760

Costs of Issuance Fund \$ 475,000

Rate Stabilization Fund \$ 300,000

Total Uses \$10,281,125

The Beaumont GAAP Audits report the following amounts paid for Sewer Fund Machinery & Equipment:

FYE 2010 \$4.4 Million

FYE 2011 \$2.4 Million

FYE 2012 \$2.6 Million

FYE 2013 \$2.3 Million

The definition of Machinery and Equipment is: 'Assets having a physical existence and expected to be used for a period exceeding one year.' Consulting, labor, and advertising expenses do not qualify as machinery and equipment.

Because the Check Warrants do not show millions in equipment purchases, a public records request was filed for the checks to show the Sewer Fund machinery and equipment purchased in the last four years. The City produced a copy of the General Ledger Sewer Fund 10 listing the money paid with Checks AND the 2001 Sewer Bond Wastewater Improvement Fund Accounts for the fiscal years ending in 2010, 2011, and 2012.

The July 1, 2009 Wastewater Improvement Fund Account shows a Beginning Balance of \$6,656,617.29. Page 19 of the Bond states the total amount the Trustee should have deposit into this Fund Account was only 1.5 Million.

From July 2009 thru June 2010 a total of \$1,784,199.99 was funneled to Urban Logic Consultants, \$15,794.90 to Bentley Systems, and \$871,810.73 to the City of Beaumont's Citibank Account.

From July 2010 thru June 2011 a total of \$1,116,859.95 was funneled to Urban Logic Consultants.

From July 2011 to March 2012 a total of \$999,021.56 was funneled to Urban Logic Consultants and \$1,835,084 to Citibank. The final Balance on March 31, 2012 was \$13.59.

When Beaumont Finance Director, William Alyward, was asked for the documentation from April 2012 through June 30, 2013 he replied that there is no documentation. There is nothing resembling a receipt for the \$2.3 Million in Equipment and Machinery recorded on the GAAP Audit FYE 2013.

The General Ledger from July 2009 through June 2012 lists a total of \$7,767,855.05 in Expenses with \$2.8 Million paid to Urban Logic, \$2.3 Million to J.F. Shea, \$92,676 to Moody Construction, and \$780,000 to Wildermuth Environmentals.

Nearly \$8 Million of the \$9.7 Million 2001 Wastewater Bond was supposed to be used to pay old bond debt, but \$3.9 Million was funneled to Urban Logic and \$2.7 Million was funneled back to the City through Citibank.

And the Wastewater Treatment Plant? There is no Wastewater Treatment Plant in Beaumont. All the money was embezzled.



Account Number  
671674106

Account Name  
BEAUMONT 2001-IMPROVEMENT FUND

### Account Statement

Statement Period

July 1, 2011 through July 31, 2011

### Asset Detail - Principal Portfolio

#### Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield
Money Market Funds							
BLACKROCK INSTITUTIONAL FUNDS T-FUND INSTITUTIONAL SHARES CASH MANAGEMENT SWEEPS	09248U718S	2,769,750.160	2,769,750.16	2,769,750.16	1.0000 07/29/2011	100.00%	0.01%
<b>Total Cash &amp; Cash Equivalents</b>		<b>2,769,750.160</b>	<b>\$2,769,750.16</b>	<b>\$2,769,750.16</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Principal Portfolio</b>		<b>2,769,750.160</b>	<b>\$2,769,750.16</b>	<b>\$2,769,750.16</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Account Values</b>		<b>2,769,750.160</b>	<b>\$2,769,750.16</b>	<b>\$2,769,750.16</b>		<b>100.00%</b>	<b>0.01%</b>

### Transaction Detail

Date	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance			\$0.00	\$2,808,654.36
07/05/11	CASH RECEIPT OF DIVIDEND EARNED ON BLACKROCK T-FUND MMKT INSTL #60 DIVIDEND FROM 6/1/11 TO 6/30/11	09248U718S	23.80	
07/11/11	CASH DISBURSEMENT PAID TO URBAN LOGIC CONSULTANTS, INC TRANSFER TO CD CHKING/SAVING REF #22- WASTERWATER ENTERPRISE PROJECT		(98,928.00)	



Account Number  
6711674106

Account Name  
BEAUMONT 2001 - IMPROVEMENT FUND

### Account Statement

Statement Period

August 1, 2011 through August 31, 2011

### Asset Detail - Principal Portfolio

Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield
<b>Money Market Funds</b>							
BLACKROCK INSTITUTIONAL FUNDS T-FUND INSTITUTIONAL SHARES CASH MANAGEMENT SWEEPS	09248U718S	2,683,767.330	\$2,683,767.33	2,683,767.33	1.0000 08/31/2011	100.00%	0.02%
<b>Total Cash &amp; Cash Equivalents</b>		<b>2,683,767.330</b>	<b>\$2,683,767.33</b>	<b>\$2,683,767.33</b>		<b>100.00%</b>	<b>0.02%</b>
<b>Total Principal Portfolio</b>		<b>2,683,767.330</b>	<b>\$2,683,767.33</b>	<b>\$2,683,767.33</b>		<b>100.00%</b>	<b>0.02%</b>
<b>Total Account Values</b>		<b>2,683,767.330</b>	<b>\$2,683,767.33</b>	<b>\$2,683,767.33</b>		<b>100.00%</b>	<b>0.02%</b>

### Transaction Detail

Date	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance			\$0.00	\$2,709,750.16
08/01/11	CASH RECEIPT OF DIVIDEND EARNED ON BLACKROCKT-FUND MMKT INSTL #60 CURRENT 7 DAY AVERAGE .01%	09248U718S	23.86	
08/01/11	SWEEP FEE COLLECTED CASH MGT CHG: BLACKROCKT-FUND MMKT INSTL #60	09248U718S	(21.69)	
08/11/11	CASH DISBURSMENT PAID TO URBAN LOGIC CONSULTANTS TRANSFER TO CD CHKING/SAVING REG 123-WASTEWATER ENTERPRISE PROJECTS		(85,985.00)	



■ **Account Number**  
 6711674196  
 ■ **Account Name**  
 BEAUMONT 2001 - IMPROVEMENT FUND

### Account Statement

■ **Statement Period**  
 September 1, 2011 through September 30, 2011

### Asset Detail - Principal Portfolio

#### Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield
<b>Money Market Funds</b>							
BLACKROCK INSTITUTIONAL FUNDS T-FUND INSTITUTIONAL SHARES CASH MANAGEMENT SWEEPS	09248U718S	2,593,295.970	2,593,295.97	2,593,295.97	1.0000 09/30/2011	100.00%	0.01%
<b>Total Cash &amp; Cash Equivalents</b>		<b>2,593,295.970</b>	<b>\$2,593,295.97</b>	<b>\$2,593,295.97</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Principal Portfolio</b>		<b>2,593,295.970</b>	<b>\$2,593,295.97</b>	<b>\$2,593,295.97</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Account Values</b>		<b>2,593,295.970</b>	<b>\$2,593,295.97</b>	<b>\$2,593,295.97</b>		<b>100.00%</b>	<b>0.01%</b>

### Transaction Detail

Date	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance			\$0.00	\$2,003,767.33
09/01/11	CASH RECEIPT OF DIVIDEND EARNED ON BLACKROCK FUND MMKT INSTL #61 CURRENT 7 DAY AVERAGE .01%	09248U718S	23.14	
09/09/11	CASH DISBURSEMENT PAID TO UREAN LOGIC CONSULTANTS, INC. TRANSFER TO UB CHKING/SAVING ;REQ 124-WASTERWATER ENTERPRISE PRJCTS		(90,494.50)	



Account Number  
6711674106

Account Name  
BEAUMONT 2001-IMPROVEMENT FUND

### Account Statement

Statement Period

October 1, 2011 through October 31, 2011

### Asset Detail - Principal Portfolio

#### Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield
<b>Money Market Funds</b>							
BLACKROCK INSTITUTIONAL FUNDS T-FUND INSTITUTIONAL SHARES CASH MANAGEMENT SWEEPS	09248U718S	2,473,011.960	2,473,011.96	2,473,011.96	1.0000 10/31/2011	100.00%	0.01%
<b>Total Cash &amp; Cash Equivalents</b>		<b>2,473,011.960</b>	<b>\$2,473,011.96</b>	<b>\$2,473,011.96</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Principal Portfolio</b>		<b>2,473,011.960</b>	<b>\$2,473,011.96</b>	<b>\$2,473,011.96</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Account Values</b>		<b>2,473,011.960</b>	<b>\$2,473,011.96</b>	<b>\$2,473,011.96</b>		<b>100.00%</b>	<b>0.01%</b>

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### Transaction Detail

Date	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance			\$0.00	\$2,593,295.97
10/03/11	CASH RECEIPT OF DIVIDEND EARNED ON BLACKROCK-FUND MKKT INSTL #60 CURRENT 7 DAY AVERAGE .01%	09248U718S	21.54	
10/14/11	CASH DISBURSEMENT PAID TO URBAN LOGIC CONSULTANTS, INC. TRANSFER TO UB CHRG/SAVING ; REQ 125-WASTEWATER ENTERPRISE PRJCTS		(129,305.55)	



Account Number  
6711674106

Account Name  
BEAUFONT 2001-IMPROVEMENT FUND

### Account Statement

#### Statement Period

November 1, 2011 through November 30, 2011

### Asset Detail - Principal Portfolio

#### Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield
<b>Money Market Funds</b>							
BLACKROCK INSTITUTIONAL FUNDS T-FUND INSTITUTIONAL SHARES CASH MANAGEMENT SWEEPS	09248U718S	2,384,552.120	\$2,384,552.12	\$2,384,352.12	1.0000 11/30/2011	100.00%	0.01%
<b>Total Cash &amp; Cash Equivalents</b>		<b>2,384,552.120</b>	<b>\$2,384,552.12</b>	<b>\$2,384,352.12</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Principal Portfolio</b>		<b>2,384,552.120</b>	<b>\$2,384,552.12</b>	<b>\$2,384,352.12</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Account Values</b>		<b>2,384,552.120</b>	<b>\$2,384,552.12</b>	<b>\$2,384,352.12</b>		<b>100.00%</b>	<b>0.01%</b>

### Transaction Detail

Date	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance			\$0.00	\$2,477,011.96
11/01/11	CASH RECEIPT OF DIVIDEND EARNED ON BLACKROCK T-FUND MMKT INSTL #60 CURRENT 7 DAY AVERAGE .01%	09248U718S	21.47	
11/01/11	SWEEP FEE COLLECTED CASH MGT CHO:BLACKROCK T-FUND MMKT INSTL #60	09248U718S	(18.06)	
11/01/11	PURCHASED 3.41 UNITS OF BLACKROCK T-FUND MMKT INSTL #60 TRADE DATE 11/01/11	09248U718S	(3.41)	3.41
11/08/11	CASH DISBURSEMENT PAID TO URBAN LOGIC CONSULTANTS, INC TRANSFER TO DECHKING/SAVING ; REQ 126 - WASTEWATER ENTERPRISE PROJ.		(88,463.25)	

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Account Number  
6711674106

Account Name  
BEAUMONT 2001-IMPROVEMENT FUND

### Account Statement

Statement Period

December 1, 2011 through December 31, 2011

### Asset Detail - Principal Portfolio

#### Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield
<b>Money Market Funds</b>							
BLACKROCK INSTITUTIONAL FUNDS T-FUND INSTITUTIONAL SHARES CASH MANAGEMENT SWEEPS	09248U718S	417,234.580	417,234.58	417,234.58	1.0000 12/30/2011	100.00%	0.01%
<b>Total Cash &amp; Cash Equivalents</b>		<b>417,234.580</b>	<b>\$417,234.58</b>	<b>\$417,234.58</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Principal Portfolio</b>		<b>417,234.580</b>	<b>\$417,234.58</b>	<b>\$417,234.58</b>		<b>100.00%</b>	<b>0.01%</b>
<b>Total Account Values</b>		<b>417,234.580</b>	<b>\$417,234.58</b>	<b>\$417,234.58</b>		<b>100.00%</b>	<b>0.01%</b>

### Transaction Detail

Date	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance			\$0.00	\$2,304,552.12
12/01/11	CASH RECEIPT OF DIVIDEND EARNED ON BLACKROCKT-FUND MMKT INSTL #60 CURRENT 7 DAY AVERAGE .01%	09248U718S	19.71	
12/01/11	SWEEP FEE COLLECTED CASH MGT CHG:BLACKROCKT-FUND MMKT INSTL #60	09248U718S	(15.74)	
12/01/11	PURCHASED 3.97 UNITS OF BLACKROCKT-FUND MMKT INSTL #60 TRADE DATE 12/01/11	09248U718S	(3.97)	3.97
12/08/11	CASH DISBURSEMENT PAID TO URBAN LOGIC CONSULTANTS TRANSFER TO SB CHKING/SAVING REQ 127-WASTEWATER ENTERPRISES PROJECT		(97,619.76)	

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Account Number  
6711674106

Account Name  
BEAUMONT 2001-IMPROVEMENT FUND

### Account Statement

Statement Period

December 1, 2011 through December 31, 2011

### Transaction Detail (continued)

Date	Description	CUSIP	Principal Cash	Cost Basis
12/08/11	SOLD 97,619.76 UNITS OF BLACKROCK FUND MMKT INSTL #60 TRADE DATE 12/08/11	09248U718S	97,619.76	(97,619.76)
12/14/11	CASH DISBURSEMENT PAID TO URBAN LOGIC CONSULTANTS TRANSFER TO CHECKING/SAVING REQ #128 - REDEVELOPMENT PROJECTS		(34,617.75)	
12/14/11	CASH DISBURSEMENT PAID TO CITIBANK FSB REQUISITION PAYMENT REQ #128; WWTP CLEANUP		(1,835,084.00)	
12/14/11	SOLD 1,869,701.75 UNITS OF BLACKROCK FUND MMKT INSTL #60 TRADE DATE 12/14/11	09248U718S	1,869,701.75	(1,869,701.75)
<b>Net Activity</b>			<b>\$0.00</b>	<b>(\$1,797,317.54)</b>
<b>Ending Balance</b>			<b>\$0.00</b>	<b>(417,234.58)</b>

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Account Number  
6711674106

Account Name  
BEAUFONT 2001-IMPROVEMENT FUND

Account Statement

Statement Period

January 1, 2012 through January 31, 2012

Transaction Detail (continued)

Date	Description	CUSIP	Principal Cash	Cost Basis
01/05/12	PURCHASED 417,236.2 UNITS OF BLACKROCKT-FUND MMKT INSTL #60 TRADE DATE 01/05/12	09248U718S	(417,236.19)	417,236.19
01/05/12	SOLD 417,236.2 UNITS OF BLACKROCKT-FUND MMKT INSTL #60 TRADE DATE 01/05/12	09248U718S	417,236.19	(417,236.19)
01/06/12	PURCHASED 417,236.2 UNITS OF BLACKROCKT-FUND MMKT INSTL #60 TRADE DATE 01/06/12	09248U718S	(417,236.19)	417,236.19
01/12/12	CASH DISBURSEMENT PAID TO URBAN LOGIC CONSULTANTS TRANSFER TO UF CHKING/SAVING ); REQ 009-WASTEWATER ENTERPRISE PROJECTS INV# 2012-101		(148,335.25)	
01/12/12	SOLD 148,335.3 UNITS OF BLACKROCKT-FUND MMKT INSTL #60 TRADE DATE 01/12/12	09248U718S	148,335.25	(148,335.25)
<b>Net Activity</b>			<b>\$0.00</b>	<b>(\$148,333.64)</b>
<b>Ending Balance</b>			<b>\$0.00</b>	<b>\$268,968.94</b>

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Account Number  
671674106

Account Name  
BEAUMONT 2001-IMPROVEMENT FUND

Account Statement

Statement Period

February 1, 2012 through February 29, 2012

Transaction Detail (continued)

Date	Description	CUSIP	Principal Cash	Cost Basis
02/13/12	CASH DISBURSEMENT PAID TO URBAN LOGIC CONSULTANTS TRANSFER TO UB CHKING/SAVING REQ 130-WASTEWATER ENTERPRISE PROJECTS INV# 2012-108		(197,485.25)	
02/13/12	SOLD 197,485.0 UNITS OF BLACKROCK FUND MMKT INSTL #60 TRADE DATE 02/13/12	0924807185	197,485.25	(197,485.25)
<b>Net Activity</b>			<b>\$0.00</b>	<b>(\$197,482.64)</b>
<b>Ending Balance</b>			<b>\$0.00</b>	<b>\$1,418.30</b>

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Account Number  
6711674106

Account Name  
BEAUMONT 2001-IMPROVEMENT FUND

Account Statement

Statement Period  
March 1, 2012 through March 31, 2012

Asset Detail - Principal Portfolio

Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield
<b>Money Market Funds</b>							
BLACKROCK INSTITUTIONAL FUNDS T-FUND INSTITUTIONAL SHARES CASH MANAGEMENT STRATEGIES	092480718S	13.590	13.59	13.59	1.0000 03/30/2012	100.00%	0.00%
<b>Total Cash &amp; Cash Equivalents</b>		<b>13.590</b>	<b>\$13.59</b>	<b>\$13.59</b>		<b>100.00%</b>	<b>0.00%</b>
<b>Total Principal Portfolio</b>		<b>13.590</b>	<b>\$13.59</b>	<b>\$13.59</b>		<b>100.00%</b>	<b>0.00%</b>
<b>Total Account Values</b>		<b>13.590</b>	<b>\$13.59</b>	<b>\$13.59</b>		<b>100.00%</b>	<b>0.00%</b>

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Transaction Detail

Date	Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance			00.00	\$71,418.30
03/05/12	CASH RECEIPT OF DIVIDEND EARNED ON BLACKROCK T-FUND MMKT INSTL #60 DIVIDEND FROM 2/1/12 TO 2/29/12	092480718S	0.18	
03/01/12	SWEEP FEE COLLECTED CASH MGT CHG: BLACKROCK T-FUND MMKT INSTL #60	092480718S	(0.89)	
03/01/12	PURCHASED 0.29 UNITS OF BLACKROCK T-FUND MMKT INSTL #60 TRADE DATE 03/01/12	092480718S	(0.29)	0.29
03/31/12	CASH DISBURSEMENT PAID TO URBAN LOGIC CONSULTANTS TRANSFER TO UB CHECKING/SAVING REQ. 131 WASTEWATER ENTERPRISE PFOJ INV# 2012-116, CONTRACT CERTIFICATE #124		(71,405.00)	

Journal Entry Series	TRX Date	Account Number	Account Description	Debit Amount	Credit Amount	Originating Master Name	
229491	Purchasing	3/14/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	92,908.53	-	J.F. SHEA CONSTRUCTION INC
230222	Purchasing	3/21/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	114,887.82	-	J.F. SHEA CONSTRUCTION INC
231931	Purchasing	4/18/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	112,923.56	-	J.F. SHEA CONSTRUCTION INC
234223	Purchasing	5/16/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	198,921.18	-	J.F. SHEA CONSTRUCTION INC
236440	Purchasing	6/18/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	379,734.81	-	J.F. SHEA CONSTRUCTION INC
214079	Purchasing	7/20/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	71,331.40	-	URBAN LOGIC CONSULTANTS
215005	Purchasing	8/2/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	86,595.00	-	URBAN LOGIC CONSULTANTS
215422	Purchasing	8/14/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	69,417.70	-	URBAN LOGIC CONSULTANTS
217279	Purchasing	9/6/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	118,150.68	-	URBAN LOGIC CONSULTANTS
218779	Purchasing	9/26/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	3,929.00	-	URBAN LOGIC CONSULTANTS
218782	Purchasing	9/26/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	77,155.00	-	URBAN LOGIC CONSULTANTS
218785	Purchasing	9/26/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	2,553.00	-	URBAN LOGIC CONSULTANTS
219191	Purchasing	10/3/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	3,075.00	-	URBAN LOGIC CONSULTANTS
219194	Purchasing	10/3/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	72,012.75	-	URBAN LOGIC CONSULTANTS
220297	Purchasing	10/18/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	37,790.00	-	URBAN LOGIC CONSULTANTS
220298	Purchasing	10/18/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	2,535.00	-	URBAN LOGIC CONSULTANTS
220299	Purchasing	10/18/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	4,295.00	-	URBAN LOGIC CONSULTANTS
220305	Purchasing	10/18/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	22,597.50	-	URBAN LOGIC CONSULTANTS
220306	Purchasing	10/18/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	195.00	-	URBAN LOGIC CONSULTANTS
222052	Purchasing	11/8/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	8,825.00	-	URBAN LOGIC CONSULTANTS
222053	Purchasing	11/8/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	9,005.00	-	URBAN LOGIC CONSULTANTS
222054	Purchasing	11/8/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	14,248.51	-	URBAN LOGIC CONSULTANTS
222059	Purchasing	11/8/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	39,860.25	-	URBAN LOGIC CONSULTANTS
222970	Purchasing	11/29/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	3,230.00	-	URBAN LOGIC CONSULTANTS
222971	Purchasing	11/29/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	7,790.00	-	URBAN LOGIC CONSULTANTS
222972	Purchasing	11/29/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	1,430.00	-	URBAN LOGIC CONSULTANTS
222978	Purchasing	11/29/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	35,458.75	-	URBAN LOGIC CONSULTANTS
222980	Purchasing	11/29/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	1,950.00	-	URBAN LOGIC CONSULTANTS
223882	Purchasing	12/13/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	12,805.00	-	URBAN LOGIC CONSULTANTS
223883	Purchasing	12/13/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	10,888.75	-	URBAN LOGIC CONSULTANTS
223884	Purchasing	12/13/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	5,045.00	-	URBAN LOGIC CONSULTANTS
223890	Purchasing	12/13/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	29,307.00	-	URBAN LOGIC CONSULTANTS
223891	Purchasing	12/13/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	4,290.00	-	URBAN LOGIC CONSULTANTS
225987	Purchasing	1/17/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	1,560.00	-	URBAN LOGIC CONSULTANTS
225988	Purchasing	1/17/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	18,560.86	-	URBAN LOGIC CONSULTANTS
225989	Purchasing	1/17/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	6,425.00	-	URBAN LOGIC CONSULTANTS
225990	Purchasing	1/17/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	780.00	-	URBAN LOGIC CONSULTANTS
225991	Purchasing	1/17/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	3,600.75	-	URBAN LOGIC CONSULTANTS
225994	Purchasing	1/17/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	35,113.25	-	URBAN LOGIC CONSULTANTS
227048	Purchasing	2/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	1,365.00	-	URBAN LOGIC CONSULTANTS
227049	Purchasing	2/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	24,681.50	-	URBAN LOGIC CONSULTANTS
227050	Purchasing	2/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	18,604.80	-	URBAN LOGIC CONSULTANTS
227051	Purchasing	2/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	390.00	-	URBAN LOGIC CONSULTANTS
227052	Purchasing	2/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	2,136.64	-	URBAN LOGIC CONSULTANTS

227055	Purchasing	2/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	18,713.75	-	URBAN LOGIC CONSULTANTS
228805	Purchasing	2/28/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	64,687.93	-	URBAN LOGIC CONSULTANTS
228806	Purchasing	2/28/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	9,682.87	-	URBAN LOGIC CONSULTANTS
228807	Purchasing	2/28/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	450.00	-	URBAN LOGIC CONSULTANTS
228810	Purchasing	2/28/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	27,261.50	-	URBAN LOGIC CONSULTANTS
229429	Purchasing	3/13/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	52,750.05	-	URBAN LOGIC CONSULTANTS
229430	Purchasing	3/13/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	2,530.00	-	URBAN LOGIC CONSULTANTS
229431	Purchasing	3/13/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	21,650.00	-	URBAN LOGIC CONSULTANTS
229434	Purchasing	3/13/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	26,247.85	-	URBAN LOGIC CONSULTANTS
230918	Purchasing	4/4/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	68,274.88	-	URBAN LOGIC CONSULTANTS
230919	Purchasing	4/4/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	4,480.00	-	URBAN LOGIC CONSULTANTS
230923	Purchasing	4/4/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	650.00	-	URBAN LOGIC CONSULTANTS
230924	Purchasing	4/4/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	3,620.00	-	URBAN LOGIC CONSULTANTS
232946	Purchasing	5/2/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	3,950.25	-	URBAN LOGIC CONSULTANTS
232948	Purchasing	5/2/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	3,510.00	-	URBAN LOGIC CONSULTANTS
232956	Purchasing	5/2/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	39,180.63	-	URBAN LOGIC CONSULTANTS
234426	Purchasing	5/15/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	85,330.25	-	URBAN LOGIC CONSULTANTS
234430	Purchasing	5/15/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	4,400.00	-	URBAN LOGIC CONSULTANTS
238027	Purchasing	6/30/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	57,500.50	-	URBAN LOGIC CONSULTANTS
238032	Purchasing	6/30/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	10,890.00	-	URBAN LOGIC CONSULTANTS
238035	Purchasing	6/30/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	3,600.00	-	URBAN LOGIC CONSULTANTS
238038	Purchasing	6/30/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	2,730.00	-	URBAN LOGIC CONSULTANTS
239374	Purchasing	6/30/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	280.00	-	URBAN LOGIC CONSULTANTS
232947	Purchasing	5/2/2013	10-4050-4060-0001	SEPTIC CONVERSION PROJECT	10,590.00	-	URBAN LOGIC CONSULTANTS

**Auditor adjustments**

240638	Purchasing	8/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	\$2,690.00	\$0.00	URBAN LOGIC CONSULTANTS
240642	Purchasing	8/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	\$39,331.40	\$0.00	URBAN LOGIC CONSULTANTS
240643	Purchasing	8/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	\$28,417.13	\$0.00	URBAN LOGIC CONSULTANTS
240644	Purchasing	8/1/2013	10-4050-4060-0000	CONTRACTUAL SERVICES	\$2,530.00	\$0.00	URBAN LOGIC CONSULTANTS

Journal Entry Series	TRX Date	Account Number	Account Description	Debit Amount	Credit Amount	Originating Master Name
191612 Purchasing	9/22/2011	10-4060-4070-0000	SPEC DEPT SUPPLIES	113,508.61	-	GODWIN PUMPS
187531 Purchasing	8/5/2011	10-4050-4060-0000	CONTRACTUAL SERVICES	11,513.00	-	J.F. SHEA CONSTRUCTION INC
190835 Purchasing	9/14/2011	10-4050-4060-0000	CONTRACTUAL SERVICES	58,320.50	-	URBAN LOGIC CONSULTANTS
193486 Purchasing	10/21/2011	10-4050-4060-0000	CONTRACTUAL SERVICES	63,833.50	-	URBAN LOGIC CONSULTANTS
195107 Purchasing	11/9/2011	10-4050-4060-0000	CONTRACTUAL SERVICES	63,400.00	-	URBAN LOGIC CONSULTANTS
197186 Purchasing	12/8/2011	10-4050-4060-0000	CONTRACTUAL SERVICES	42,995.00	-	URBAN LOGIC CONSULTANTS
199643 Purchasing	1/13/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	88,045.00	-	URBAN LOGIC CONSULTANTS
201762 Purchasing	2/10/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	21,676.50	-	URBAN LOGIC CONSULTANTS
204283 Purchasing	3/14/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	91,477.50	-	URBAN LOGIC CONSULTANTS
204288 Purchasing	3/14/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	168,647.75	-	URBAN LOGIC CONSULTANTS
204792 Purchasing	3/22/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	82,245.00	-	URBAN LOGIC CONSULTANTS
206751 Purchasing	4/19/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	200,115.25	-	URBAN LOGIC CONSULTANTS
207711 Purchasing	5/3/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	138,255.25	-	URBAN LOGIC CONSULTANTS
209484 Purchasing	5/24/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	124,975.00	-	URBAN LOGIC CONSULTANTS
210412 Purchasing	6/7/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	101,191.14	-	URBAN LOGIC CONSULTANTS
211346 Purchasing	6/22/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	90,371.15	-	URBAN LOGIC CONSULTANTS
212370 Purchasing	6/30/2012	10-4050-4060-0000	CONTRACTUAL SERVICES	83,632.75	-	URBAN LOGIC CONSULTANTS

## **City of Beaumont 2001 Wastewater Bond Called After Embezzlement Revealed.**

On November 4, 2014 Union Bank Director-Regional Manager of Corporate Trust, James Myers, notified Union Bank Director of Public Finance, Anne Kupfer, that the City of Beaumont's 2001 Wastewater Bond had been Called.

On November 19, 2014, Union Bank Trustee Michael Boughton transferred \$5,069,508.87 from the 13 different Mello Roos Bonds to pay the Wastewater Bond. These transactions are credited to Fund 12 on the General Ledger. There is no Fund 12 listed on the City's Budget.

On November 25th Union Bank transferred another \$1,154,670.72 to the City, but these transactions were not recorded on the General Ledger. On November 25th the City also received a deposit for \$1,300,251.05. \$1,300,000 was recorded on the General Ledger with the memo "Risk Management".

On November 25th the City transferred \$7,610,000 to Union Bank . This transaction is not recorded on the City's General Ledger.

**From:** James Myers  
**Sent:** Tuesday, November 04, 2014 8:06 AM  
**To:** Anne Kupfer [MH]  
**Subject:** Beaumont Utility Authority Letter of Credit Mandatory Tender  
**Importance:** High

H Anne,

I left a voicemail for you yesterday about the Beaumont Letter of Credit. Under the terms of the Indenture, since the Letter of Credit expires on 12/31/14, the bonds are subject to Mandatory Tender and Purchase on December 1, 2014, (the first bond payment date at least 5 days before the expiration of the letter of credit) notwithstanding Beaumont's intention to "pay off" the bonds sometime in December.

What this means is that we will need to draw on the full amount of the Letter of Credit for the December 1<sup>st</sup> Mandatory Tender Date. The bonds will then need to be registered in the name of MUFG Union Bank as the new Owner.

Notice of the tender should be going out today. Please contact me if you have any questions.

Thanks,

Jim

**James Myers**

**Director-Regional Manager/Corporate Trust**



**MUFG Union Bank, N.A.**

350 California Street, 11<sup>th</sup> Floor

San Francisco, CA 94104

----- Original message -----

From: Anne Kupfer

Date: 11/07/2014 9:55 AM (GMT-08:00)

To: "Bill Aylward ([baylward@ci.beaumont.ca.us](mailto:baylward@ci.beaumont.ca.us))" , "Alan Kapanicas ([akapanicas@ci.beaumont.ca.us](mailto:akapanicas@ci.beaumont.ca.us))"

Cc: Robert Sakai

Subject: FW: Beaumont Utility Authority Letter of Credit Mandatory Tender

Hi Bill and Alan,

I received this notice from the trustee (see below) that, unless they get paid off by December 1<sup>st</sup>, they will have to do a mandatory draw on the bank and we will have to book a bank loan. Since we do not want to fund a loan, and charge the high interest rate, is it possible to pay off sooner. Please let me know.

Thanks,

Anne

**Anne Kupfer**

Director

Public Finance



**MUFG Union Bank, N.A.**

445 South Figueroa St. 5<sup>th</sup> floor

Los Angeles, Ca. 90071

T: 213 236-6434

C: 310 502-0500

[akupfer@us.mufg.jp](mailto:akupfer@us.mufg.jp)

A member of MUFG, a global financial group

Authorized Representative of The Bank of Tokyo-Mitsubishi UFJ, Ltd.

**From:** "Bill Aylward" <[baylward@ci.beaumont.ca.us](mailto:baylward@ci.beaumont.ca.us)>

**Subject:** RE: Beaumont Utility Authority Letter of Credit Mandatory Tender

**Date:** November 7, 2014 at 10:10:19 AM PST

**To:** "Anne Kupfer" <[Anne.Kupfer@unionbank.com](mailto:Anne.Kupfer@unionbank.com)>, "Alan Kapanicas" <[akapanicas@ci.beaumont.ca.us](mailto:akapanicas@ci.beaumont.ca.us)>

Our plan is to have money to trustee around Thanksgiving

Sent from my Verizon Wireless 4G LTE smartphone

**OFFICIAL STATEMENT**

**NEW ISSUE — BOOK-ENTRY ONLY**

**RATING**  
**NOT RATED**

*In the opinion of McFarlin & Anderson, Irvine, California, Bond Counsel, subject to certain qualifications described herein, under existing law the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of federal alternative minimum taxes imposed on individuals and corporations, although for purposes of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. Bond Counsel expresses no opinion regarding other tax consequences related to the ownership or disposition of or the accrual or receipt of interest on, the Bonds. See "LEGAL MATTERS — Tax Matters" herein and the form of opinion of Bond Counsel attached hereto as Appendix C.*

COUNTY OF RIVERSIDE

STATE OF CALIFORNIA

**\$8,500,000**

**BEAUMONT FINANCING AUTHORITY  
1993 REVENUE BONDS, SERIES A  
(SEWER ENTERPRISE PROJECT)**

Dated: August 1, 1993

Due: September 1, as shown below

Interest on the Bonds is payable on March 1, 1994, and semiannually thereafter on September 1 and March 1 of each year until maturity or earlier redemption (see "THE BONDS — General Provisions" herein). The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of the Depository Trust Company, New York, New York, ("DTC"). Under the book-entry system maintained by DTC, the Bonds will be available to actual purchasers of the Bonds (the "Beneficial Owners") only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. Ownership interest in the Bonds will be in denominations of \$5,000 and integral multiples thereof. Principal, premiums, if any, and interest due with respect to the Bonds is payable to DTC by Meridian Trust Company of California, San Francisco, California, as Trustee (the "Trustee") and, so long as DTC or its nominee remains the registered bondholder, disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. In the event that the book-entry system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal, premium, if any, and interest by the Trustee, all as described herein.

The Bonds are subject to optional, mandatory and special mandatory redemption prior to maturity as described herein.

**MATURITY SCHEDULE**

**\$8,500,000 6.9% Term Bonds due September 1, 2023 (Price 100%)**

The Bonds are payable from the revenue pledged under the Indenture, described herein (see "THE LEGAL DOCUMENTS — THE INDENTURE") consisting primarily of installment payments to be made by the City of Beaumont (the "City") to the BEAUMONT FINANCING AUTHORITY (the "Authority") under an installment sale agreement as described herein. The City's obligation to make installment payments is payable solely from Net Revenues of the Sewer Enterprise of the City, as described herein (see "SOURCES OF PAYMENT FOR THE BONDS" and "BONDOWNERS' RISKS" herein).

The Bonds are not a debt of the State of California or of any political subdivision thereof other than the Authority to the limited extent described herein and neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof (including the Authority) is pledged to the payment of the principal of, interest or premium of the Bonds. The Authority has no taxing power.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to legality by McFarlin & Anderson, Irvine, California, Bond Counsel and subject to certain other conditions. Certain matters will be passed upon by Jones, Hall, Hill & White, a Professional Law Corporation, San Francisco, California, Disclosure Counsel, and for the Authority by Aklufi & Wysocki, Riverside, California. It is anticipated that the Bonds in book-entry form will be available for delivery in definitive form to DTC in New York, New York, on or about September 16, 1993.

**CHILTON & O'CONNOR, INC.**  
**INVESTMENT BANKERS**

Dated: August 31, 1993

1993 Sewer

**BEAUMONT FINANCING AUTHORITY  
1993 REVENUE BONDS, SERIES A  
(SEWER ENTERPRISE PROJECT)**

**CITY COUNCIL**

*Janice C. Laja, Mayor  
Frank H. Parrott, Mayor Pro Tem  
Matthew A. Brey, Councilmember  
Donald W. McLaughlin, Councilmember  
Matthew J. Russo, Councilmember*

**CITY STAFF**

*Dayle Keller, City Manager  
Alan C. Kapanicas, Interim Director of Administrative Services*

**PROFESSIONAL SERVICES**

**Bond Counsel**

*McFarlin & Anderson  
Irvine, California*

**City Attorney**

*Joseph A. Aklufi  
Aklufi & Wysocki, Riverside*

**Project Manager**

*Urban Logic Consultants  
Temecula, California*

**Civil Engineer**

*Trans-Pacific Consultants  
Temecula, California*

**Waste Water Engineer**

*Lee & Ro  
City of Industry, California*

**Sewer Rate Consultant**

*David Taussig & Associates, Inc.  
Newport Beach, California*

**Underwriter**

*Chilton & O'Connor, Inc.  
Los Angeles, California*

**Disclosure Counsel**

*Jones Hall Hill & White  
A Professional Law Corporation  
San Francisco, California*

**Trustee**

*Meridian Trust Company of California  
San Francisco, California*

another intermediate clarifier. From the intermediate clarifier partially treated waste water is discharged to another trickling filter which is followed by a secondary clarifier. Finally, the treated waste water is chlorinated and discharged to Cooper's Creek. Solids from the various clarifiers are pumped to an anaerobic digester for stabilization. The digested sludge from the digester is dried in drying beds prior to disposal at local landfills, or on agricultural land.

Because the existing headworks and primary clarifiers can adequately treat flows in excess of the current average flow of 1.0 MGD, these units will continue to be used (with minor modifications) as the flows increase. The existing anaerobic digester will continue to be used to digest sludge from the existing primary clarifiers. Construction of the new facilities should start during the winter of 1993 and should be completed by March 1995. A temporary pumping station will be constructed just downstream of the existing primaries for diversion of primary effluent to the new secondary treatment process. A single lined activated sludge basin with aeration units for denitrification will be installed along with a disinfection contact tank.

The treated effluent from the new facilities should meet the current discharge requirements. For example, total inorganic nitrogen (TIN) should be less than 10 mg/l (as N) more than 85 percent of the time, ammonia nitrogen should be less than 2 mg/l (as N), turbidity should be less than 2 and the coliform concentration should be less than 2.2 per 100 ml.

The existing headworks has two channels for reliability. The secondary treatment process will be designed for complete treatment even if both of the primary clarifiers are out of service. The activated sludge basin will be designed so that the aeration or mixing units can be removed from service one at a time without impairing treatment efficiency. Multiple filters will be provided.

#### Governmental Organizations

The City, incorporated in 1912, is a general law city governed by a Mayor and four City Council members who are elected to four-year alternating terms. The City has adopted the Council-Manager form of operation. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business, the coordination of all departments of the City, including the Sewer Enterprise, and carrying out the policies established by the City Council. The Public Works Director will exercise general supervision over the Sewer Enterprise.

1993 sewer

Bonds were issued, as a result of future acts or omissions of the Authority or the City in violation of their covenants in the Indenture or the Installment Sale Agreement, as applicable. Should such an event of taxability occur, the Bonds are not subject to a special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

### Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

## THE SEWER ENTERPRISE

### Background

The Sewer Enterprise consists of collection and treatment facilities which now serve the equivalent of approximately 3,982 customer units. The existing treatment structures and equipment are nearing the end of their useful life and have limited capacity to meet future demand. Current waste water flows are at the system's rated capacity of 1.0 MGD.

The waste water treatment plant is operating under a permit issued by the State Regional Water Control Board which requires the plant to comply with new water quality standards by March 1993. To meet the permit requirements, the Sewer Enterprise will construct new waste water treatment facilities, with a maximum capacity of 1.4 MGD, northeast of the existing headworks. Of the facilities total capacity, 1.0 MGD will be reserved for existing users, and the excess capacity of up to .4 MGD will be reserved for new development and is planned to be sold to Community Facilities District 93-1.

Community Facilities District 93-1 contains 13 improvement areas, of which 12 have authorized bonded indebtedness and the levy of a special tax. When the CFD issues special tax bonds (expected in October 1993), the City of Beaumont intends to sell the excess capacity to the CFD for approximately \$3,400,000. In the alternative, the City may exchange the excess capacity for special tax bonds with a face value of approximately \$3,400,000. The income from these bonds would supplement the user fees in meeting the City's obligations under the Installment Sales Agreement.

### The Project

The Project involves acquisition of and improvements to the Sewer Enterprise, including construction of a new waste water treatment plant. The new facility will use an activated sludge process. The activated sludge process will remove nitrogen using anoxic treatment zones which convert nitrates to nitrogen gas. The nitrogen gas is then discharged into the atmosphere. The treated waste water will then be pumped to sand filters and the filtered water will then be disinfected using sodium hypochlorite.

The existing treatment plant includes a headworks for grit removal, comminution and metering. The discharge from the headworks enters two primary clarifiers, which are followed by a trickling filter and

**NEW ISSUE-BOOK ENTRY ONLY**

**RATING  
NOT RATED**

*In the opinion of McFarlin & Anderson, Irvine, California, Bond Counsel, subject to certain qualifications described herein, under existing law the interest on the 1994 Series A and the 1994 Series B Bonds (the "Bonds") is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of federal alternative minimum taxes imposed on individuals and corporations, although for purposes of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. Bond Counsel expresses no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "LEGAL MATTERS — Tax Matters" herein and the form of opinion of Bond Counsel attached hereto as Appendix G.*

**COUNTY OF RIVERSIDE**

**STATE OF CALIFORNIA**

**\$7,535,000**

**\$2,755,000**

**BEAUMONT FINANCING AUTHORITY  
1994 LOCAL AGENCY REVENUE BONDS  
SERIES A**

**BEAUMONT FINANCING AUTHORITY  
1994 LOCAL AGENCY REVENUE BONDS  
SERIES B**

**Dated: January 15, 1994**

**Due: September 1, as shown below**

Interest on the Bonds is payable on September 1, 1994, and semiannually thereafter on March 1 and September 1 of each year until maturity or earlier redemption (see "THE BONDS — General Provisions" herein). The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of the Depository Trust Company, New York, New York, ("DTC"). Under the book-entry system maintained by DTC, the Bonds will be available to actual purchasers of the Bonds (the "Beneficial Owners") only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. Ownership interest in the Bonds will be in denominations of \$5,000 and integral multiples thereof. Principal, premiums, if any, and interest due with respect to the Bonds is payable to DTC by Meridian Trust Company of California, San Francisco, California, as Trustee (the "Trustee") and, so long as DTC or its nominee remains the registered bondholder, disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. In the event that the book-entry system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal, premium, if any, and interest by the Trustee, all as described herein.

The Bonds are subject to optional, mandatory and special mandatory redemption prior to maturity as described herein.

**1994 SERIES A MATURITY SCHEDULE**

**\$7,535,000 7% Term Bonds due September 1, 2023 (Price 98.764%)**

**1994 SERIES B MATURITY SCHEDULE**

**\$2,755,000 Serial Bonds**

<b>Maturity Date Sept. 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Reoffering Yield</b>	<b>Maturity Date Sept. 1</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Reoffering Yield</b>
1999	\$65,000	5.75%	5.75%	2002	\$75,000	6.20%	6.20%
2000	70,000	5.95	5.95	2003	80,000	6.30	6.30
2001	75,000	6.10	6.10				

**\$2,280,000 7.25% Term Bonds due September 1, 2023 (Price 100%)**

The Bonds are payable from the revenue pledged under the Indenture, described herein (see "THE LEGAL DOCUMENTS — THE INDENTURE") consisting primarily of principal and interest payments on local obligations, as described herein (see "SOURCES OF PAYMENT FOR THE BONDS" and "BONDOWNERS' RISKS" herein).

The Bonds are not a debt of the State of California or of any political subdivisions thereof other than the Authority to the limited extent described herein and neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof (including the Authority) is pledged to the payment of the principal of, interest or premium of the Bonds. The Authority has no taxing power.

This cover contains certain information for quick reference only. It is not a summary of this issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to legality by McFarlin & Anderson, Irvine, California, Bond Counsel and subject to certain other conditions. Certain matters will be passed upon for the Underwriter by Jones, Hall, Hill & White, a Professional Law Corporation, San Francisco, California, Disclosure Counsel, and for the Authority by Aklufi & Wysocki, Riverside, California. It is anticipated that the Bonds in book-entry form will be available for delivery in definitive form to DTC in New York, New York, on or about February 9, 1994.

**CHILTON & O'CONNOR, INC.**  
INVESTMENT BANKERS

**Dated: January 27, 1994**

1994 BOND

**BEAUMONT FINANCING AUTHORITY  
1994 LOCAL AGENCY REVENUE BONDS**

**BEAUMONT FINANCING AUTHORITY GOVERNING BOARD  
AND CITY COUNCIL**

*Junier C. Lejo, Mayor*  
*Frank H. Parrott, Mayor Pro Tem*  
*Matthew A. Brey, Councilmember*  
*Roger N. Berg, Councilmember*  
*Matthew J. Russo, Councilmember*

**CITY AND AUTHORITY STAFF**

*Dayle Keller, City Manager and Executive Director*  
*Alan C. Kapanicas, Interim Director of Administrative Services*  
*David W. Dillon, Director of Economic Development*

**PROFESSIONAL SERVICES**

**Bond Counsel**  
McFarlin & Anderson  
Irvine, California

**Authority Counsel and City Attorney**

Joseph A. Aklufi  
Aklufi & Wysocki, Riverside

**Project Manager**  
Urban Logic Consultants  
Temecula, California

**Civil Engineer**  
Trans-Pacific Consultants  
Temecula, California

**Special Tax Consultant**  
David Taussig & Associates, Inc.  
Newport Beach, California

**Underwriter**  
Chilton & O'Connor, Inc.  
Los Angeles, California

**Disclosure Counsel**  
Jones Hall Hill & White  
A Professional Law Corporation  
San Francisco, California

**Trustee**  
Meridian Trust Company of California  
San Francisco, California

1994 Bond

## OFFICIAL STATEMENT

**\$7,535,000**

**BEAUMONT FINANCING AUTHORITY  
1994 LOCAL AGENCY REVENUE BONDS  
SERIES A**

**\$2,755,000**

**BEAUMONT FINANCING AUTHORITY  
1994 LOCAL AGENCY REVENUE BONDS  
SERIES B**

This Official Statement which includes the cover page and appendices (the "Official Statement") is provided to furnish certain information concerning the sale of the Beaumont Financing Authority (the "Authority") 1994 Local Agency Revenue Bonds Series A and Series B (the "Bonds"), in the aggregate principal amount of \$10,290,000.

### INTRODUCTORY STATEMENT

This introduction contains only a brief description of this issue and does not purport to be complete. The introduction is subject in all respects to more complete information in the entire Official Statement and the offering of the Bonds to potential investors is made only by means of the entire Official Statement and the documents summarized herein. See "**BOND OWNERS' RISKS**" herein for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

### Overview

Throughout the 1980s, while other communities in western Riverside County were expanding rapidly, growth in the Beaumont area was severely restricted due to the capacity limits of the City's wastewater treatment facilities. Without new wastewater treatment facilities, several new master planned communities and mixed use developments which had been approved by the City could not be built. To build new wastewater treatment facilities the City raised \$1,600,000 from developers and contributed its own sewer enterprise funds. In addition, the City formed the Authority which issued, in 1993, sewer revenue bonds with a par value of \$8,500,000 to finance the balance of the required facilities.

 Construction on the new wastewater facilities has begun, and Beaumont is now able to support the growth which bypassed the City in the 1980s. Growth is projected, by Empire Economics, to pick-up again in the mid-1990s. The envisioned growth is not expected to be as rapid as the late 1980s, but is anticipated to begin incrementally in late 1994 and early 1995. (See Appendix D.)

Accessibility, affordability, and amenities are the primary factors which will, in the view of Empire Economics, make Beaumont an attractive location for new home buyers. Only Victorville which is more remote, across the Cajon Pass, offers this same combination of factors.

Beaumont is within easy driving distance of the Riverside and San Bernardino employment markets, and only 36 miles from the Ontario International Airport employment center. Beaumont is served by

1994 Bond

## Facilities to be Financed by the District

The Bonds are proposed to be issued based upon the estimates shown below. The Developers have not agreed to pay any costs overruns. Cost overruns will reduce the facilities which can be financed. The adopted District resolutions authorize the issuance of District Bonds to be issued to fund the planning, design, permitting and construction of public facilities. The authorized public facilities proposed for funding through the issuance of District Bonds are defined as follows:

**Critical Facilities.** Critical facilities are those facilities which have the highest priority in terms of the City of Beaumont's Comprehensive Public Facilities Financing Program (Program). Critical Facilities represent programs and improvements that benefit large areas of the City and its sphere of influence. Included in the list of Critical Facilities are City Program costs related to the preparation of a comprehensive public facility financing plan, construction of water, sewer and transportation master planning, expansion of the wastewater treatment plant and prepaid BSF fees to fund market absorption and appraisal reports.

**Joint Facilities.** Joint facilities are those facilities which have the second highest priority in terms of the City Program. Joint facilities represent improvements which benefit multiple Improvement Areas within the District. Included in joint facilities are master planned water, sewer and drainage improvements.

**Individual Facilities.** Individual facilities are those facilities which have the lowest priority in terms of the City Program. Individual facilities represent improvements that generally benefit individual Improvement Areas within the District. Included in individual facilities are master planned, in tract water and sewer improvements and preliminary engineering funding.

The following table summarizes authorized District facilities which are to be designed, acquired or constructed through this financing.

---

**City of Beaumont**  
**Community Facilities District 93-1**  
**Series 1994A Facilities<sup>1</sup>**

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• <b>Critical Facilities</b>		
1.	City Program <sup>2</sup>	\$ 837,000
2.	Water System Master Plan <sup>1</sup>	70,000
3.	Treatment Plant Facilities	2,954,000
4.	Sewer System Master Plan <sup>1</sup>	75,000
5.	Reclaimed Water System	371,000
6.	Southwest Properties Trans. System	1,095,488
7.	Prepaid BSF Fees	17,487
	<b>Subtotal</b>	<b>\$5,419,975</b>
• <b>Joint Facilities</b>		
1.	Noble Creek Sewer	\$ 738,500
2.	Southwest Properties Sewer <sup>1</sup>	157,000
3.	Southwest Properties Water <sup>1</sup>	100,000

Bond: 2001 Wastewater Enterprise Series A Lease Revenue Bond

Amount: \$9,790,000

Kapanicas listed as 'City Manager, Finance Director, City Clerk'

Page 3 Refunding Program states: "The Financing Authority has previously issued its Local Agency Revenue Refunding Bonds 1996 Series A in the aggregate principal amount of \$7,510,000, All of which remain outstanding."

Page 19 Sources of Funds lists Remaining Funds from 1996 Wastewater Bond at \$686,925

Page 19 Uses of Funds lists the following:

Wastewater Escrow Fund	\$7,987,365
Wastewater Improvement Fund	\$1,518,760
Costs of Issuance Fund	\$475,000
Rate Stabilization Fund	\$300,000

Escrow Fund Memo states: "See 'Introductory Statement – The Refunding Program' herein."  
(pg 3)

Page 44 The Project states: "The Wastewater Enterprise improvements to be planned, designed, and/or constructed with proceeds from the Bonds will include reclaimed water facilities, electrical generation and conservation facilities and improvements to the sanitary and storm sewer systems."

Page 45 Wastewater Enterprise Description: "The Beaumont Wastewater Reclamation Facility was constructed in 1994. The tertiary treated wastewater generated by the facility complies with all Title 22 and State Regional Water Quality Control Board discharge requirements."

The Wastewater Improvement Fund Account monthly statements show \$6.6 Million funneled to Urban Logic Consultants from 2009 – 2012.

**NEW ISSUE-BOOK ENTRY ONLY**

**RATING**

Standard & Poor's: AAA/A1+  
(See "CONCLUDING INFORMATION - Rating on the Bonds" herein)

*In the opinion of McFarlin & Anderson, Lake Forest, California ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants and agreements, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1955 and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "LEGAL MATTERS - Tax Matters" herein.*

**RIVERSIDE COUNTY**

**STATE OF CALIFORNIA**



**\$9,790,000**

**BEAUMONT UTILITY AUTHORITY  
VARIABLE RATE REVENUE BONDS, 2001 SERIES A  
(WASTEWATER ENTERPRISE PROJECT)**

**PRICE: 100%**

**Dated: Date of Delivery**

**Due: September 1, 2041**

The cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the Bonds involves risks. See "BOND OWNERS' RISKS" herein for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2001 (the "Indenture"), by and between the Beaumont Utility Authority (the "Authority") and BNY Western Trust Company, as trustee (the "Trustee"). A portion of the proceeds of the Bonds will be used to make an initial lease payment under a Lease Agreement, dated as of August 1, 2001 (the "Lease Agreement"), by and between the Authority and the City of Beaumont (the "City"), pursuant to which the Authority will lease from the City the City's wastewater system. The City will use such lease payment to refund and defease certain obligations of the Beaumont Financing Authority. See "INTRODUCTORY STATEMENT - The Refunding Program" herein.

Interest on the Bonds is payable on September 1, 2001, and the first business day of each month thereafter, so long as the Bonds bear interest at a Variable Rate, and, after conversion to a fixed interest rate, at a fixed interest rate (the "Fixed Rate") as determined in accordance with the Indenture (see "THE BONDS - General Provisions" herein). So long as the Bonds bear interest at the Variable Rate, Owners of the Bonds will have the right to have their Bonds purchased in the manner described herein (see "THE BONDS - Option to Tender prior to Fixed Rate Conversion Date" herein).

Payments of principal of and interest (but not any premium) on the Bonds will be initially supported by an irrevocable direct-pay letter of credit (the "Letter of Credit") issued to the Trustee, the drawings under which will be used to pay the principal of and interest on the Bonds when due. The Letter of Credit will also be drawn on, if other funds are not available, to purchase Bonds tendered by Owners at the Purchase Price. The Letter of Credit will be issued by

**Union Bank of California, N.A.**

(the "Credit Entity") and, if the Credit Entity wrongfully dishonors a properly presented and conforming draw on the Letter of Credit or if the Credit Entity repudiates the Letter of Credit, funds will be made available under an irrevocable confirming letter of credit (the "Confirming Letter of Credit") to be issued by the

**California State Teachers' Retirement System**

(the "Confirming Credit Entity"). The Letter of Credit will expire on August 22, 2006 and the Confirming Letter of Credit will expire on August 22, 2004 unless extended or unless a substitute letter of credit or substitute confirming letter of credit or other replacement securities meeting the requirements of the Indenture is provided.

The information contained within this Official Statement was prepared under the direction of the Authority by the following firm serving as Financing Consultant to the Authority.



**Rod Gunn Associates, Inc.**

The Bonds are special obligations of the Authority payable from Net Wastewater Revenues pledged under the Indenture (see "SUMMARY OF THE LEGAL DOCUMENTS - THE INDENTURE" herein) (see "SOURCES OF PAYMENT FOR THE BONDS", "BOND OWNERS' RISKS" and "APPENDIX A - DEFINITIONS OF CERTAIN TERMS USED IN THE INDENTURE" herein). It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about August 23, 2001 (see "THE BONDS - General Provisions - Book-Entry Only System" herein).

The date of the Official Statement is August 14, 2001.

**O'CONNOR & COMPANY SECURITIES**  
PUBLIC FINANCE

**BEAUMONT UTILITY AUTHORITY  
BEAUMONT, CALIFORNIA  
AUTHORITY BOARD AND CITY COUNCIL**

Roger Berg, *Chairperson and Mayor*  
Brian DeForge, *Vice Chairperson and Mayor Pro Tem*  
Larry Dressel, *Board Member and Council Member*  
Jeffery Fox, *Board Member and Council Member*  
Placido Valdivia, *Board Member and Council Member*

**AUTHORITY AND CITY STAFF**

Alan C. Kapanicas, *City Manager, Finance Director and City Clerk*  
David W. Dillon, *Director of Economic Development*

**PROFESSIONAL SERVICES**

**Bond Counsel**

McFarlin & Anderson  
Lake Forest, California

**Authority Counsel and City Attorney**

Aklufi & Wysocki  
Riverside, California

**Disclosure Counsel**

Fulbright & Jaworski L.L.P.  
Los Angeles, California

**Financing Consultant**

Rod Gunn Associates, Inc.  
Seal Beach, California

**Project Engineer**

Urban Logic Consultants  
Temecula, California

**Trustee & Escrow Bank**

BNY Western Trust Company  
Los Angeles, California

**Underwriter**

O'Connor & Company Securities  
Newport Beach, California

**Variable Rate Remarketing Agent**

Lehman Brothers  
New York, New York

**FOR ADDITIONAL INFORMATION**

Alan C. Kapanicas, City of Beaumont, California (909) 769-8520  
Rod Gunn Associates, Inc. (562) 598-7677  
O'Connor & Company Securities (949) 717-2000

which an Alternate Credit Facility is issued are referred to herein as a "Reimbursement Agreement." The Credit Entity and any issuer of an Alternate Credit Facility are sometimes referred to as the "Credit Entity."

**Confirming Letter of Credit.** The Bonds are further supported by an irrevocable, transferable confirming letter of credit (the "Confirming Letter of Credit") issued by the California State Teachers' Retirement System, a component unit of the State of California (the "Confirming Credit Entity"). Under the Confirming Letter of Credit, the Trustee will be permitted to draw an amount not exceeding the stated amount indicated in the Confirming Letter of Credit to pay all of the outstanding principal amount of and interest on the Bonds when due or, if other funds are not available, to purchase Bonds tendered by Owners at the Purchase Price in the event the Credit Entity wrongfully dishonors a properly presented and conforming draw on the Letter of Credit or if the Credit Entity repudiates the Letter of Credit.

The Authority has the right to replace the Confirming Letter of Credit with an Alternate Confirming Letter of Credit upon the terms and conditions set forth in the Indenture and the Confirmation Agreement.

## **Purpose**

The City and the Authority have entered into a Lease Agreement, dated as of August 1, 2001 (the "Lease Agreement"), whereby the City has leased its wastewater system (the "Wastewater Enterprise") to the Authority.

The Bonds are being issued to make an initial lease payment under the Lease Agreement, which lease payment will be used by the City to refund the Financing Authority's previously issued Prior Wastewater Bonds (see "The Refunding Program" below), to finance certain improvements to the Wastewater Enterprise and to pay the expenses of the Authority in connection with the delivery of the Bonds (see "THE BONDS - Estimated Sources and Uses of Funds" and "THE PROJECT" herein).

## **The Refunding Program**

The Financing Authority has previously issued its Local Agency Revenue Refunding Bonds 1996 Series A (Sewer Enterprise Project) (the "Prior Wastewater Bonds") in the aggregate principal amount of \$7,510,000, all of which remain outstanding.

On the Delivery Date, a portion of the Authority's initial lease payment to the City, together with certain other funds, will be deposited in trust with BNY Western Trust Company, Los Angeles, California as escrow holder (the "Escrow Bank") pursuant to an Escrow Deposit and Trust Agreement, dated as of August 1, 2001, between the Authority and the Escrow Bank (the "Wastewater Escrow Agreement"). The deposit will be in an amount sufficient to pay principal and interest on the Prior Wastewater Bonds through and including September 1, 2001 and to pay the redemption price with respect to the remaining Prior Wastewater Bonds on September 1, 2001. The lien of the Prior Wastewater Bonds created by the Prior Wastewater Indenture, including, without limitation, the pledge of Gross Wastewater Revenues pursuant to the Prior Wastewater Indenture, will be discharged, terminated and of no further force and effect upon the deposit with the Escrow Bank of the amounts required pursuant to the Wastewater Escrow Agreement.

## **The Bonds**

**Redemption.** The Bonds are subject to optional and mandatory redemption prior to maturity (see "THE BONDS - Redemption" herein). The Bonds are also subject to optional and mandatory tender in certain circumstances (see "THE BONDS - Tender and Purchase of Bonds" herein).

**Registration, Transfer and Exchange.** The Bonds will be issued in fully registered form without coupons. When delivered, the Bonds will be registered in the name of The Depository Trust Company,

## Estimated Sources and Uses of Funds

Proceeds from the sale of the Bonds, along with moneys released from the Prior Wastewater Bonds Indenture, will be applied as follows:

### Sources of Funds

Principal Amount of Bonds	\$ 9,790,000.00
Less Underwriter's Discount	<u>(195,000.00)</u>
Net Bond Proceeds	\$ 7,594,200.00
Prior Funds	<u>686,925.00</u>
Available Funds	<u>\$10,281,125.00</u>

### Uses of Funds

Wastewater Escrow Fund (1)	\$ 7,987,365.00
Wastewater Improvement Fund	1,518,760.00
Costs of Issuance Fund (2)	475,000.00
Rate Stabilization Fund (3)	<u>300,000.00</u>
Total Uses	<u>\$10,281,125.00</u>

(1) See "INTRODUCTORY STATEMENT - The Refunding Program" herein.

(2) Expenses include fees of the Credit Entity, the Confirming Credit Entity, the Remarketing Agent, Bond Counsel, Disclosure Counsel, the Financing Consultant, Authority Counsel, the Project Engineer, the Rating Agency, the Escrow Bank and the Trustee, costs of printing the Official Statement, Administrative Expenses of the Authority, and other costs of issuance of the Bonds.

(3) An amount equal to the Rate Stabilization Requirement (see "APPENDIX A - DEFINITIONS OF CERTAIN TERMS" herein)

## THE PROJECT

The Wastewater Enterprise improvements to be planned, designed and/or constructed with proceeds from the Bonds will include reclaimed water facilities, electrical generation and conservation facilities and improvements to the sanitary and storm sewer systems. ✓

The reclaimed water facilities include a 2.0 million gallon reclaimed water storage reservoir, pumping facilities, transmission pipelines and discharge structures. The City has received approval of a planning grant from the State of California Water Resources Control Board, Department of Water Recycling (Grant Contract No. 8-139-550-0) to study the project and prepare a Facilities Plan which may qualify the City to receive a low interest loan to construct reclaimed water facilities. The City has also entered into a Memorandum of Understanding with the State of California Department of Water Resources which may lead to the City working with the State and other local agencies in conjunctive use and other water conservation projects using matching grant funds. The City has adopted Ordinance No. 773 which among other things requires mandatory use of reclaimed water for irrigation in accordance with State Law, and Negative Declaration No. 00-ND-04 which was adopted for the City reclaimed water facility project.

The City is investigating the possibility of constructing a "pumped storage" electrical generation facility at the Beaumont Wastewater Treatment Plant. The facility would generate approximately 0.5 MW by pumping water to an upstream reservoir during "off-peak" hours and letting the water flow through downstream turbines to generate electricity during "on-peak" hours. The facility would be designed to supply electricity to operate the air blowers, ultraviolet disinfection unit and other treatment process units which require electricity for operation. The City is also investigating the availability of State grants to help fund the pumped storage electrical generation project. Additional facilities which may be funded by bond proceeds may include the replacement and/or improvement of sanitary and storm sewer systems which consist of pipelines, streets and structures.

# THE WASTEWATER ENTERPRISE

## General

The service area of the Wastewater Enterprise encompasses the entire city limits, plus approximately 730 single family residences within the Highland Springs Country Club located in the unincorporated area of Riverside County.

The sewer collection system serves approximately 4,928 total equivalent dwelling units ("EDUs") including 4,267 residential EDUs, and 661 commercial-industrial EDUs.

## Wastewater Enterprise Description

The sewer collection system consists primarily of gravity collection sewers which tie into gravity trunk sewers. One portion of the service area generally located south of Sixth Street near Highland Springs Avenue is served by two (2) sewer lift stations and force mains. Two (2) new sewer lift stations and force mains are currently under construction to serve new developing areas of the City.

The Beaumont Wastewater Reclamation Facility ("BWRA") was constructed in 1994. BWRA was designed to treat 1.5 million gallons per day ("Mgd") of wastewater to a "tertiary" level and is currently being expanded to treat 2.0 Mgd of effluent per day. The expansion is expected to be completed by September 2002. The tertiary treated wastewater generated by the facility complies with all Title 22 and State Regional Water Quality Control Board discharge requirements. On May 19, 2000, the California Regional Water Quality Control Board issued a new permit for treatment up to 2.0 Mgd of effluent per day. The facility is currently treating 1.27 Mgd and 0.23 Mgd is available for future development. At such time as the capacity is reached, planned improvements will increase the capacity to 2.0 Mgd. It is currently estimated by the City that these improvements will be required by July 2003 at a cost of approximately \$800,000.

All treated effluent is suitable for reclamation, including use on golf courses for irrigation and groundwater recharge. The activated sludge process treatment facility includes headworks, effluent station, equalization and aeration basins, secondary clarifiers, automatic backwash filters, and ultra-violet wastewater disinfection system, and a solids dewatering, drying and management. Approximately 7,000 linear feet of reclaimed water pipeline has been constructed to convey reclaimed water to irrigation and groundwater recharge facilities.