

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

BH-1

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6425 • Fax (562) 570-5836

September 5, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and discuss an overview of the Proposed Fiscal Year 2018 budgets for the following Departments: Harbor and Water; and,

Receive supporting documentation into the record, conclude the public hearing, and take the actions necessary to adopt the Fiscal Year 2018 budget as listed in Attachment A. (Citywide)

DISCUSSION

On July 31, 2017, the City Manager's Proposed Budget for Fiscal Year 2018 (FY 18) was delivered by Mayor Garcia to the City Council and community for consideration. Budget meetings were set for March 14, July 25, August 1, August 8, August 15, August 22, September 5, and September 12, along with six Budget Oversight Committee (BOC) meetings, and ten community meetings at which the FY 18 Proposed Budget was discussed. We are pleased to report that through the hearings, BOC and community meetings, there were 24 scheduled opportunities for public feedback, deliberation and input. In addition, this year, the City solicited input through the Long Beach Budget Priority Survey to obtain feedback on what the City's General Fund priorities should be. The survey was promoted, along with OpenLB, which shows the budget visually, on the City's website, through Twitter and Facebook, and at the community meetings.

At the conclusion of the hearing, 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 18 Proposed Budget, updated estimates of revenue and expense, which primarily address technical corrections, are listed by fund and department in Attachments B, C and D to this letter. The reasons for the adjustments are discussed at the end of this letter.

There are three Ordinances in Attachment A. The first approves Resolution No. WD-1376 (A-3), which establishes the rates and charges for the water and sewer service. The second is the Appropriations Ordinance (A-17), which officially adopts the FY 18 budget and authorizes expenditures in conformance with the adopted budget. For these two Ordinances to become effective October 1, 2017, the City Council must first declare an

emergency to exist before adopting each Ordinance (A-2 and A-16). The third Ordinance amends the Departmental Organization of the City (A-13).

There are also five Resolutions that provide for approval of the budget for the Harbor Department (A-1), the budget for the Water Department (A-4), the Master Fees and Charges Schedule (A-5), establish the Gann Appropriations Limit (A-9), and amend Salary Resolution (A-14). There are also motions that request approvals for the following: the FY 18 Capital Improvement Program (A-6); FY 18 Budget for the Long Beach Community Investment Company (A-7); the Harbor Revenue Fund Transfer (A-8); the revised Financial Policies as recommended by the BOC (A-10); the Mayor's Recommendations (A-11); the BOC Recommendations (A-12); and, a motion amending the Proposed FY 18 Budget (A-15).

This matter was reviewed by Deputy City Attorney Richard F. Anthony on August 21, 2017.

TIMING CONSIDERATIONS

In accordance with the City Charter, the FY 18 budget must be adopted by September 15, 2017. Should the City Council fail to adopt the budget by that date, the City Manager's FY 18 Proposed Budget will be deemed the budget for the 2018 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, 2017, to override veto action by the Mayor with a two-thirds supermajority vote (six Councilmembers).

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 Proposed FY 18 budget for all departments and funds is \$3,071,784,105, which comprises \$2,647,704,022 in new appropriation and \$424,080,083 in estimated carry-over from FY 17 for multi-year grants and projects. Attachments B, C and D provide the financial overview by Fund, by Department and Citywide revenue by Fund.

The Appropriations Ordinance, included as Attachment A-17, totals \$2,212,002,992 for all funds except Harbor, Sewer, and Water, and \$2,218,005,775 for all departments except Harbor and Water. The \$6,002,783 difference between funds and departments is due to general City indirect costs budgeted in the Financial Management Department, 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, respectively, and total \$859,781,113. The Board of Harbor Commissioners adopted the budget for the Harbor Department by

minute order on June 26, 2017. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 15, 2017.

User fees and charges in the Master Fees and Charges Schedule, included as Attachment A-5, have been adjusted due to changes in service and other factors, including the City Cost Index adjustment. For details regarding these proposed new fees, deletions and adjustments, please see the List of Proposed Fees Adjustments for FY 18 that has been incorporated as Exhibits B and C to the Master Fees and Charges Resolution.

Other requested City Council actions include:

- Approving the FY 18 One-Year Capital Improvement Program (CIP) budget, included as Attachment A-6, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 17, 2017, approved the CIP for FY 18 as conforming to the General Plan.
- Adopting a Resolution, included as Attachment A-9, establishing the Gann Appropriations Limit (Limit) for general purpose expenditures. In November 1979, the voters of the State of California (State) approved Proposition 4, also known as the Gann Initiative (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 prevents 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 39.75 percent of the 2017-2018 Appropriations Limit and, therefore, do not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.
- Adopting the Financial Policies for the City, included as Attachment A-10. These policies have been presented to the Budget Oversight Committee for consideration and review and now come to the full Council for deliberation. Among other changes, the Fund Balance Policy (Policy 7) is a preexisting financial policy that was previously separate from the other Financial Policies and is now incorporated into the main policy list. (A redline version of the changes is also provided.)
- Amending the Departmental Organization Ordinance, included as Attachment A-13. This amendment incorporates changes to departments, bureaus, and divisions for FY 18. These organizational changes are necessary to implement changes reflected in the Proposed FY 18 budget. (A redline version of the changes is also provided.)
- Adopting the Salary Resolution, included as Attachment A-14.

After the City Manager delivered the FY 18 Proposed Budget to the Mayor, technical adjustments were made to the budget. These changes are generally not substantive and are shown in Attachments B, C and D. Changes of note include:

1. The Tidelands Operations Fund (TF 401) had an adjustment to increase the revenues by \$888,850 to reflect the anticipated updated FY 18 operating transfer from Harbor Revenue Fund (HR 430).
2. The Gasoline Tax Street Improvement Fund (SR 181) had an increase of \$794,943 in expense and \$430,336 in revenues due to revisions to estimated local return revenue anticipated from the Road Maintenance and Rehabilitation Account (SB-1). Per draft requirements currently under review from the California Transportation Commission, all SB-1 revenues must be programmed and adopted in the City's annual budget. The additional revenue has been programmed for residential street improvements.
3. The Transportation Fund (SR 182) had a technical adjustment to increase expense budget by \$400,000 to reflect an increase in Measure R revenues eligible for administrative expenses.
4. Expenses were reduced in the Gas Fund (EF 301) by \$500,000 to reflect a reduction in the annual transfer to the General Fund (GF).

The remaining changes were minor, technical adjustments made to various funds and departments to align budget with grants and/or revenues.

SUGGESTED ACTION:

Approve recommendation

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2018 Budget Adoption Actions

1. Adopt the Resolution approving the FY 18 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 26, 2017. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1376 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 15, 2017, 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 18 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 15, 2017. (A-4)
5. Adopt the Resolution amending the Master Fees and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-5)
6. Approve the FY 18 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 18 budget for the Long Beach Community Investment Company (formerly known as the Long Beach Housing Development Company) in the amount of \$3,324,867. (A-7)
8. Adopt a motion approving the estimated transfer of \$18,661,550 from the Harbor Revenue Fund to the Tidelands Operations Fund. (A-8)
9. Adopt the Resolution establishing the Gann Appropriations Limit (Limit) for FY 18 pursuant to Article XIII (B) of the California Constitution. (A-9)
10. Adopt a motion approving the Financial Policies as recommended by the Budget Oversight Committee on September 5, 2017. (A-10)
11. Adopt the Mayor's proposed budget recommendations to the FY 18 Proposed Budget. (A-11)
12. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 18 Proposed Budget. (A-12)
13. Declare the Ordinance amending the Departmental Organization Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading. (A-13)
14. Adopt the amended Salary Resolution for FY 18. (A-14)
15. Adopt a motion amending the proposed FY 18 budget. (A-15)
16. Declare an emergency to exist. (A-16)
17. Declare the Appropriations Ordinance for FY 18, 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-17)

FISCAL YEAR 2018 APPROPRIATIONS ORDINANCE BY FUND
 (Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 18 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 17 ESTIMATED CARRYOVER**</u>	<u>FY 18 APPROPRIATIONS</u>
GENERAL FUND	500,264,361	(0)	-	500,264,361
UPLAND OIL FUND	10,214,840	-	-	10,214,840
GENERAL GRANTS FUND	7,972,375	(9,436)	19,195,805	27,158,745
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,840,486	-	-	3,840,486
HEALTH FUND	44,340,517	-	26,350,455	70,690,973
CUPA FUND	1,946,734	-	5	1,946,740
SPECIAL ADVERTISING & PROMOTION FUND	11,324,701	2,831	-	11,327,532
HOUSING DEVELOPMENT FUND	7,602,904	-	29,518,806	37,121,710
BELMONT SHORE PARKING METER FUND	765,000	-	-	765,000
BUSINESS ASSISTANCE FUND	705,681	-	1,288,783	1,994,464
COMMUNITY DEVELOPMENT GRANTS FUND	20,285,512	-	15,567,327	35,852,840
HOUSING AUTHORITY FUND	77,111,051	-	-	77,111,051
GASLINE TAX STREET IMPROVEMENT FUND	14,668,293	794,943	20,190,732	35,653,968
TRANSPORTATION FUND	29,693,978	400,000	19,181,963	49,275,942
CAPITAL PROJECTS FUND	35,824,824	-	90,696,430	126,521,254
SUCCESSOR AGENCY OPERATIONS	45,199,197	-	25,842,923	71,042,120
CIVIC CENTER FUND	10,400,805	-	7,328,337	17,729,142
GENERAL SERVICES FUND	44,686,614	-	25,927,962	70,614,576
FLEET SERVICES FUND	59,165,983	-	2,606,963	61,772,946
INSURANCE FUND	42,947,238	4,488	500,000	43,451,726
EMPLOYEE BENEFITS FUND	289,328,050	-	-	289,328,050
TIDELANDS OPERATIONS FUND	70,748,738	-	75,335,027	146,083,765
TIDELANDS AREA FUNDS	39,212,313	-	41,468,346	80,680,659
TIDELAND OIL REVENUE FUND	63,937,982	-	-	63,937,982
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	23,208,857	-	1,130,637	24,339,493
GAS FUND	92,110,822	(500,000)	1,062,786	92,673,609
GAS PREPAY FUND	40,077,822	-	-	40,077,822
AIRPORT FUND	43,834,017	-	20,787,519	64,621,536
REFUSE/RECYCLING FUND	48,377,664	-	99,277	48,476,940
SERRF FUND	51,088,419	-	-	51,088,419
SERRF JPA FUND	10,990,570	-	-	10,990,570
TOWING FUND	5,457,831	-	-	5,457,831
DEBT SERVICE FUND	11,099,333	-	-	11,099,333
SUCCESSOR AGENCY DEBT SERVICE	28,796,570	-	-	28,796,570
TOTAL	1,787,230,084	692,825	424,080,083	2,212,002,992

*Please refer to the Fiscal Impact section of the City Council Letter for a description of notable changes.

**Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2018 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)

<u>DEPARTMENT</u>	<u>FY 18 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 17 ESTIMATED CARRYOVER**</u>	<u>FY 18 APPROPRIATIONS</u>
MAYOR AND COUNCIL	5,586,638	5,720	(0)	5,592,357
CITY ATTORNEY	11,010,604	7,238	-	11,017,843
CITY AUDITOR	3,229,417	5,386	-	3,234,803
CITY CLERK	2,790,642	-	25,577	2,816,219
CITY MANAGER	15,902,731	4,719	863,328	16,770,779
CITY PROSECUTOR	5,565,128	5,662	642,040	6,212,830
CIVIL SERVICE	2,904,443	-	-	2,904,443
AIRPORT	43,403,868	-	20,787,519	64,191,387
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	12,565,442	-	1,799,982	14,365,425
DEVELOPMENT SERVICES	118,735,567	-	62,312,097	181,047,665
ECONOMIC DEVELOPMENT	19,133,593	46,000	10,913,695	30,093,288
FINANCIAL MANAGEMENT***	541,471,095	(76,842)	9,133,713	550,527,966
FIRE	116,968,063	-	2,322,348	119,290,411
HEALTH AND HUMAN SERVICES	123,673,001	-	27,230,130	150,903,131
HUMAN RESOURCES	11,932,782	-	-	11,932,782
LIBRARY SERVICES	14,238,458	-	1,292,148	15,530,606
LONG BEACH GAS AND OIL	214,126,660	(500,000)	1,476,359	215,103,019
PARKS, RECREATION AND MARINE	58,048,908	-	34,607,241	92,656,149
POLICE	241,838,594	-	9,323,081	251,161,675
PUBLIC WORKS	186,397,602	1,194,943	215,422,862	403,015,407
TECHNOLOGY & INNOVATION	43,709,629	-	25,927,962	69,637,590
TOTAL	1,793,232,866	692,826	424,080,083	2,218,005,775

*Please refer to the Fiscal Impact section of the City Council Letter for a description of notable changes.

**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.

FISCAL YEAR 2018 REVENUES BY FUND
(Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 18 PROPOSED REVENUES</u>	<u>CHANGES*</u>	<u>FY 18 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	500,819,031	-	500,819,031
UPLAND OIL FUND	10,228,836	-	10,228,836
GENERAL GRANTS FUND	7,972,375	(9,436)	7,962,939
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,315,912	-	3,315,912
HEALTH FUND	43,778,467	-	43,778,467
SPECIAL ADVERTISING & PROMOTION FUND	10,258,799	-	10,258,799
HOUSING DEVELOPMENT FUND	1,908,752	-	1,908,752
BELMONT SHORE PARKING METER FUND	765,000	-	765,000
BUSINESS ASSISTANCE FUND	677,838	-	677,838
COMMUNITY DEVELOPMENT GRANTS FUND	19,816,485	-	19,816,485
GASOLINE TAX STREET IMPROVEMENT FUND	14,917,969	430,336	15,348,305
TRANSPORTATION FUND	30,419,555	-	30,419,555
CAPITAL PROJECTS FUND	36,957,389	-	36,957,389
CIVIC CENTER FUND	10,519,671	-	10,519,671
GENERAL SERVICES FUND	45,090,474	-	45,090,474
FLEET SERVICES FUND	41,415,783	-	41,415,783
INSURANCE FUND	45,374,278	-	45,374,278
EMPLOYEE BENEFITS FUND	283,937,238	-	283,937,238
TIDELANDS OPERATIONS FUND	68,973,466	888,850	69,862,316
TIDELANDS AREA FUNDS	41,031,818	-	41,031,818
TIDELAND OIL REVENUE FUND	64,100,959	-	64,100,959
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	21,937,964	-	21,937,964
GAS FUND	92,835,220	-	92,835,220
GAS PREPAY FUND	41,475,391	-	41,475,391
AIRPORT FUND	48,103,182	-	48,103,182
REFUSE/RECYCLING FUND	46,934,439	-	46,934,439
SERRF FUND	51,263,986	-	51,263,986
SERRF JPA FUND	11,250,285	-	11,250,285
TOWING FUND	5,823,529	-	5,823,529
HOUSING AUTHORITY FUND	75,634,164	-	75,634,164
SUCCESSOR AGENCY OPERATIONS	45,448,372	-	45,448,372
CUPA FUND	1,755,060	-	1,755,060
DEBT SERVICE FUND	8,950,608	-	8,950,608
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
TOTAL	1,765,334,335	1,309,750	1,766,644,084

*Please refer to the Fiscal Impact section of the City Council Letter for a description of notable changes.

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. WD-1376, 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, 2017

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

Section 1. That Resolution No. WD-1376 of the Board of Water Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE CITY OF LONG BEACH BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO. WD-1369 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 15, 2017, 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 the Long Beach Water Department during the fiscal year which begins on October 1, 2017, 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, 2017.

Section 3. If any section, subsection, subdivision, sentence, sum,

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

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 vote
2 on adoption of the ordinance, it was adopted by the City Council of the City of Long Beach
3 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 2017, by the following vote:

15 Ayes: Councilmembers: _____
16 _____
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19 Noes: Councilmembers: _____
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21 Absent: Councilmembers: _____
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23 _____
24 _____
25 _____
26 _____

27 Approved: _____
28 (Date)

City Clerk

Mayor

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

1 RESOLUTION NO. WD-1376

2
3 A RESOLUTION OF THE CITY OF LONG BEACH
4 BOARD OF WATER COMMISSIONERS AMENDING
5 RESOLUTION NO. WD-1369 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 and reclaimed
13 water service and for sewer service are hereby established, and the Long Beach Water
14 Department ("Water Department") of the City of Long Beach ("City") is hereby authorized
15 and directed to charge and collect the same in accordance with the provisions of this
16 resolution, subject to a Public Hearing. All of the following rates and charges shall be
17 effective as of October 1, 2017.

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

21 A. The service charge shall be as follows:

22 1. Single family residential, duplex residential, and multi-
23 family residential customers of potable water who have been granted an
24 exemption from the City's Utility Users Tax in accordance with Chapter 3.68
25 of the Long Beach Municipal Code shall receive a monthly service charge bill
26 credit of approximately Five Dollars (\$5.00) and the service charge rates shall
27 be as follows:

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<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.572
1 inch	\$0.848
1-1/2 inch	\$1.537
2 inch	\$2.364
3 inch	\$4.982
4 inch	\$8.426
6 inch	\$18.761
8 inch	\$38.741
10 inch	\$58.032
12 inch	\$73.189
16 inch	\$107.637

2. For single family residential, duplex residential, and multi-family residential customers of potable water who have not been granted an exemption from the City's Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.572
1 inch	\$0.848
1-1/2 inch	\$1.537
2 inch	\$2.364
3 inch	\$4.982
4 inch	\$8.426
6 inch	\$18.761
8 inch	\$38.741
10 inch	\$58.032
12 inch	\$73.189

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<u>Size of Service</u>	<u>Daily Service Charge</u>
16 inch	\$107.637

B. The quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

1. For single family residential, duplex residential, and multi-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 6 Billing Units (or fraction thereof)	\$0.000
Tier II	Next 7 Billing Units (or fraction thereof)	\$3.825
Tier III	Over 13 Billing Units (or fraction thereof)	\$5.581

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

Tier IB	First 6 Billing Units (or fraction thereof)	\$1.998
Tier II	Next 7 Billing Units (or fraction thereof)	\$3.825
Tier III	Over 13 Billing Units (or fraction thereof)	\$5.581

3. For commercial customers of potable water, \$2.972 per billing unit, or fraction thereof.

4. For industrial customers of potable water, \$2.972 per billing unit, or fraction thereof.

5. For irrigation customers of potable water, \$2.972 per

1 billing unit, or fraction thereof.

2 6. For City of Long Beach Departments using potable
3 water, \$2.972 per billing unit, or fraction thereof.

4 7. For reclaimed water users whose use is "peaking" as
5 defined herein, \$1.933 per billing unit, or fraction thereof.

6 8. For reclaimed water users whose use is "non-peaking"
7 as defined herein, \$1.641 per billing unit, or fraction thereof.

8 9. For reclaimed water users whose use is "interruptible"
9 as defined herein, \$1.641 per billing unit or fraction thereof.

10 10. These quantitative charges shall be subject to
11 adjustment as provided in Section 4 of this Section.

12 11. There shall be no charge for water used through fire
13 hydrants for extinguishing fires.

14 Section 3.

15 A. Unmetered water service may be rendered to unoccupied or
16 occupied property where it is not practical to meter the water, and the rate for
17 unmetered water service shall be:

18 <u>Size of Service</u>	<u>Daily Rate</u>
19 5/8 or 3/4 inch	\$2.481
20 1 inch	\$4.197
21 1-1/2 inch	\$10.340
22 2 inch	\$16.266

23
24 B. The rates for unmetered water service shall begin on the date
25 of use of water by the customer, as determined by the General Manager of
26 the Water Department ("General Manager").

27 Section 4. By Resolution the Board of Water Commissioners has
28 established a Water Conservation and Water Supply Shortage Plan (the Plan). Pursuant

1 to the Plan, the Board may declare that a Stage 1, Stage 2 or Stage 3 Water Supply
2 Shortage exists, in its sole discretion. Upon such declaration, the Board may increase
3 water rates, by an amount necessary, as determined by the Board but not to exceed the
4 following percentages:

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

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

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

11 Section 5. Charges for water service through meters at temporary service
12 connections from fire hydrants or otherwise shall be at the applicable quantitative charge
13 plus the meter rental fee, together with a charge for installing, relocating, and removing the
14 meter and fittings in accordance with the "Rules, Regulations and Charges Governing
15 Potable Water, Reclaimed Water, Sewer Service and the Emergency Water Conservation
16 Plan" of the Water Department.

17 Section 6.

18 A. The service charge for private fire protection service shall be in
19 accordance with the following table:

<u>Size of Service</u>	<u>Daily Rate</u>
20 2 inch	\$0.338
21 3 inch	\$0.680
22 4 inch	\$1.270
23 6 inch	\$3.386
24 8 inch	\$7.038
25 10 inch	\$12.529
26 12 inch	\$20.140
27 16 inch	\$42.739

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

4 B. Whenever the Water Department finds that water through a
5 private fire protection service is being used for purposes other than fire
6 extinguishing or testing the fire line, the General Manager may make a
7 determination of the quantity of water used, the quantitative charges for that
8 water, and the service charges to be applied. The General Manager's
9 determination shall be final. In addition, if water through a private fire
10 protection service is used for purposes other than fire extinguishing or testing
11 the fire line, the Water Department may discontinue the private fire protection
12 service or may install a domestic or fire flow meter, at either the customer's
13 or its expense as the General Manager may determine, and thereafter the
14 service shall be classified as regular service and billed at the rates applicable
15 thereto.

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

21 Section 8.

22 A. For all sewer service where the sewer lateral connects to a
23 main line maintained by the Water Department, or the sewer lateral is located
24 in the public right-of-way, the charge for sewer service shall consist of both a
25 daily sewer rate and a volumetric sewer rate.

26 B. The daily sewer rate shall be in accordance with the following
27 table:

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<u>Size of Service</u>	<u>Daily Sewer Rate</u>
5/8 or 3/4 inch	\$0.251
1 inch	\$0.372
1-1/2 inch	\$0.976
2 inch	\$1.682
3 inch	\$3.919
4 inch	\$5.669
6 inch	\$15.792
8 inch	\$16.740
10 inch	\$25.913
12 inch	\$32.683
16 inch	\$48.068

C. The volumetric sewer rate shall be \$0.398 per 100 cubic feet of water furnished where water service size is 5/8 inches or larger. The volumetric sewer rate shall not be applicable to fire services.

Industrial customers may apply for separately metered sewer discharge in accordance with the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service, and the Water Conservation and Water Supply Shortage Plan" of the Water Department.

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

Volumetric sewer rates for single family residential, duplex residential and multi-family residential shall be computed based on the average of actual potable water use during the winter billing periods. The winter billing periods used will be determined by the meter reading schedule

1 for the account. The actual winter usage is divided by the number of winter
2 days to obtain an average volume. The average volume will be the base
3 volume on which the volumetric sewer rate is charged for the next twelve
4 month period beginning with May's billing periods. Each year, the average
5 volume will be recalculated for the succeeding twelve-month period.
6 Exceptions to the above calculation methodology will use the average volume
7 for the water service size in which the customer falls as the average volume
8 or a calculation using available usage information for the account. For those
9 residential customers with no previous history of use during the winter billing
10 periods, the average volume for the water service size in which the customer
11 falls will be used.

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

20 F. The City shall collect from all developments and all
21 developments shall be required to pay a capacity charge of One Hundred
22 and One Dollars and Eleven Cents (\$101.11) per equivalent fixture unit at the
23 time application for sewer service is made, but in no event later than the time
24 that the City issues a sewer permit for connection to the City sewage system,
25 as set forth in the Long Beach Municipal Code and the "Rules, Regulations
26 and Charges Governing Potable Water, Reclaimed Water, Sewer Service
27 and the Emergency Water Conservation Plan" of the Water Department.

28 G. Upon receipt of an application for sewer service, the City's

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

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

19 I. Funds derived from capacity charges shall be placed in the
20 Sewer Fund and shall be used only for the operation, construction,
21 reconstruction, acquisition, or maintenance of the City sewage system.

22 J. Anyone who has paid a capacity charge may apply for a full or
23 partial refund if within one year after payment: 1) the applicant has not been
24 permitted to connect to the City sewage system; or 2) the development on
25 which the capacity charge was calculated has been modified pursuant to
26 applicable City ordinances, resolutions, or regulations, resulting from a
27 reduction in the number of equivalent fixture units. Refund applications shall
28 be made on forms provided by the City and shall contain a declaration under

1 oath of those facts, along with relevant documentary evidence, which qualify
2 the applicant for the refund. In no event shall a refund exceed ninety percent
3 (90%) of the amount of the capacity charge actually paid.

4 K. Anyone subject to a capacity charge who constructs, deposits
5 money into escrow with the City for the construction of, participates in an
6 assessment district for the construction of, or otherwise contributes money or
7 improvements to the City for the operation, construction, reconstruction,
8 acquisition, or maintenance of the City sewage system shall be eligible for a
9 credit for such contribution against the capacity charge otherwise due. The
10 amount of the credit shall be the value of the contribution as determined by
11 the City provided, however, that the credit shall not exceed ninety percent
12 (90%) of the amount of the capacity charge. Applications for said credit shall
13 be made on forms provided by the City and shall be submitted at or before
14 the time of application for sewer service. The application shall contain a
15 declaration under oath of those facts, along with relevant documentary
16 evidence, which qualify the applicant for the credit.

17 L. The capacity charge and requirements pertaining thereto shall
18 not affect in any way the permissible use of property, density of development,
19 design and improvement standards, public improvement requirements, or
20 any other aspect of the development of land or construction of buildings
21 which may be imposed by the City pursuant to the Long Beach Municipal
22 Code, Subdivision Regulations, or other state or local laws, ordinances or
23 regulations which shall be in effect with respect to all developments.

24 M. The capacity charge is a charge on development that reflects a
25 development's proportionate share of the present depreciated value of the
26 existing City sewage system. As such the capacity charge is additional to
27 and not in substitution of the following: 1) on-site sewer facility requirements
28 imposed by the City pursuant to the Long Beach Municipal Code, Subdivision

1 Regulations, and other state or local laws, ordinances or regulations; 2)
2 sewer permit fees; 3) connection charges; 4) sewer rates; and 5) other fees,
3 rates, and charges including but not limited to sewer standby or immediate
4 availability charges and capital facilities charges for services or facilities other
5 than as a proportionate share of the present depreciated value of the existing
6 City sewer system. In no event shall an applicant for sewer service be
7 obligated to pay fees, rates, or charges in excess of those calculated
8 pursuant to applicable City ordinances, which shall not individually or
9 collectively exceed the reasonable cost of providing sewer service to the
10 development.

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

15 Section 10.

16 A. Regular bills for water service and sewer service shall be
17 issued at intervals of approximately one month (commonly called "monthly")
18 except in those cases where the General Manager or the Board of Water
19 Commissioners shall prescribe another billing interval. Insofar as practical,
20 meters shall be read at regular intervals for the preparation of regular bills,
21 and meters shall be read as required for the preparation of opening, closing,
22 and special bills.

23 B. Every water customer and every sewer customer shall be liable
24 for payment of bills for water service and sewer service. Charges for water
25 service and sewer service shall be included in municipal utility bills.

26 C. Anyone who has been granted an exemption under Chapter
27 3.68 of the Long Beach Municipal Code as of the date of this resolution does
28 not need to file a separate application for exemption hereunder.

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

5 Section 12. The following words shall have the meanings defined as
6 follows:

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

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

11 C. "Industrial" refers to activities devoted primarily to
12 manufacturing or processing;

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

17 E. "Non-peaking" means total average daily demand occurring at
18 a continuous, constant level over a twenty-four (24) hour period;

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

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

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

28 Section 14. The Secretary of the Board of Water Commissioners shall

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

1 certify to the passage of this resolution and it shall take effect by operation of law following
2 its approval by the City Council by ordinance.


3 I hereby certify that the foregoing resolution was adopted by the Board of
4 Water Commissioners of the City of Long Beach at its meeting held on June 15, 2017, by
5 the following vote:

6
7 Ayes: Commissioners: SHANNON; SALTZGAVER; CORDERO;
8 MARTINEZ; LEVINE

9
10 Noes: Commissioners: NONE

11 Absent: Commissioners: NONE

12 _____

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15 _____
16 Secretary
17 Board of Water Commissioners

18 **CERTIFIED AS A TRUE AND CORRECT COPY**
19 **SECRETARY TO THE BOARD OF WATER COMMISSIONERS**
20 **CITY OF LONG BEACH, CALIFORNIA**

21 BY: 

22 DATE: 6/15/2017

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