

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802

September 3, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and discuss proposed Fiscal Year 2014 budgets for the following departments: Harbor Department, Water Department, Police Department and Fire Department; and

Receive supporting documentation into the record, conclude the public hearing and take the actions necessary to adopt the Fiscal Year 2014 budget as listed in Attachment A of this letter. (Citywide)

DISCUSSION

On August 1, 2013, the City Manager's Proposed Budget for Fiscal Year 2014 (FY 14) was delivered by the Mayor to the City Council and community with recommended amendments for consideration. Budget meetings were set for February 12, March 5, March 12, April 23, August 6, August 13, August 27, September 3 and September 10, along with nine Budget Oversight Committee (BOC) meetings and nine community meetings at which the FY 14 Proposed Budget was discussed. We are pleased to report that through the scheduled hearings, BOC and community meetings, presentations have been made by multiple City departments resulting in 27 separate opportunities for public feedback, deliberation and input.

At the conclusion of the hearings, the City Council will amend the proposed budget as it deems appropriate, and adopt the proposed budget as amended. Since the publication of the FY 14 Proposed Budget, updated estimates of revenue and expense, which address technical corrections as well as decisions made by elected offices, are listed by fund and department in Attachments B and C to this letter, respectively.

The Appropriations Ordinance officially adopts the FY 14 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2013, this Ordinance must include a finding of emergency. Specific resolutions provide for approval of the budgets for the Harbor, Sewer, and Water funds, which are not in the Appropriations Ordinance and certain fee adjustments. Requests for approval include the FY 14 Capital Improvement Program; the Mayor's Recommendations; and the Budget Oversight Committee's Recommendations for the FY 14 Proposed Budget.

This matter was reviewed by City Attorney Charles Parkin on August 20, 2013.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 14 budget must be adopted by September 15, 2013. Should the City Council fail to adopt the budget by that date, the City Manager's FY 14 Proposed Budget shall be deemed the budget for the 2014 fiscal year. The Mayor has five calendar days from City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2013, to override veto action by the Mayor with a two-thirds supermajority vote.

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance shall govern and control the expenditure and commitment amounts stated therein relating to the City's departments, offices and agencies during each fiscal year. The total FY 14 budget for all departments and funds is \$3,917,614,042, which comprises \$3,126,505,680 in new appropriation and \$791,108,362 in estimated carry-over from FY 13 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-14 to this letter, totals \$2,569,089,304 for all funds except Harbor, Sewer, and Water, and \$2,571,229,855 for all departments except Harbor and Water. The \$2,140,551 difference between funds and departments in the Appropriations Ordinance is due to general City indirect costs budgeted in the Department of Financial Management but charged to the Harbor, Water and Sewer funds, which are not included in the Appropriations Ordinance by fund.

The proposed Harbor, Water and Sewer fund budgets are in separate City Council resolutions included as Attachment A-1 and A-4 to this letter, respectively, and total \$1,142,757,770. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on June 17, 2013. The Board of Water Commissioners adopted the budget for the Water Department by resolution on June 20, 2013.

User fees and charges in the attached Master Fee and Charges Schedule (A-5) have been increased by the City Cost Index (CCI), a calculation of the increase in the City's cost over the prior fiscal year, except for those fees that are set using other criteria. In addition to the CCI-based fee changes, some fees have been added or adjusted due to a change in service or other bases. For details regarding these proposed new fees and non-CCI fee adjustments, please see the List of Proposed Fee Adjustments for FY 14 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

Other requested City Council actions include approval of the FY 14 One-Year Capital Improvement Program (CIP) budget, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 15, 2013, approved the CIP for FY 14 for conformance with the General Plan.

HONORABLE MAYOR AND CITY COUNCIL
September 3, 2013
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The City Council is also requested to adopt the Resolution establishing the "Gann Appropriations Limit" (Limit) for general purpose expenditures. In November 1979, the voters of the State of California approved Proposition 4, also known as the "Gann Initiative." The Initiative places certain limits on the amount of tax revenue that can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79 and guards against overspending proceeds of taxes. Only those revenues which are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The Proposed Budget includes tax revenue estimates that are at 40.94 percent of the 2013-2014 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

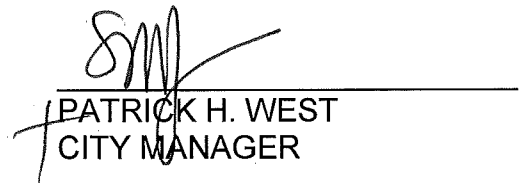


JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2014 Budget Adoption Actions

1. Adopt the Resolution approving the FY 14 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 17, 2013. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1309 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 20, 2013, as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-3)
4. Adopt the Resolution approving the FY 14 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 20, 2013. (A-4)
5. Adopt the Resolution amending the master fee and charges schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-5)
6. Approve the FY 14 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 14 budget for the Long Beach Housing Development Company in the amount of \$132,708. (A-7)
8. Adopt a motion approving the estimated transfer of \$18,373,000 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-8)
9. Adopt the Resolution establishing the "Gann Appropriations Limit" (Limit) for FY 14 pursuant to Article XIII (B) of the California Constitution. (A-9)
10. Adopt the Mayor's proposed budget recommendations, as amended, to the FY 14 Proposed Budget. (A-10)
11. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 14 Proposed Budget. (A-11)
12. Adopt a motion amending the proposed FY 14 budget. (A-12)
13. Declare an emergency to exist. (A-13)
14. Declare the Appropriations Ordinance for FY 14, creating and establishing the funds of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-14)

FISCAL YEAR 2014 APPROPRIATIONS ORDINANCE BY FUND
 (Does not include Harbor, Sewer, and Water)

<u>FUND</u>	<u>FY 14 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 13 ESTIMATED CARRYOVER*</u>	<u>FY 14 APPROPRIATION</u>
GENERAL FUND	437,992,069	3,695	-	437,995,764
GENERAL GRANTS FUND	6,741,136	-	20,047,376	26,788,513
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,194,892	-	-	3,194,892
HEALTH FUND	37,646,108	-	29,288,235	66,934,343
PARKING & BUSINESS AREA IMPROVEMENT FUND	6,683,060	4,000	-	6,687,060
SPECIAL ADVERTISING & PROMOTION FUND	5,660,712	-	-	5,660,712
UPLAND OIL FUND	37,100,863	-	-	37,100,863
HOUSING DEVELOPMENT FUND	1,656,186	-	46,496,689	48,152,875
BELMONT SHORE PARKING METER FUND	456,145	-	-	456,145
BUSINESS ASSISTANCE FUND	652,287	-	1,272,028	1,924,315
COMMUNITY DEVELOPMENT GRANTS FUND	20,914,909	(1)	18,207,841	39,122,750
PARK DEVELOPMENT FUND	-	-	-	-
GASOLINE TAX STREET IMPROVEMENT FUND	18,549,773	-	31,181,247	49,731,020
TRANSPORTATION FUND	20,935,887	-	18,351,504	39,287,391
CAPITAL PROJECTS FUND	5,865,456	(897,258)	106,425,380	111,393,578
DEBT SERVICE FUND	9,474,085	-	-	9,474,085
CIVIC CENTER FUND	11,314,628	-	938,143	12,252,771
GENERAL SERVICES FUND	39,816,839	341,374	4,350,132	44,508,345
FLEET SERVICES FUND	30,232,786	-	1,489,072	31,721,857
INSURANCE FUND	40,355,842	-	139,683	40,495,524
EMPLOYEE BENEFITS FUND	223,381,494	-	-	223,381,494
TIDELANDS FUNDS	133,492,142	(4,170)	97,312,769	230,800,741
TIDELAND OIL REVENUE FUND	421,846,188	-	-	421,846,188
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	15,682,866	-	447,638	16,130,504
GAS FUND	105,051,881	-	6,353,022	111,404,904
GAS PREPAY FUND	39,938,547	-	-	39,938,547
AIRPORT FUND	42,404,709	-	31,340,672	73,745,380
REFUSE/RECYCLING FUND	44,775,686	-	458,961	45,234,647
SERRF FUND	52,492,647	-	-	52,492,647
SERRF JPA FUND	11,225,140	-	-	11,225,140
TOWING FUND	6,870,623	-	-	6,870,623
PARKING AUTHORITY FUND	-	-	-	-
HOUSING AUTHORITY FUND	81,853,207	-	(455,475)	81,397,732
SUCCESSOR AGENCY	66,337,804	-	173,815,640	240,153,444
CUPA FUND	1,563,122	-	21,389	1,584,511
TOTAL	1,982,159,719	(552,360)	587,481,945	2,569,089,304

*Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2014 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)

<u>DEPARTMENT</u>	<u>FY 14 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 13 ESTIMATED CARRYOVER*</u>	<u>FY 14 APPROPRIATION</u>
MAYOR AND COUNCIL	4,629,090	-	11,522,175	16,151,265
CITY ATTORNEY	8,971,418	-	-	8,971,418
CITY AUDITOR	2,810,382	-	-	2,810,382
CITY CLERK	2,577,598	-	-	2,577,598
CITY MANAGER	23,779,184	-	69,684,549	93,463,734
CITY PROSECUTOR	4,701,396	-	35,000	4,736,396
CIVIL SERVICE	2,005,846	-	-	2,005,846
AIRPORT	41,974,235	-	29,377,301	71,351,537
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	1,019,688	-	-	1,019,688
DEVELOPMENT SERVICES	97,341,066	(1)	260,801,993	358,143,058
FINANCIAL MANAGEMENT**	500,137,051	(112,588)	15,472,145	515,496,608
FIRE	94,347,255	-	3,185,150	97,532,404
HEALTH AND HUMAN SERVICES	119,905,125	-	29,391,110	149,296,235
HUMAN RESOURCES	21,022,670	-	3,654,787	24,677,457
LIBRARY SERVICES	12,626,334	-	-	12,626,334
LONG BEACH GAS AND OIL	606,867,721	-	6,164,245	613,031,967
PARKS, RECREATION AND MARINE	52,293,834	12,683	22,454,132	74,760,648
POLICE	203,259,384	-	13,222,086	216,481,470
PUBLIC WORKS	146,003,975	(793,828)	118,167,138	263,377,285
TECHNOLOGY SERVICES	38,027,019	341,374	4,350,133	42,718,526
TOTAL	1,984,300,270	(552,360)	587,481,945	2,571,229,855

*Carryover of multi-year grants and CIP funds.

**Department of Financial Management includes internal service charges that are contained in the resolutions of the Harbor, Water, and Sewer funds for accounting, budgeting and treasury functions, and other citywide activities such as debt service.

BH-1.3

ORDINANCE NO.

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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. WD-1309, A RESOLUTION OF THE CITY OF LONG BEACH BOARD OF WATER COMMISSIONERS ESTABLISHING THE RATES AND CHARGES TO BE CHARGED FOR WATER AND SEWER SERVICE AND DECLARING THE URGENCY THEREOF, AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AT 12:01 A.M. ON OCTOBER 1, 2013

The City Council of the City of Long Beach ordains as follows:

Section 1. That Resolution No. WD-1309 of the Board of Water Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO. WD-1299 FIXING RATES AND CHARGES FOR WATER AND SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE," adopted by said Board on June 20, 2013, and the rates fixed in the Resolution to be charged for water and sewer service be and the same are hereby approved.

Section 2. This is an emergency measure and is urgently required for the reason that in order to carry on the affairs, functions and business of Long Beach Water Department during the fiscal year which begins on October 1, 2013, it is necessary to authorize the rates and charges for water and sewer service and that this ordinance be passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2013.

Section 3. If any section, subsection, subdivision, sentence, sum, percentage, clause or phrase of this ordinance is for any reason held to be

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 unconstitutional, invalid or void, such decision shall not affect the validity of the remaining
2 portions of this ordinance. The City Council hereby declares that it would have passed
3 this ordinance, and every section, subsection, subdivision, sentence, sum, percentage,
4 clause and phrase thereof, irrespective of the fact that any one or more sections,
5 subsections, subdivisions, sentences, sums, percentages, clauses or phrases thereof is
6 declared unconstitutional, invalid or void.

7 Section 4. This ordinance is an emergency ordinance duly adopted by
8 the City Council by a vote of five of its members and shall take effect immediately. The
9 City Clerk shall certify to a separate roll call and vote on the question of the emergency of
10 this ordinance and to its passage by the vote of five members of the City Council of the
11 City of Long Beach, and cause the same to be posted in three conspicuous places in the
12 City of Long Beach, and it shall thereupon take effect and shall be operative on and after
13 12:01 a.m. on October 1, 2013.

14 I hereby certify that on a separate roll call and vote which was taken by the
15 City Council of the City of Long Beach upon the questions of the emergency of this
16 ordinance at its meeting of _____, 2013, the ordinance was declared
17 to be an emergency by the following vote:

18 Ayes: Councilmembers: _____

19 _____

20 _____

21 _____

22 Noes: Councilmembers: _____

23 _____

24 Absent: Councilmembers: _____

25 _____

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27 ///

28 ///

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 I further certify that thereafter, at the same meeting, upon a roll call and
2 vote on adoption of the ordinance, it was adopted by the City Council of the City of Long
3 Beach by the following vote:

4 Ayes: Councilmembers: _____
5 _____
6 _____
7 _____

8 Noes: Councilmembers: _____
9 _____

10 Absent: Councilmembers: _____
11 _____

12 I further certify that the foregoing ordinance was thereafter adopted on final
13 reading of the City Council of the City of Long Beach at its meeting of _____,
14 2013, by the following vote:

15 Ayes: Councilmembers: _____
16 _____
17 _____
18 _____

19 Noes: Councilmembers: _____
20 _____

21 Absent: Councilmembers: _____
22 _____

23 _____
24 City Clerk

25 _____
26 _____
27 Approved: _____ (Date) _____ Mayor
28

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO. WD-1309

2
3 A RESOLUTION OF THE CITY OF LONG BEACH
4 BOARD OF WATER COMMISSIONERS AMENDING
5 RESOLUTION NO. WD-1299 FIXING RATES AND
6 CHARGES FOR WATER AND SEWER SERVICE TO ALL
7 CUSTOMERS, SUBJECT TO THE APPROVAL OF THE
8 CITY COUNCIL BY ORDINANCE

9
10 The Board of Water Commissioners of the City of Long Beach resolves as
11 follows:

12 Section 1. That the following rates and charges for potable
13 and reclaimed water service and for sewer service are hereby established,
14 and the Long Beach Water Department ("Water Department") of the City of
15 Long Beach ("City") is hereby authorized and directed to charge and collect
16 the same in accordance with the provisions of this resolution, subject to a
17 Public Hearing on September 5, 2013.

18 Section 2. For all metered services the charge for potable
19 and reclaimed water shall consist of both a service charge based on the
20 size of the service and a quantitative charge for water delivered.

21 A. On October 1, 2013, the service charge shall be in
22 accordance with the following table:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.435
1 inch	\$0.655
1-1/2 inch	\$1.222
2 inch	\$1.812
3 inch	\$3.752

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<u>Size of Service</u>	<u>Daily Service Charge</u>
4 inch	\$5.936
6 inch	\$10.940
8 inch	\$17.171
10 inch	\$28.123
12 inch	\$34.370
16 inch	\$56.884

B. On October 1, 2013, the quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

1. For single family residential customers of potable water who have been granted an exemption from the City's Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code:

Tier IA	First 5 Billing Units (or fraction thereof)	\$1.269
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.537
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.806

2. For single family residential customers of potable water who have not been granted an exemption from the City's Utility Users Tax:

Tier IB	First 5 Billing Units (or fraction thereof)	\$2.283
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.537
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.806

3. For duplex residential customers of potable water who have been granted an exemption from the City's Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code:

1 ///

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3 Tier IA First 2.5 Billing Units \$1.269
4 (or fraction thereof
per dwelling unit)

5

6 Tier II Next 10.5 Billing Units \$2.537
7 (or fraction thereof
per dwelling unit)

7

8 Tier III Over 13 Billing Units \$3.806
9 (or fraction thereof
per dwelling unit)

9

4. For duplex residential customers of potable water who

10

have not been granted an exemption from the City's Utility Users Tax:

11

12 Tier IB First 2.5 Billing Units \$2.283
13 (or fraction thereof
per dwelling unit)

13

14 Tier II Next 10.5 Billing Units \$2.537
15 (or fraction thereof
per dwelling unit)

15

16 Tier III Over 13 Billing Units \$3.806
17 (or fraction thereof
per dwelling unit)

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5. For multi-family residential customers of potable water

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who have been granted an exemption from the City's Utility Users Tax in

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accordance with Chapter 3.68 of the Long Beach Municipal Code:

21

22 Tier IA First 2.5 Billing Units \$1.269
23 (or fraction thereof
per dwelling unit)

22

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24 Tier II Next 6.5 Billing Units \$2.537
25 (or fraction thereof
per dwelling unit)

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26 Tier III Over 9 Billing Units \$3.806
27 (or fraction thereof
per dwelling unit)

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6. For multi-family residential customers of potable water

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1 who have not been granted an exemption from the City's Utility Users Tax:

2			
3	Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$2.283
4			
5	Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.537
6			
7	Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.806
8			

9 7. For commercial customers of potable water, \$2.537 per
10 billing unit, or fraction thereof.

11 8. For industrial customers of potable water, \$2.537 per
12 billing unit, or fraction thereof.

13 9. For irrigation customers of potable water, \$2.537 per
14 billing unit, or fraction thereof.

15 10. For City of Long Beach Departments using potable
16 water, \$2.537 per billing unit, or fraction thereof.

17 11. For reclaimed water users whose use is "peaking" as
18 defined herein, \$1.776 per billing unit, or fraction thereof.

19 12. For reclaimed water users whose use is "non-peaking"
20 as defined herein, \$1.269 per billing unit, or fraction thereof.

21 13. For reclaimed water users whose use is "interruptible" as
22 defined herein, \$1.269 per billing unit or fraction thereof.

23 14. These quantitative charges shall be subject to
24 adjustment as provided in Subsection C of this Section.

25 15. There shall be no charge for water used through fire
26 hydrants for extinguishing fires.

27 Section 3. A. Unmetered water service may be
28 rendered to unoccupied or occupied property where it is not practical

1 to meter the water, and on October 1, 2013, the rate for unmetered
2 water service shall be:

3 <u>Size of Service</u>	<u>Daily Rate</u>
4 5/8 or 3/4 inch	\$2.121
5 1 inch	\$3.588
6 1-1/2 inch	\$8.838
7 2 inch	\$13.904

8
9 B. The rates for unmetered water service shall begin on the date
10 of use of water by the customer, as determined by the General Manager of
11 the Water Department ("General Manager").

12 Section 4. By Resolution the Board of Water

13 Commissioners has established a Water Conservation and Water Supply
14 Shortage Plan (the Plan). Pursuant to the Plan, the Board may declare that
15 a Stage 1, Stage 2 or Stage 3 Water Supply Shortage exists, in its sole
16 discretion. Upon such declaration, the Board may increase water rates, by
17 an amount necessary, as determined by the Board but not to exceed the
18 following percentages:

19 Stage 1 Water Supply Shortage Rate. Water rates may be increased by an amount not
20 to exceed 10% above the pre-shortage rate.

21 Stage 2 Water Supply Shortage Rate. Water rates may be increased by an amount not
22 to exceed 25% above the pre-shortage rate.

23 Stage 3 Water Supply Shortage Rate. Water rates may be increased by an amount not
24 to exceed 50% above the pre-shortage rate.

25 Section 5. Charges for water service through meters at
26 temporary service connections from fire hydrants or otherwise shall be at
27 the applicable quantitative charge plus the service charge, together with a
28 charge for installing, changing, and removing the meter and fittings in

1 accordance with the "Rules, Regulations and Charges Governing Potable
2 Water, Reclaimed Water, Sewer Service and the Emergency Water
3 Conservation Plan" of the Water Department.

4 Section 6. A. On October 1, 2013, the service
5 charge for private fire protection service shall be in accordance with
6 the following table:

7 <u>Size of Service</u>	8 <u>Daily Rate</u>
9 2 inch	\$0.907
10 3 inch	\$1.551
11 4 inch	\$2.291
12 6 inch	\$3.904
13 8 inch	\$5.723
14 10 inch	\$7.742
15 12 inch	\$9.758
16 16 inch	\$14.308

17 The service charges in this Section shall only include water used for
18 fire extinguishing purposes and a reasonable amount of water used for
19 testing the fire line.

20 B. Whenever the Water Department finds that water through a
21 private fire protection service is being used for purposes other than fire
22 extinguishing or testing the fire line, the General Manager may make a
23 determination of the quantity of water used, the quantitative charges for that
24 water, and the service charges to be applied. His determination shall be
25 final. In addition, if water through a private fire protection service is used for
26 purposes other than fire extinguishing or testing the fire line, the Water
27 Department may discontinue the private fire protection service or may install
28 a domestic or fire flow meter, at either the customer's or its expense as the
General Manager may determine, and thereafter the service shall be

1 classified as regular service and billed at the rates applicable thereto.

2 Section 7. The primary purpose of fire hydrants is
3 extinguishing fires and they shall be opened and used only by the Water
4 Department or the Long Beach Fire Department, or such other persons as
5 may be authorized to do so by the General Manager or the Chief of the Fire
6 Department. Where fire hydrants are installed and maintained by the Water
7 Department, there shall be no standby charge made to the Fire
8 Department.

9 Section 8. A. For all sewer service where the sewer
10 lateral connects to a main line maintained by the Water Department,
11 or the sewer lateral is located in the public right-of-way, the charge
12 for sewer service shall consist of both a daily sewer rate and a
13 volumetric sewer rate.

14 B. The daily sewer rate shall be in accordance with the following
15 table:

<u>Size of Service</u>	<u>Daily Sewer Rate</u>
17 5/8 or 3/4 inch	\$0.250
18 1 inch	\$0.396
19 1-1/2 inch	\$0.721
20 2 inch	\$1.046
21 3 inch	\$2.164
22 4 inch	\$3.428
23 6 inch	\$6.315
24 8 inch	\$9.920
25 10 inch	\$16.229
26 12 inch	\$19.838
27 16 inch	\$32.462

28 C. The volumetric sewer rate shall be \$0.347 per 100 cubic feet

1 of water furnished where water service size is 5/8 inches or larger. The
2 volumetric sewer rate shall not be applicable to fire services.

3 D. For volumetric sewer rates, there are the following customer
4 classifications: single family residential; duplex residential; multi-family
5 residential; City Departments; commercial; and industrial.

6 Volumetric sewer rates for single family residential, duplex residential
7 and multi-family residential shall be computed based on the average of
8 actual potable water use during the winter billing periods. The winter billing
9 periods used will be determined by the meter reading schedule for the
10 account. The actual winter usage is divided by the number of winter days to
11 obtain an average volume. The average volume will be the base volume on
12 which the volumetric sewer rate is charged for the next twelve month period
13 beginning with May's billing periods. Each year, the average volume will be
14 recalculated for the succeeding twelve-month period. Exceptions to the
15 above calculation methodology will use the average volume for the water
16 service size in which the customer falls as the average volume or a
17 calculation using available usage information for the account. For those
18 residential customers with no previous history of use during the winter billing
19 periods, the average volume for the water service size in which the
20 customer falls will be used.

21 E. For all users of the sewer system that do not receive a water
22 bill from the City but where the user's sewer lateral connects to a main line
23 maintained by the Water Department, or where the sewer lateral is located
24 in the public right-of-way, the charge for sewer service shall consist of both
25 a daily sewer rate and a volumetric sewer rate. The daily sewer rate shall
26 be as provided in Subsection 8(B) of this Resolution. For these customers,
27 the volumetric sewer rate shall be based on the average volume for the
28 customer's water service size.

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F. The City shall collect from all developments and all developments shall be required to pay a capacity charge of Ninety-Three Dollars and Twenty Cents (\$93.20) per equivalent fixture unit at the time application for sewer service is made, but in no event later than the time that the City issues a sewer permit for connection to the City sewage system, as set forth in the Long Beach Municipal Code and the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service and the Emergency Water Conservation Plan" of the Water Department.

G. Upon receipt of an application for sewer service, the City's Department of Development Services (through the Plan Checker for Plumbing) shall calculate the amount of the capacity charge by: 1) determining if this resolution applies to the development; and 2) if this resolution does not apply, indicating same on the application for sewer service and the reason this resolution does not apply, and processing the application in accordance with ordinances, resolutions, and regulations; or 3) if this resolution does apply, determining the number of equivalent fixture units in the development and multiplying that number by the capacity charge per equivalent fixture unit.

H. The sewer capacity charge shall be subject to annual adjustment, effective October 1 of each year, to reflect the increase of the Construction Cost Index ("CCI") for Los Angeles as published in the "Engineering News-Record". The increase shall be calculated each September by dividing the CCI published in August of the current calendar year by the CCI published in August of the preceding calendar year; that figure multiplied by the sewer capacity charge in effect in October shall be the new sewer capacity charge. No adjustment shall be made to reflect a decrease in the CCI.

I. Funds derived from capacity charges shall be placed in the

1 Sewer Fund and shall be used only for the operation, construction,
2 reconstruction, acquisition, or maintenance of the City sewage system.

3 J. Anyone who has paid a capacity charge may apply for a full or
4 partial refund if within one year after payment: 1) the applicant has not been
5 permitted to connect to the City sewage system; or 2) the development on
6 which the capacity charge was calculated has been modified pursuant to
7 applicable City ordinances, resolutions, or regulations, resulting from a
8 reduction in the number of equivalent fixture units. Refund applications
9 shall be made on forms provided by the City and shall contain a declaration
10 under oath of those facts, along with relevant documentary evidence, which
11 qualify the applicant for the refund. In no event shall a refund exceed ninety
12 percent (90%) of the amount of the capacity charge actually paid.

13 K. Anyone subject to a capacity charge who constructs, deposits
14 money into escrow with the City for the construction of, participates in an
15 assessment district for the construction of, or otherwise contributes money
16 or improvements to the City for the operation, construction, reconstruction,
17 acquisition, or maintenance of the City sewage system shall be eligible for a
18 credit for such contribution against the capacity charge otherwise due. The
19 amount of the credit shall be the value of the contribution as determined by
20 the City provided, however, that the credit shall not exceed ninety percent
21 (90%) of the amount of the capacity charge. Applications for said credit
22 shall be made on forms provided by the City and shall be submitted at or
23 before the time of application for sewer service. The application shall
24 contain a declaration under oath of those facts, along with relevant
25 documentary evidence, which qualify the applicant for the credit.

26 L. The capacity charge and requirements pertaining thereto shall
27 not affect in any way the permissible use of property, density of
28 development, design and improvement standards, public improvement

1 requirements, or any other aspect of the development of land or
2 construction of buildings which may be imposed by the City pursuant to the
3 Long Beach Municipal Code, Subdivision Regulations, or other state or local
4 laws, ordinances or regulations which shall be in effect with respect to all
5 developments.

6 M. The capacity charge is a charge on development that reflects
7 a development's proportionate share of the present depreciated value of the
8 existing City sewage system. As such the capacity charge is additional to
9 and not in substitution of the following: 1) on-site sewer facility
10 requirements imposed by the City pursuant to the Long Beach Municipal
11 Code, Subdivision Regulations, and other state or local laws, ordinances or
12 regulations; 2) sewer permit fees; 3) connection charges; 4) sewer rates;
13 and 5) other fees, rates, and charges including but not limited to sewer
14 standby or immediate availability charges and capital facilities charges for
15 services or facilities other than as a proportionate share of the present
16 depreciated value of the existing City sewer system. In no event shall an
17 applicant for sewer service be obligated to pay fees, rates, or charges in
18 excess of those calculated pursuant to applicable City ordinances, which
19 shall not individually or collectively exceed the reasonable cost of providing
20 sewer service to the development.

21 Section 9. Any term not defined herein which is defined in
22 the Long Beach Municipal Code or in the "Rules, Regulations and Charges
23 Governing Potable Water, Reclaimed Water, Sewer Service, and the
24 Emergency Water Conservation Plan" of the Water Department shall have
25 the meaning stated therein.

26 Section 10. A. Regular bills for water service and
27 sewer service shall be issued at intervals of approximately one month
28 (commonly called "monthly") except in those cases where the

1 General Manager or the Board of Water Commissioners shall
2 prescribe another billing interval. Insofar as practical, meters shall be
3 read at regular intervals for the preparation of regular bills, and
4 meters shall be read as required for the preparation of opening,
5 closing, and special bills.

6 B. Every water customer and every sewer customer shall be
7 liable for payment of bills for water service and sewer service. Charges for
8 water service and sewer service shall be included in municipal utility bills.

9 C. Anyone who has been granted an exemption under Chapter
10 3.68 of the Long Beach Municipal Code as of the date of this resolution
11 does not need to file a separate application for exemption hereunder.

12 Section 11. Whenever the correctness of any bill for water or
13 sewer service is questioned by a customer, the procedures established in
14 the "Rules, Regulations and Charges Governing Potable Water, Reclaimed
15 Water, Sewer Service, and the Emergency Water Conservation Plan" of the
16 Water Department shall be followed.

17 Section 12. The following words shall have the meanings
18 defined as follows:

19 A. "Billing unit" means one hundred (100) cubic feet of water and
20 equals 748 gallons;

21 B. "Commercial" refers to activities devoted primarily to business,
22 property management, or a profession;

23 C. "Industrial" refers to activities devoted primarily to
24 manufacturing or processing;

25 D. "Interruptible" refers to reclaimed water service that can be
26 suspended at any time at the Board's discretion, without liability and dependent
27 upon the Water Department's reclaimed water system needs for such service.

28 E. "Non-peaking" means total average daily demand occurring at

1 a continuous, constant level over a twenty-four (24) hour period;

2 F. "Peaking" means total average daily demand occurring
3 between the hours of 9:00 p.m. and 6:00 a.m.

4 G. "Winter billing period" means the time period used for sewer
5 volumetric calculation purposes, which includes bills with a bill prepared
6 date in December, January, February, or March.

7 Section 13. All other resolutions of the Board of Water
8 Commissioners, or provisions thereof, which conflict with this resolution are
9 hereby rescinded. The charges, conditions, and provisions established in
10 this Resolution shall supersede all others previously established.

11 Section 14. The Secretary of the Board of Water
12 Commissioners shall certify to the passage of this resolution and it shall
13 take effect by operation of law following its approval by the City Council by
14 ordinance.

15 I hereby certify that the foregoing resolution was adopted by the Board of
16 Water Commissioners of the City of Long Beach at its meeting held on June 20, 2013, by
17 the following vote:

18
19 Ayes: Commissioners: BLANCO; DALLMAN;
20 SALTZGAVER; ALLEN

21
22 Noes: Commissioners: NONE

23 Absent: Commissioners: NONE
24

25 CERTIFIED AS A TRUE AND CORRECT COPY

26 SECRETARY TO THE BOARD OF WATER COMMISSIONERS
CITY OF LONG BEACH, CALIFORNIA

27 BY: [Signature]
DATE: 6/20/2013

[Signature: Suzanne Dallman]
Secretary
Board of Water Commissioners