



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Powell and Members of the City Council

THROUGH: David N. Carmany, City Manager

FROM: Jim Arndt, Director of Public Works

DATE: June 19, 2012

SUBJECT: Skechers USA Inc. Water and Sewer Bill Reimbursement of \$242,866.48 for Overpayment of Water and Sewer Charges and Delegate to the City Manager Authority to Execute Settlement Agreement

RECOMMENDATION:

Staff recommends that the City Council authorize settlement of a claim and reimburse \$242,866.48 to Skechers USA Inc. for overpayment of water and sewer charges that occurred from July 2007 through April 2012 and delegate to the City Manager authority to execute a settlement agreement on behalf of the City in the form approved by the City Attorney.

FISCAL IMPLICATIONS:

Water and sewer reserves will fund the \$242,866.48 reimbursement, with \$189,431.73 coming from the water reserves and \$53,434.75 from sewer reserves.

BACKGROUND:

The meter installed for water consumption at 330 S. Sepulveda (Sketchers) is a Sensus 3” turbine meter with an eight(8) dial register, measuring water flow in units of Cubic Feet. Each of the eight dials represent a place holder in the totalized units of water flow through the meter, beginning from right to left at .10 cubic feet and going to 1 million cubic feet (see Attachment I).

In July, 2007 meter #67299307 was installed at 330 S. Sepulveda with a meter register read of:

0,000,000.0 Cubic Feet

On the dials of the most common residential and commercial water meters, a place holder for .10 cubic feet is not used and the first two dials, 1 cf and 10cf, are identified by black or red backgrounds indicating to the meter reader not to enter these as a place holder in the metered consumption (water consumption is billed in units of 100 cubic feet or HCF).

During the initial meter reading cycles following the meter installation in July, 2007 the City meter reader incorrectly dropped the first two dials to the right (as customary in most common meters because they are blacked out) and entered the remaining dials to the left as the read. This resulted in the dial representing 10cf being reported as 100cf.

EXAMPLE: *In May, 2008 the meter register read 0048209.1. The meter read was entered as 4820 when the correct read should have been 482.*

This meter reading error continued during the first four meter reading cycles (8 months) and was subsequently corrected during the re-read until the May, 2008 reading when the 4 digit read (including the 10cf dial) was inaccurately verified as the “correct” read. As a result, following meter reads were entered to include the 10cf dial. In many instances it prompted re-reads and was verified as the correct read.

Once a mistaken “high read” or “low read” is verified as accurate in the billing system, the read consumption is used as a metric for comparative analysis and inaccurate reads are accepted.

The incorrect high reads resulted in billing tenfold over what should have been billed. For example, in 2011, Skechers paid \$119,963.40 for water, when they should have paid \$11,996.34. They paid \$34,740 for wastewater and should have paid \$3,474. This was a consistent pattern beginning in July 2007 when the meter was installed until April 2012 when staff was made aware of the meter misreads.

DISCUSSION:

Because of ongoing rereads since July 2007 and further investigation by Skechers of their water use, staff further investigated the meter and its operation and concluded that the meter had been misread. Staff met with Joe Balogh, Skechers Manager of Facilities Maintenance on Thursday May 3rd, 2012 to discuss the matter. As stated above, the misreads caused the Skechers facility at 330 Sepulveda Blvd. to be billed 10 times more than what they should have for water and sewer services.

Staff has conducted a thorough and complete review of the incident and determined and confirmed the following: (i) that the misreads occurred consistently in the same percentage for each billing cycle beginning in July 2007 through May 2012; and (ii) this misread was an isolated incident as the meter serving the Skechers facility is a “one of a kind meter” in the system.

It is important to point out that no other businesses or residential meter are impacted by the Skechers billing error. The three – inch meter in question serves only Skechers and is the only one in service in the City. To ensure that this error does not occur again, the Skechers meter has been replaced with a traditional read meter, and all future meter purchases for the water system will be consistent with the current dial – read system.

In order to check that similar problems did not exist in other large meters, staff has reread all 437 1.5 – inch meters and 389 meters 2 inches or larger. No errors were discovered.

To protect against future reading errors, all Public Works water personnel will be given re-training regarding reading of various meter types and sizes. Public Works and Finance are working on instituting a system that “flags” any meter that has two consecutive meter re-read requests. Once notified, a supervisor would be required to review and approve the reread results and investigate any possible systemic issues surrounding the meter read accuracy.

The City has worked proactively with Skechers to address the problem and is recommending approval to reimburse Skechers in the amount of \$242,866.48. There are sufficient funds available to reimburse the overbilling.

Attachment I: Image of Water Meter

Attachment II: Skechers claim

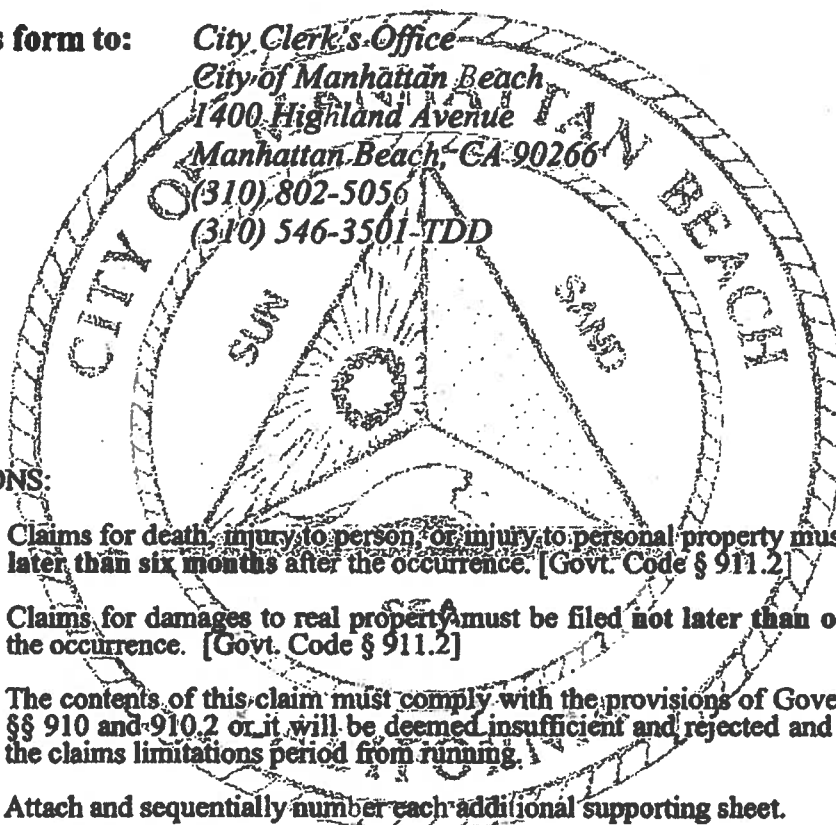
cc: Bruce Moe, Director of Finance
Raul Saenz, Utilities Manager



CITY OF MANHATTAN BEACH CLAIM FOR DAMAGES TO PERSON OR PROPERTY

Return this form to:

*City Clerk's Office
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266
(310) 802-5056
(310) 546-3501-TDD*



INSTRUCTIONS:

1. ~~Claims for death, injury to person, or injury to personal property must be filed not later than six months after the occurrence. [Govt. Code § 911.2]~~
2. ~~Claims for damages to real property must be filed not later than one year after the occurrence. [Govt. Code § 911.2]~~
3. ~~The contents of this claim must comply with the provisions of Government Code §§ 910 and 910.2 or it will be deemed insufficient and rejected and will not stop the claims limitations period from running.~~
4. Attach and sequentially number each additional supporting sheet.
5. Read the entire claim before filing.
6. **YOU MUST SIGN AND DATE THIS CLAIM FORM BEFORE SUBMITTING.**
If you do not, the form will be returned to you and the claims limitations period will continue to run.

PLEASE NOTE:

If you wish to receive a conformed copy, **YOU MUST** provide an extra copy of the Claim and a self-addressed, stamped envelope.

CLAIMANT INFORMATION

JOE BALOGH
SKECHERS, USA, INC

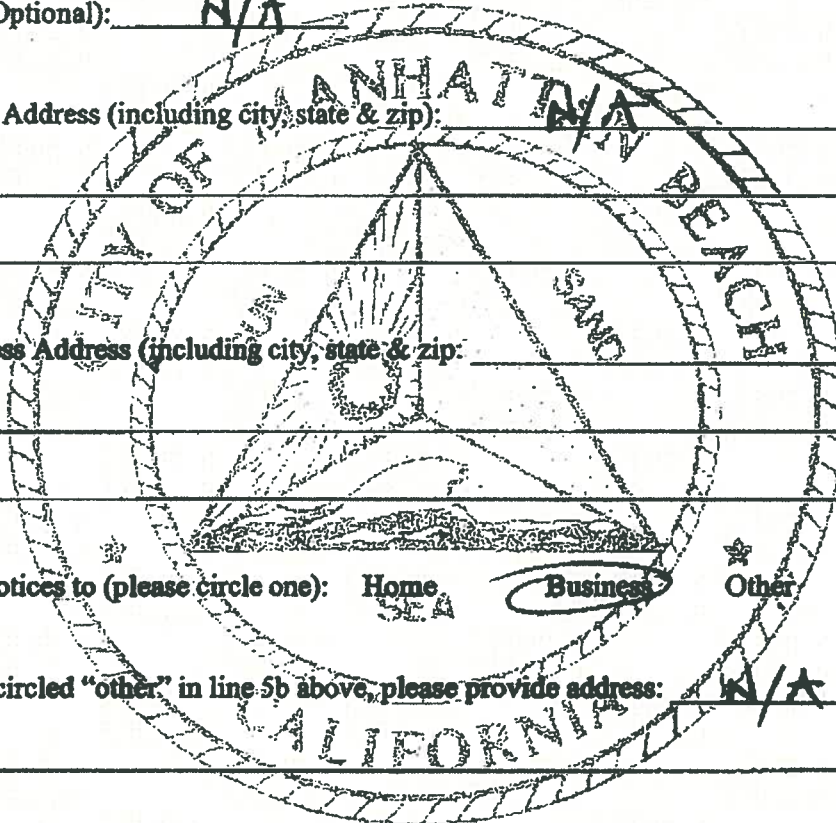
1. Name: _____ 1a. Aliases: N/A
2. DOB: N/A 2a. DL#: N/A
3. Home Telephone: N/A 3a. Business Telephone: 310.318.3100
4. SS# (Optional): N/A X 4227

5. Home Address (including city, state & zip): N/A

5a. Business Address (including city, state & zip): _____

5b. Mail notices to (please circle one): Home SEA Business Other

5c. If you circled "other" in line 5b above, please provide address: N/A



DAMAGE OR INJURY INFORMATION

6. When did damage or injury occur? Date: JULY, 2007 - MARCH, 2012 Time: _____
7. If claim is for equitable indemnity, please give the date the claimant was served with the complaint: Date: NA
8. Where did damage or injury occur?: (Describe fully and locate on the attached diagram, if appropriate.): WATER METER WAS MIS-READ:
METER # 67299307
9. Give a detailed description of how the damage or injury occurred: WATER METER WAS MIS-READ RESULTING IN BILLING IN AN AMOUNT 10 TIMES GREATER THAN WHAT IT SHOULD HAVE BEEN, WHICH ALSO RESULTED IN A HIGH WASTEWATER BILL
10. If the basis of liability is alleged to be an act or omission of a City officer or employee, complete the following:
- a. Name of such officer or employee, if known: VARIOUS PUBLIC WORKS STAFF MEMBERS
- b. Claimant's statement of the basis for such liability: THE RE-READ RECORD HOUSES IN FINANCE IDENTITIES, PUBLIC WORKS STAFF INVOLVEMENT, SEE ATTACHMENT 1
11. If the basis of liability is alleged to be a dangerous condition of public property, complete the following:
- a. Public property alleged to be dangerous: N/A
- b. Claimant's statement of the basis for such liability: N/A
12. Give a description of the injury, property damage or loss, so far as is known at the time of this claim. (If there were no injuries, state "No injuries."): WATER METER READING AND BILLING ERRORS RESULTED IN OVER PAYMENT OF \$ 242,866.48
13. Name and address of any other person injured: N/A

14. Name and address of the owner of any damaged property: SKECHERS USA INC.
330 S. SEPULVEDA BLVD
MANHATTAN BEACH, CA
90266
15. Amount claimed as of this date: \$ 242,866.48
16. Estimated amount of future costs: \$ 0
17. Total amount claimed: \$ 242,866.48

18. Basis for computation of amount claimed (include copies of all bills, invoices, estimates, etc.): WATER BILLING RECORDS WHICH ALLOWED THE CALCULATION OF THE DIFFERENCE BETWEEN ACTUAL BILLINGS PAID AND WHAT SHOULD HAVE BEEN BILLED AND PAID. SEE ATTACHMENT 2

19. Jurisdiction You must represent whether the claim is (check one):
- 19a. a "limited civil case" (amount does not exceed \$10,000 or exceeds \$10,000 but does not exceed \$25,000) [see Government Code 910(f)].
- 19b. an "unlimited civil case" (amount exceeds \$25,000).

20. Damaged vehicle (if applicable):
- 20a. Year: N/A
- 20b. Make: N/A
- 20c. Model: N/A
- 20d. VIN #: N/A
- 20e. Mileage: N/A

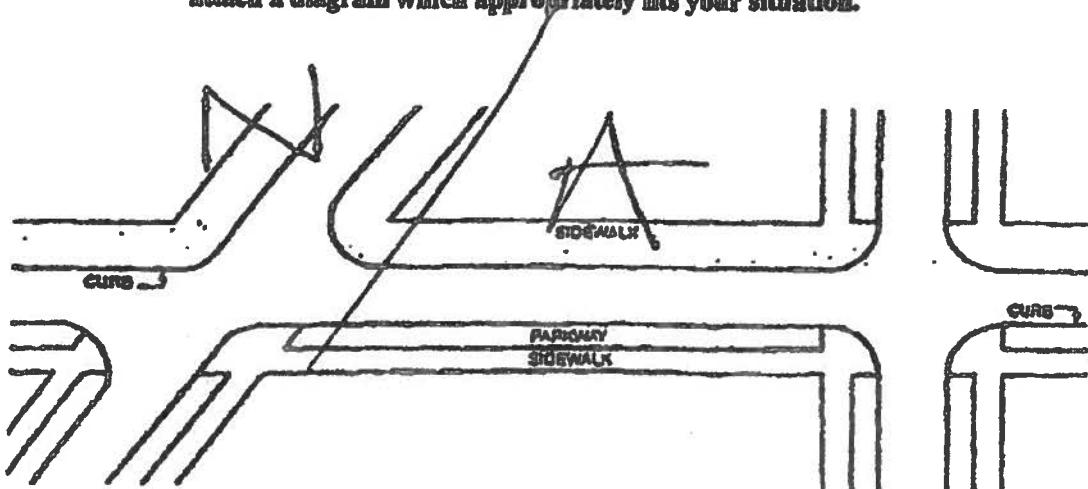
21. Names and addresses of witnesses, doctors, and hospitals:
- Witness: N/A
- Witness: _____
- Witness: _____
- Doctor: _____
- Doctor: _____
- Doctor: _____
- Hospital: _____
- Hospital: _____
- Hospital: _____

READ CAREFULLY

For all accident claims, place on the following diagram the names of streets, including North, South, East and West; indicate the place of the accident by an "X" and by showing house numbers or distances to street corners.

If a City vehicle was involved, designate by the letter "A" the location of the City vehicle when you first saw it, and "B" as the location of yourself or your vehicle when you first saw the City vehicle. Designate "A-1" as the location of the City vehicle at the time of the accident and "B-1" as the location of your vehicle at the time of the accident. Designate the point of impact as "X."

NOTE: If the diagram below does not fit the situation, sign and date this page, and attach a diagram which appropriately fits your situation.



WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM
(Penal Code 72; Insurance Code 1871.1)

[Handwritten Signature]
Signature
BALOGH, J

x 5/17/12
Date

ATTACHMENT 1

Account Listing
CITY OF MANHATTAN BEACH

| Account # | Role | Name & Address | Last Billed | Last Payment | Status | Customer On Account | Deposits | Balance Due |
|---------------|--------|---|-------------|--------------|--------|---------------------|----------|-------------|
| 89-0019010-07 | tenant | SKECHERS USA INC, 225 S SEPULVEDA BLVD MANHATTAN BEACH, CA 90268-6825 | 03/27/2012 | 04/06/2012 | a | 0.00 | 0.00 | 0.00 |

Service location : 330 S SEPULVEDA BLVD
MANHATTAN BEACH, CA 90266

| Date | Type | Doc. No | Amount | Description | On Acct | Running Balance |
|------------|---------|--|-----------|--|---------|-----------------|
| 04/10/2012 | Memo | SW 4/9/12 MTR CHK LEAK @ 0736953.6, | | DIAL MOVING-REPORT CONDITION TO JOE PER MIKE | | |
| 04/06/2012 | Receipt | 01482093 | 22,066.94 | rec040612 | 0.00 | 0.00 |
| 03/27/2012 | Bill | 01466857 | 22,066.94 | Auto generated billing for document d | 0.00 | 22,066.94 |
| 03/15/2012 | Memo | CF 03/13/12 READ@7241704, CHNG READ TO 72417. | | | | |
| 03/12/2012 | Memo | SW 3/12/12 JOE @ FACILITY DEPT REGARDING HIGH USAGE, NO LANDSCAPE MTR. ONLY SHOW 1 ACCT ACTIVE, TOLD HIM TO CALL BRIAN WRIGHT | | | | |
| 02/09/2012 | Receipt | 01467355 | 17,471.02 | rec020912 | 0.00 | 0.00 |
| 01/27/2012 | Bill | 01471068 | 17,471.02 | Auto generated billing for document d | 0.00 | 17,471.02 |
| 01/26/2012 | Memo | SW 1/28/12 READ @ 685662 PER PATRICK, CHNG READ TO 68566 | | | | |
| 12/16/2011 | Receipt | 01453503 | 21,382.47 | rec121611 | 0.00 | 0.00 |
| 11/29/2011 | Bill | 01455179 | 21,382.47 | Auto generated billing for document d | 0.00 | 21,382.47 |
| 11/16/2011 | Memo | CF 11/15/11 READ@65527, PER MATT. | | | | |
| 10/06/2011 | Receipt | 01435168 | 34,474.37 | rec100611 | 0.00 | 0.00 |
| 09/28/2011 | Bill | 01438982 | 34,474.37 | Auto generated billing for document d | 0.00 | 34,474.37 |
| 09/26/2011 | Memo | SW 9/15/11 REREAD @ 602897/60780 PER SHAWN | | | | |
| 08/08/2011 | Receipt | 01420475 | 26,241.87 | rec080811 | 0.00 | 0.00 |
| 07/28/2011 | Bill | 01423031 | 26,241.87 | Auto generated billing for document d | 0.00 | 26,241.87 |
| 06/06/2011 | Receipt | 01404882 | 20,795.07 | rec060611 | 0.00 | 0.00 |
| 05/25/2011 | Bill | 01406804 | 20,795.07 | Auto generated billing for document d | 0.00 | 20,795.07 |
| 05/13/2011 | Memo | SW 5/13/11 READ @ 47252 PER DALE | | | | |
| 04/11/2011 | Receipt | 01390060 | 33,375.22 | rec041111 | 0.00 | 0.00 |
| 03/29/2011 | Bill | 01391074 | 33,375.22 | Auto generated billing for document d | 0.00 | 33,375.22 |
| 03/28/2011 | Memo | SW 3/28/11 REREAD @ 42062/42637, APPEARS TO HAVE LEAK, LEFT MSG ON VOICE MAIL TO MONICA REGARDING HIGH USAGE LEAK. | | | | |
| 02/07/2011 | Receipt | 01374190 | 20,016.32 | rec020711 | 0.00 | 0.00 |
| 01/27/2011 | Bill | 01375198 | 20,016.32 | Auto generated billing for document d | 0.00 | 20,016.32 |
| 01/24/2011 | Memo | SW 1/24/11 SPOKE W/MONICA GARCIA @ 318-3100X4323 REGARDING HIGH USAGE, SHE SAID JOHN DWYER (BUILDING MGR @ SKECHERS FOUND OUT THE PROBLEM OF HIGH USAGE), TOLD MONICA ANOTHER HIGH BILL GOING OUT THIS WEEK. SHE WILL CALL IF NEEDS TO CHECK READ AGAIN. | | | | |
| 01/19/2011 | Memo | CF 01/18/11 READ@ 35195, PER MATT | | | | |

Account Listing
CITY OF MANHATTAN BEACH

| Account # | Date | Role | Name & Address | Type | Doc. No | Last Billed | Last Payment | Status | Customer On Account | Deposits | Balance Due | | |
|-----------|------------|---------|----------------|---------|---|-------------|---------------------------------------|--------|---------------------|----------|-------------|------|------|
| | 12/13/2010 | | | Receipt | 01361140 | 17,758.72 | rec121310 | | | | | | |
| | 11/30/2010 | | | Memo | SW 11/19/10 SEE NOTE FROM BRIAN: I had Shawn go out and investigate the meter read at Sketchers (330 S. Sepulveda). He indicated the meter is turning non-stop at a relatively quick pace. He reported a current read of 30755. We have been noticing large volumes of water being pumped out through the rear of the property throughout the day. Our Wastewater and Sewer Supervisor, Justin, made a visit to see what was going on, and was informed that they have a sump pump in their basement level garage for pumping out water used in their cooling system. This still seems like an extraordinary amount of water usage. I don't have a contact number for them, but Justin may know the phone number of their maintenance staff. I will see if he can get in touch with them. | | | | | | | 0.00 | 0.00 |
| | 11/24/2010 | Bill | | | As of right now, the bill is correct and Shawn verified the read. | | | | | | | | |
| | 11/23/2010 | Memo | | | 01359242 | 17,758.72 | Auto generated billing for document d | | | 0.00 | 17,758.72 | | |
| | 11/23/2010 | Memo | | | SW 11/23/10 REREAD @ 30401/30755, MTR RUNNING VERY FAST PER SHAWN, BRIAN WRIGHT WILL CONTACT CUSTOMER | | | | | | | | |
| | 11/23/2010 | Memo | | | SW 11/23/10 NOTE FRM BRIAN EMAIL 11/19/10 had Shawn go out and investigate the meter read at Sketchers (330 S. Sepulveda). He indicated the meter is turning non-stop at a relatively quick pace. He reported a current read of 30755. | | | | | | | | |
| | | | | | We have been noticing large volumes of water being pumped out through the rear of the property throughout the day. Our Wastewater and Sewer Supervisor, Justin, made a visit to see what was going on, and was informed that they have a sump pump in their basement level garage for pumping out water used in their cooling system. This still seems like an extraordinary amount of water usage. | | | | | | | | |
| | | | | | As of right now, the bill is correct and Shawn verified the read. | | | | | | | | |
| | 11/23/2010 | Memo | | | SW 11/16/10 READ @ 304016 PER PATRICK, CHNG READ TO 30401 | | | | | | | | |
| | 10/14/2010 | Receipt | | | 01345135 | 7,182.64 | rec101410 | | | 0.00 | 0.00 | | |
| | 09/29/2010 | Bill | | | 01343389 | 7,182.64 | Auto generated billing for document d | | | 0.00 | 7,182.64 | | |
| | 09/21/2010 | Memo | | | SW 9/20/10 REREAD @ 253765/25497 PER DALE | | | | | | | | |
| | 08/09/2010 | Receipt | | | 01328482 | 7,245.91 | rec080910 | | | 0.00 | 0.00 | | |
| | 07/29/2010 | Bill | | | 01327417 | 7,245.91 | Auto generated billing for document d | | | 0.00 | 7,245.91 | | |
| | 07/23/2010 | Memo | | | SW 7/20/10 REREAD @ 2337723415 PER SHAWN | | | | | | | | |
| | 06/07/2010 | Receipt | | | 01312547 | 3,499.66 | rec060710 | | | 0.00 | 0.00 | | |
| | 05/28/2010 | Bill | | | 01312053 | 3,499.66 | Auto generated billing for document d | | | 0.00 | 3,499.66 | | |
| | 05/21/2010 | Memo | | | SW 5/19/10 READ @ 21314 PER BILL | | | | | | | | |
| | 04/12/2010 | Receipt | | | 01298532 | 1,711.45 | rec041210 | | | 0.00 | 0.00 | | |
| | 03/30/2010 | Bill | | | 01295494 | 1,711.45 | Auto generated billing for document d | | | 0.00 | 1,711.45 | | |
| | 03/26/2010 | Memo | | | SW 3/17/10 READ @ 203379 PER MIKE. CHNG READ TO 20338 | | | | | | | | |
| | 02/26/2010 | Memo | | | SW 2/26/10 CHANGE SVC LOCATION PER JAN GUYER (BILLING) | | | | | | | | |
| | 02/18/2010 | Receipt | | | 01284261 | 19,233.91 | rec021810 | | | 0.00 | 0.00 | | |
| | 01/30/2010 | Bill | | | 01280047 | 19,233.91 | Auto generated billing for document d | | | 0.00 | 19,233.91 | | |

Account Listing
CITY OF MANHATTAN BEACH

| Account # | Date | Role | Name & Address | Type | Doc. No | Last Billed | Last Payment | Status | Customer On Account | Deposits | Balance Due |
|-----------|------------|---------|----------------|------|---|-------------|---------------------------------------|--------|---------------------|----------|-------------|
| | 01/29/2010 | Memo | | | SW 1/29/10 REREAD @ 19659/19899, MORE OCCUPIED PER QUENTIN, MONICA GARCIA WILL CALL THE PROJECT MGR REGARDING HIGH USAGE. | | | | | | |
| | 12/10/2009 | Receipt | | | 01267745 | 2,212.43 | rec121009 | | | 0.00 | 0.00 |
| | 11/25/2009 | Bill | | | 01263663 | 2,212.43 | Auto generated billing for document d | | | 0.00 | 2,212.43 |
| | 11/19/2009 | Memo | | | SW 11/19/09 READ @ 141985, CHNG READ TO 14198 | | | | | | |
| | 10/14/2009 | Receipt | | | 01253120 | 3,998.66 | rec101409 | | | 0.00 | 0.00 |
| | 09/29/2009 | Bill | | | 01248374 | 3,998.66 | Auto generated billing for document d | | | 0.00 | 3,998.66 |
| | 08/17/2009 | Receipt | | | 01239196 | 3,131.19 | rec081709 | | | 0.00 | 0.00 |
| | 07/31/2009 | Bill | | | 01233699 | 3,131.19 | Auto generated billing for document d | | | 0.00 | 3,131.19 |
| | 07/30/2009 | Memo | | | SW 7/22/09 READ @ 116,353.8 PER PATRICK. CHNG READ TO 11635 | | | | | | |
| | 06/12/2009 | Receipt | | | 01224176 | 2,604.91 | rec061209 | | | 0.00 | 0.00 |
| | 05/28/2009 | Bill | | | 000001007354 | 2,604.91 | | | | 0.00 | 2,604.91 |
| | 05/22/2009 | Memo | | | SW 5/15/09 READ @ 10342 PER QUENTIN | | | | | | |
| | 04/10/2009 | Receipt | | | 00000100784C | 1,884.62 | | | | 0.00 | 0.00 |
| | 03/30/2009 | Bill | | | 00000100735C | 1,884.62 | | | | 0.00 | 1,884.62 |
| | 03/23/2009 | Memo | | | SW 3/23/09 READ @ 9285 PER QUENTIN | | | | | | |
| | 02/13/2009 | Receipt | | | 000001007762 | 1,465.38 | | | | 0.00 | 0.00 |
| | 01/29/2009 | Bill | | | 00000100771C | 1,465.38 | | | | 0.00 | 1,465.38 |
| | 12/12/2008 | Receipt | | | 000001006427 | 2,988.47 | | | | 0.00 | 0.00 |
| | 11/25/2008 | Bill | | | 000001012658 | 2,988.47 | | | | 0.00 | 2,988.47 |
| | 10/14/2008 | Receipt | | | 000001006902 | 1,980.51 | | | | 0.00 | 0.00 |
| | 09/29/2008 | Bill | | | 000001007636 | 1,980.51 | | | | 0.00 | 1,980.51 |
| | 08/18/2008 | Receipt | | | 000001007568 | 2,465.86 | | | | 0.00 | 0.00 |
| | 07/29/2008 | Bill | | | 000001007277 | 2,465.86 | | | | 0.00 | 2,465.86 |
| | 07/22/2008 | Memo | | | SW 7/22/08 REREAD @ 5992/0059996.5 PER JOE | | | | | | |
| | 06/13/2008 | Receipt | | | 00000100635E | 1,218.44 | | | | 0.00 | 0.00 |
| | 05/28/2008 | Bill | | | 00000100714E | 1,218.44 | | | | 0.00 | 1,218.44 |
| | 05/27/2008 | Memo | | | SW LOTS OF LANDSCAPE PER JIM | | | | | | |
| | 05/27/2008 | Memo | | | SW 5/27/08 REREAD @ 0048208.1 PER KEN ON 5/23/08 & 0048399.9 PER JIM 5/27/08. CHNG PREV READ 432 TO 4322 | | | | | | |
| | 04/14/2008 | Receipt | | | 000001007022 | 291.12 | | | | 0.00 | 0.00 |
| | 03/28/2008 | Bill | | | 000001012653 | 291.12 | | | | 0.00 | 291.12 |
| | 03/21/2008 | Memo | | | SW 3/21/08 READ @ 4322 PER SHAWN. CHNG READ TO 432 | | | | | | |
| | 02/14/2008 | Receipt | | | 00000100743E | 287.24 | | | | 0.00 | 0.00 |
| | 01/29/2008 | Bill | | | 000001007567 | 287.24 | | | | 0.00 | 287.24 |
| | 01/23/2008 | Memo | | | SW 1/23/08 READ @ 393 PER SHAWN. | | | | | | |
| | 12/17/2007 | Receipt | | | 000001007472 | 355.14 | | | | 0.00 | 0.00 |

| Account # | Date | Role | Name & Address | Type | Doc. No | Last Billed | Amount | Description | Last Payment | Status | Customer On Account | On Acct | Deposits | Running Balance | Balance Due |
|-----------|------------|------|----------------|---------|---|-------------|--------|-------------|--------------|--------|---------------------|---------|----------|-----------------|-------------|
| | 11/29/2007 | | | Bill | 000001007201 | 355.14 | 355.14 | | | | | 0.00 | | 355.14 | |
| | 11/28/2007 | | | Memo | SW 11/28/07 READ @ 35608 PER KEN | | | | | | | 0.00 | | 0.00 | |
| | 10/24/2007 | | | Receipt | 00000100747C | 766.42 | | | | | | 0.00 | | 0.00 | |
| | 09/27/2007 | | | Memo | Next Time Billing - Meter Exchange: OLD METER #09063363 | | | | | | | 0.00 | | 766.42 | |
| | 09/27/2007 | | | Bill | 000001007491 | 766.42 | | | | | | 0.00 | | 766.42 | |
| | 09/27/2007 | | | Memo | SW 9/27/07 BOB/MIKE READ @ 0028406.8, BILL ONLY @ 284 PER BOB | | | | | | | 0.00 | | 766.42 | |

Totals :

0.00 0.00 0.00

| Account # | Role | Name & Address | Last Billed | Last Payment | Status | Customer On Account | Deposits | Balance Due |
|-----------|------|----------------|-------------|--------------|--------|---------------------|----------|-------------|
|-----------|------|----------------|-------------|--------------|--------|---------------------|----------|-------------|

| Summary Information | |
|--------------------------------|---|
| Accounts with balances owing | 0 |
| Accounts with deposit balances | 0 |
| Accounts with zero balances | 1 |

Attachment 2
Financial Implications
2-May-12

SKETCHERS USA INC.
330 S. SEPULVEDA BLVD
METER # 67299307
ACCT # 89-0019010-07

METER SIZE : 3 INCH
METER INSTALLED DATE: 7/12/2007
METER LOCATION: N P/L-IN SDWLK ON SEPULVEDA IN VAULT
METER BRAND: Sensus

1 HCF = 100 Cubic Feet = 7.48 Gallons

| READ DATE | READ | TOTAL HCF CONSUMPTION | Amount Paid H2O | Adj Amount H2O | Amount Paid Sewer | Adj Amount Sewer | FIXED RATE RATE HCF @ 1.59 | SEWER RATE RATE HCF @ .35 | H2O Service Chg 2008 | SEWER Service Chg 2008 |
|------------|-------|---------------------------|-----------------|----------------|-------------------|------------------|-------------------------------|------------------------------|-------------------------|---------------------------|
| 7/12/2007 | 0 | 0 | | | | | | | | |
| 9/21/2007 | 284 | 284 | 451.56 | 0 | 99.40 | 0 | | | 186.60 | 28.86 |
| 11/19/2007 | 356 | 72 | 114.48 | 0 | 25.20 | 0 | | | | |
| 1/18/2008 | 393 | 37 | 58.83 | 0 | 12.95 | 0 | | | | |
| 3/18/2008 | 432 | 39 | 62.01 | 0 | 13.65 | 0 | | | | |
| 5/19/2008 | 4322 | 0 | | | | | | | | |
| 5/19/2008 | 4839 | 517 | 822.03 | 99.81 | 180.95 | 17.85 | | | | |
| 7/17/2008 | 5999 | 1160 | 1,844.40 | 184.44 | 406.00 | 40.60 | | | | |
| 9/17/2008 | 6776 | 777 | 1,235.43 | 124.43 | 271.95 | 26.95 | | | | |
| 11/17/2008 | 8005 | 1229 | 1,954.11 | 193.98 | 430.15 | 42.70 | | | | |
| | | | \$ 5,855.97 | \$ 594.66 | \$ 1,289.05 | \$ 128.10 | | | | |
| 1/22/2009 | 8551 | 546 | 999.18 | 98.82 | 218.40 | 21.60 | | | | |
| 3/17/2009 | 9285 | 734 | 1,343.22 | 133.59 | 293.60 | 29.20 | | | | |
| 5/13/2009 | 10342 | 1057 [Final] | 1,984.31 | 192.15 | 422.80 | 42.00 | | | | |
| 7/21/2009 | 11635 | 1293 | 2,366.19 | 236.07 | 517.20 | 51.60 | | | | |
| 9/18/2009 | 13317 | 1682 [Moved/In] | 3,078.06 | 307.44 | 672.80 | 67.20 | | | | |
| 11/18/2009 | 14198 | 881 | 1,612.23 | 161.04 | 352.40 | 35.20 | | | | |
| | | | \$ 11,333.19 | \$ 1,129.11 | \$ 2,477.20 | \$ 246.80 | | | | |
| 1/13/2010 | 19899 | 5701 | 14,423.53 | 1,442.10 | 4,560.80 | 456.00 | | | | |
| 3/16/2010 | 20338 | 439 | 1,110.67 | 108.79 | 351.20 | 34.40 | | | | |
| 5/18/2010 | 21314 | 976 | 2,469.28 | 245.41 | 780.80 | 77.60 | | | | |
| 7/19/2010 | 23415 | 2101 | 5,315.53 | 531.90 | 1,680.80 | 168.00 | | | | |
| 9/17/2010 | 25497 | 2082 | 5,267.46 | 526.24 | 1,665.60 | 166.40 | | | | |
| 11/12/2010 | 30755 | 5258 | 13,902.74 | 1,328.25 | 4,206.40 | 420.00 | | | | |
| | | | \$ 41,889.21 | \$ 4,182.09 | \$ 13,245.60 | \$ 1,322.40 | | | | |
| 1/13/2011 | 35195 | 4440 | 15,318.00 | 1,531.80 | 4,440.00 | 444.00 | | | | |
| 3/15/2011 | 42637 | 7442 | 25,674.90 | 2,566.80 | 7,442.00 | 744.00 | | | | |
| 5/11/2011 | 47252 | 4615 | 15,921.75 | 1,590.45 | 4,615.00 | 461.00 | | | | |
| 7/13/2011 | 53091 | 5839 | 20,144.55 | 2,011.35 | 5,839.00 | 583.00 | | | | |
| 9/12/2011 | 60780 | 7689 | 26,527.05 | 2,649.60 | 7,689.00 | 768.00 | | | | |
| 11/10/2011 | 65527 | 4747 | 16,377.15 | 1,635.30 | 4,747.00 | 474.00 | | | | |
| | | | \$ 119,963.40 | \$ 11,985.30 | \$ 34,772.00 | \$ 3,474.00 | | | | |
| 1/12/2012 | 68566 | 3039 | 13,857.84 | 1,381.68 | 3,342.90 | 333.30 | | | | |
| 3/12/2012 | 72417 | 3851 | 17,560.56 | 1,755.60 | 4,236.10 | 423.50 | | | | |
| | | | \$ 31,418.40 | \$ 3,137.28 | \$ 7,579.00 | \$ 756.80 | | | | |
| | | Sub Totals | \$ 210,460.17 | \$ 21,028.04 | \$ 59,362.85 | \$ 5,928.10 | | | | |
| | | Adj. Due Water/Sewer | \$ | \$ 189,431.73 | \$ | \$ 53,434.75 | | | | |
| | | Total Adj Due Water/Sewer | \$ 242,866.48 | \$ | \$ | \$ | | | | |