

**BH-11**

# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802

September 8, 2009

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Receive supporting documentation into the record, conclude the public hearing and take the actions necessary to adopt the Fiscal Year 2010 budget as listed in Attachment A of this letter. (Citywide)

## DISCUSSION

On July 30, 2009, the City Manager's Proposed Budget for Fiscal Year 2010 (FY 10) was delivered by the Mayor to the City Council and community with recommended amendments for consideration. Subsequent workshops and hearings were set for August 4, August 11, August 18, August 25, August 31, September 1, and September 8, along with approximately three Budget Oversight Committee (BOC) meetings and 14 community meetings at which the FY 10 Proposed Budget was discussed. We are pleased to report that through the scheduled workshops, hearings, BOC and community meetings, presentations have been made by multiple City departments resulting in 23 separate opportunities for public feedback, deliberation and input.

At the conclusion of the hearings, the City Council will be asked to amend the proposed budget as it deems appropriate, and to adopt the proposed budget as amended. Since the publication of the FY 10 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 10 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2009, this Ordinance must include a finding of emergency. Specific resolutions provide for approval of the budgets for the Harbor, Sewer and Water funds; and certain fee adjustments. Requests for approval include the FY 10 Capital Improvement Program; the Mayor's Recommendations; and the Budget Oversight Committee's Recommendations to the FY 10 Proposed Budget.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on August 24, 2009.

### TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 10 budget must be adopted by September 15, 2009, following at least one public hearing. Should the City Council fail to adopt the budget on or by that date, the City Manager's FY 10 Proposed Budget shall be deemed the budget for the 2010 fiscal year. The Mayor then 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, 2009, 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 10 budget for all departments and funds is \$2,890,216,712, which comprises \$2,544,519,957 in new appropriation and \$349,696,755 in estimated carry-over from FY 09 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-17 to this letter, totals \$1,549,226,942 for all funds except Harbor, Water and Sewer, and \$1,552,390,329 for all departments except Harbor and Water. The \$3,163,387 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 Appropriation Ordinance by fund.

The proposed Harbor, Water and Sewer Fund budgets are in separate City Council ordinances included as Attachment A-1 and A-4 to this letter, respectively, and total \$995,293,015. The budget for the Harbor Department was adopted by the Board of Harbor Commissioners by minute order on May 18, 2009. The budget for the Water Department was adopted by the Board of Water Commissioners by resolution on July 10, 2009.

All user fees and charges in the attached Master Fee and Charges Schedule (A-5) have been increased by the City Cost Index, a calculation of the projected increase in the City's cost from FY 09 to FY 10, 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 10 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

Other requested City Council actions include approval of the FY 10 One-Year Capital Improvement Program (CIP) budget, which is contained in the Appropriations

Ordinance. The Planning Commission, at its meeting of August 20, 2009, approved the CIP for FY 10 for conformance with the General Plan. Any projects that are not in conformance with the Plan will be highlighted by Development Services staff and steps to secure conformance will be outlined.

Further, motions approving the budgets of the Redevelopment Agency's (RDA) Project Area Committees (PACs) for the Central Long Beach, the West Long Beach Industrial and the North Long Beach Project Areas and the Long Beach Housing Development Company (HDC) are requested. The PAC budgets are included in the budget of the Development Services Department, while the budget of the HDC is included in the budget of the Community Development Department. In addition, a motion finding the use of North Redevelopment Project Funds on behalf of the Central Redevelopment Project's low-and-moderate-housing efforts will benefit the North Redevelopment Project area.

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 40.86 percent of the 2009-2010 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,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER

**List of Requested Fiscal Year 2010 Budget Adoption Actions**

1. Adopt the Resolution approving the FY 10 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 18, 2009. (A-1).
2. Declare an emergency to exist (A-2).
3. Declare the Ordinance approving the Resolution establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on July 24, 2009, as an Emergency Ordinance, read and adopted as read (A-3).
4. Adopt the Resolution approving the FY 10 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on July 10, 2009 (A-4).
5. Adopt the Resolution amending the master fee and charges schedule for specified city services for citywide fees and charges and the City Clerk, City Prosecutor, Community Development, Development Services, Financial Management, Fire, Gas and Oil, Health and Human Services, Library Services, Long Beach Airport, Parks, Recreation and Marine, Police, and Public Works Departments (A-5).
6. Approve the FY 10 One-Year Capital Improvement Program (A-6).
7. Adopt the Resolution approving the budgets for the Redevelopment Agency's Project Area Committees in the amounts of \$50,000 for Central Long Beach, \$80,000 for West Long Beach Industrial and \$44,895 for North Long Beach (A-7).
8. Adopt the Resolution of the City Council of the City of Long Beach finding that the use of taxes allocated to the North Redevelopment Project on behalf of the Central Redevelopment Project for the purpose of increasing, improving and preserving the community's supply of low-and-moderate-income housing will be of benefit to the North Redevelopment Project (A-8)
9. Adopt a motion approving the budget for the Long Beach Housing Development Company in the amount of \$14,771,161, which is included in the budget of the Department of Community Development (A-9).
10. Adopt a motion approving the transfer of \$16,083,972 from the Harbor Revenue Fund to the Tidelands Operating Fund (A-10).
11. Adopt a motion approving the use of the CalPERS Annual Lump Sum Prepayment Option for the employer portion of the City's CalPERS retirement benefit. The recommended prepayment, in the amount of \$46,013,000, should provide a budgetary savings of \$1,749,730 to the City. Of this amount, the General Fund should recoup a budgetary savings of \$1,049,400. (A-11)
12. Adopt the Resolution adopting an appropriations limit (Gann) for FY10 pursuant to Article XIII(B) of the California Constitution (A-12).
13. Adopt the Mayor's proposed funding recommendations, as amended, to the FY10 Proposed Budget (A-13).
14. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended to the FY10 Proposed Budget (A-14).
15. Adopt a motion amending the proposed budget (A-15).
16. Declare an emergency to exist (A-16).
17. Declare the Appropriations Ordinance for FY10, 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 (A-17).

## FISCAL YEAR 2010 APPROPRIATIONS ORDINANCE BY FUND

<u>FUND</u>	<u>FY 10 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 09 ESTIMATED CARRYOVER*</u>	<u>FY 10 APPROPRIATION</u>
GENERAL FUND	380,704,944	146,899	-	380,851,842
GENERAL GRANTS FUND	6,364,760	(79,512)	11,009,980	17,295,229
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,783,938	70,194	-	3,854,132
HEALTH FUND	41,445,160	(165,394)	29,575,921	70,855,687
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,419,800	(100,000)	-	7,319,800
SPECIAL ADVERTISING & PROMOTION FUND	5,984,150	(14,051)	-	5,970,100
UPLAND OIL FUND	14,907,730	-	-	14,907,730
HOUSING DEVELOPMENT FUND	21,212,767	108,308	67,423,986	88,745,061
BELMONT SHORE PARKING METER FUND	668,275	-	-	668,275
DEVELOPMENT SERVICES FUND	12,825,061	63,277	-	12,888,338
BUSINESS ASSISTANCE FUND	667,257	6,155	(234,209)	439,203
COMMUNITY DEVELOPMENT GRANTS FUND	28,853,780	2,462,728	35,312,476	66,628,984
PARK DEVELOPMENT FUND	309,111	(2,969)	-	306,142
GASOLINE TAX STREET IMPROVEMENT FUND	7,808,973	-	21,926,803	29,735,776
TRANSPORTATION FUND	15,500,667	(56,216)	23,872,736	39,317,187
CAPITAL PROJECTS FUND	3,958,708	(367,843)	49,500,270	53,091,135
CIVIC CENTER FUND	989,384	1,373,631	2,207,705	4,570,720
GENERAL SERVICES FUND	37,632,281	234,452	189,233	38,055,966
FLEET SERVICES FUND	33,710,124	106,048	840,510	34,656,682
INSURANCE FUND	39,296,858	162,650	-	39,459,508
EMPLOYEE BENEFITS FUND	224,702,016	255,770	-	224,957,787
TIDELANDS FUNDS	112,115,600	(112,366)	20,660,890	132,664,124
TIDELAND OIL REVENUE FUND	70,510,894	111,696	-	70,622,590
RESERVE FOR SUBSIDENCE	-	-	-	-
GAS FUND	96,003,687	413,617	1,208,457	97,625,760
AIRPORT FUND	36,395,696	614,219	30,129,568	67,139,482
REFUSE/RECYCLING FUND	43,656,773	380,488	90,213	44,127,474
SERRF FUND	53,618,191	(2,056,656)	-	51,561,534
SERRF JPA FUND	11,295,285	-	-	11,295,285
TOWING FUND	9,064,732	53,155	-	9,117,887
PARKING AUTHORITY FUND	-	-	-	-
HOUSING AUTHORITY FUND	69,225,955	96,544	764,004	70,086,502
REDEVELOPMENT FUND	134,429,896	19,243,097	55,218,212	208,891,205
CUPA FUND	1,176,379	40,189	-	1,216,568
<b>TOTAL</b>	<b>1,526,238,830</b>	<b>22,988,112</b>	<b>349,696,755</b>	<b>1,898,923,697</b>

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

## FISCAL YEAR 2010 APPROPRIATIONS ORDINANCE BY DEPARTMENT

<u>DEPARTMENT</u>	<u>FY 10 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 09 ESTIMATED CARRYOVER*</u>	<u>FY 10 APPROPRIATION</u>
MAYOR AND COUNCIL	\$ 4,622,508	\$ 29,293	\$ -	\$ 4,651,801
CITY ATTORNEY	7,242,981	169,816	-	7,412,796
CITY AUDITOR	2,583,368	43,662	-	2,627,031
CITY CLERK	5,680,729	27,906	-	5,708,635
CITY MANAGER	7,254,851	-4,246	(196)	7,250,409
CITY PROSECUTOR	4,550,419	-34,134	(2,293)	4,513,992
CIVIL SERVICE	1,995,973	12,066	-	2,008,039
AIRPORT	36,009,882	600,342	145,803,756	182,413,979
COMMUNITY DEVELOPMENT	139,622,450	2,496,601	(234,068,786)	(91,949,735)
DEVELOPMENT SERVICES	151,669,983	19,352,049	393,318,374	564,340,406
FINANCIAL MANAGEMENT**	341,608,380	1,723,637	(728,326)	342,603,692
FIRE	90,447,615	1,170,646	1,815,775	93,434,036
HEALTH AND HUMAN SERVICES	46,076,851	-121,901	31,863,224	77,818,174
HUMAN RESOURCES	7,714,599	78,190	-	7,792,789
LIBRARY SERVICES	12,773,690	74,453	-	12,848,143
LONG BEACH GAS AND OIL	237,020,919	-1,631,078	1,208,457	236,598,298
PARKS, RECREATION AND MARINE	47,814,470	428,428	26,388,100	74,630,998
POLICE	202,674,066	-2,581,216	3,476,633	203,569,483
PUBLIC WORKS	146,842,493	1,039,219	(19,630,957)	128,250,755
TECHNOLOGY SERVICES	35,092,457	217,913	252,993	35,563,363
<b>TOTAL</b>	<b>\$ 1,529,298,685</b>	<b>\$ 23,091,644</b>	<b>\$ 349,696,755</b>	<b>\$ 1,902,087,084</b>

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

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

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. WD-1257, A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY 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, 2009

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

Section 1. That Resolution No. WD-1257 of the Board of Water Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS 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 4, 2009, and the rates fixed in the Resolution to be charged for water and sewer service be and the same are hereby approved subject to a public hearing to be held on August 27, 2009 to consider any public protest of the proposed increases to the City's water and sewer rates for Fiscal Year 2010.

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, 2009, 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, 2009.

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

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

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

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

8 Section 4. This ordinance is an emergency ordinance duly adopted by  
9 the City Council by a vote of five of its members and shall take effect immediately. The  
10 City Clerk shall certify to a separate roll call and vote on the question of the emergency of  
11 this ordinance and to its passage by the vote of five members of the City Council of the  
12 City of Long Beach, and cause the same to be posted in three conspicuous places in the  
13 City of Long Beach, and it shall thereupon take effect and shall be operative on and after  
14 12:01 a.m. on October 1, 2009.

15 I hereby certify that on a separate roll call and vote which was taken by the  
16 City Council of the City of Long Beach upon the questions of the emergency of this  
17 ordinance at its meeting of \_\_\_\_\_, 2009, the ordinance was  
18 declared to be an emergency by the following vote:

19 Ayes: Councilmembers: \_\_\_\_\_

20 \_\_\_\_\_

21 \_\_\_\_\_

22 \_\_\_\_\_

23 Noes: Councilmembers: \_\_\_\_\_

24 \_\_\_\_\_

25 Absent: Councilmembers: \_\_\_\_\_

26 \_\_\_\_\_

27 I further certify that thereafter, at the same meeting, upon a roll call and  
28 vote on adoption of the ordinance, it was adopted by the City Council of the City of Long



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

1 Beach by the following vote:

2 Ayes: Councilmembers: \_\_\_\_\_

3 \_\_\_\_\_

4 \_\_\_\_\_

5 \_\_\_\_\_

6 Noes: Councilmembers: \_\_\_\_\_

7 \_\_\_\_\_

8 Absent: Councilmembers: \_\_\_\_\_

9 \_\_\_\_\_

10 I further certify that the foregoing ordinance was thereafter adopted on final  
11 reading of the City Council of the City of Long Beach at its meeting of \_\_\_\_\_,  
12 2009, by the following vote:

13 Ayes: Councilmembers: \_\_\_\_\_

14 \_\_\_\_\_

15 \_\_\_\_\_

16 \_\_\_\_\_

17 Noes: Councilmembers: \_\_\_\_\_

18 \_\_\_\_\_

19 Absent: Councilmembers: \_\_\_\_\_

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22 \_\_\_\_\_  
City Clerk

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25 Approved: \_\_\_\_\_  
(Date) Mayor

26 \_\_\_\_\_

27 \_\_\_\_\_

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-1257

2  
3 A RESOLUTION OF THE BOARD OF WATER  
4 COMMISSIONERS AMENDING RESOLUTION NO. WD-  
5 1230 FIXING RATES AND CHARGES FOR WATER AND  
6 SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO  
7 THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE  
8

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

11 Section 1. That the following rates and charges for potable  
12 and reclaimed water service and for sewer service are hereby  
13 established, and the Long Beach Water Department ("Water Department")  
14 of the City of Long Beach ("City") is hereby authorized and directed to  
15 charge and collect the same in accordance with the provisions of this  
16 resolution, subject to a Public Hearing on August 27, 2009.

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

20 A. On October 1, 2009, the service charge shall be in  
21 accordance with the following table:

<u>Size of Service</u>	<u>Daily Service Charge</u>
22 5/8 or 3/4 inch	\$0.418
23 1 inch	\$0.630
24 1-1/2 inch	\$1.175
25 2 inch	\$1.742
26 3 inch	\$3.608
27 4 inch	\$5.708

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<u>Size of Service</u>	<u>Daily Service Charge</u>
6 inch	\$10.519
8 inch	\$16.511
10 inch	\$27.041
12 inch	\$33.048
16 inch	\$54.696

B. On October 1, 2009, 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)	\$1.220
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.439
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.659

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)	\$2.196
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.439
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.659

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:

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Tier IA	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$1.220
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.439
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.659

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

Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$2.196
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.439
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.659

5. For 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 2.5 Billing Units (or fraction thereof per dwelling unit)	\$1.220
Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.439
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.659

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

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Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$2.196
Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.439
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.659

7. For commercial customers of potable water, \$2.439 per billing unit, or fraction thereof.

8. For industrial customers of potable water, \$2.439 per billing unit, or fraction thereof.

9. For irrigation customers of potable water, \$2.439 per billing unit, or fraction thereof.

10. For City of Long Beach Departments using potable water, \$2.439 per billing unit, or fraction thereof.

11. For reclaimed water users whose use is "peaking" as defined herein, \$1.708 per billing unit, or fraction thereof.

12. For reclaimed water users whose use is "non-peaking" as defined herein, \$1.220 per billing unit, or fraction thereof.

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

14. There shall be no charge for water used through fire hydrants for extinguishing fires.

C. The quantitative charges for Tier IB were adjusted on October 1, 1999 to reflect the action of the Board approving incremental increases to Tier IB.

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

1 water, and on October 1, 2009, the rate for unmetered water service shall  
2 be:

3 <u>Size of Service</u>	<u>Daily Rate</u>
4 5/8 or 3/4 inch	\$2.039
5 1 inch	\$3.450
6 1-1/2 inch	\$8.498
7 2 inch	\$13.369

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 WD-1232 the Board of Water  
13 Commissioners established a Water Conservation and Water Supply  
14 Shortage Plan (the Plan). As stipulated in the Plan, the Board may  
15 declare that a Stage 1, Stage 2 or Stage 3 Water Supply Shortage exists,  
16 in its sole discretion. Upon such declaration, the Board may increase  
17 water rates, other than Tier 1 or life-line rates and reclaimed water rates,  
18 by an amount necessary, as determined by the Board but not to exceed  
19 the following percentages:

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

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

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

26 Section 5. Charges for water service through meters at  
27 temporary service connections from fire hydrants or otherwise shall be at  
28 the applicable quantitative charge plus the service charge, together with a

1 charge for installing, changing, and removing the meter and fittings in  
2 accordance with the "Rules, Regulations and Charges Governing Potable  
3 Water, Reclaimed Water, Sewer Service and the Emergency Water  
4 Conservation Plan" of the Water Department.

5 Section 6. A. On October 1, 2009, the service charge for  
6 private fire protection service shall be in accordance with the following table:

7 <u>Size of Service</u>	<u>Daily Rate</u>
8 2 inch	\$0.872
9 3 inch	\$1.491
10 4 inch	\$2.203
11 6 inch	\$3.754
12 8 inch	\$5.503
13 10 inch	\$7.444
14 12 inch	\$9.383
15 16 inch	\$13.758

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

19 B. Whenever the Water Department finds that water through a  
20 private fire protection service is being used for purposes other than fire  
21 extinguishing or testing the fire line, the General Manager may make a  
22 determination of the quantity of water used, the quantitative charges for that  
23 water, and the service charges to be applied. His determination shall be  
24 final. In addition, if water through a private fire protection service is used for  
25 purposes other than fire extinguishing or testing the fire line, the Water  
26 Department may discontinue the private fire protection service or may install  
27 a domestic or fire flow meter, at either the customer's or its expense as the  
28 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  
6 Fire Department. Where fire hydrants are installed and maintained by the  
7 Water 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, or the  
11 sewer lateral is located in the public right-of-way, the charge for sewer  
12 service shall consist of both a daily sewer rate and a volumetric sewer rate.

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

15 <u>Size of Service</u>	16 <u>Daily Sewer Rate</u>
17 5/8 or 3/4 inch	\$0.218
18 1 inch	\$0.346
19 1-1/2 inch	\$0.630
20 2 inch	\$0.914
21 3 inch	\$1.891
22 4 inch	\$2.995
23 6 inch	\$5.517
24 8 inch	\$8.668
25 10 inch	\$14.180
26 12 inch	\$17.333
27 16 inch	\$28.363

28 C. The volumetric sewer rate shall be \$0.303 per 100 cubic feet  
of water furnished where water service size is 5/8 inches or larger. The



1 volumetric sewer rate shall not be applicable to fire services.

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

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

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

28 F. The City shall collect from all developments and all

1 developments shall be required to pay a capacity charge of Eighty Four  
2 Dollars and Seventy-One Cents (\$84.71) per equivalent fixture unit at the  
3 time application for sewer service is made, but in no event later than the  
4 time that the City issues a sewer permit for connection to the City sewerage  
5 system, as set forth in the Long Beach Municipal Code and the "Rules,  
6 Regulations and Charges Governing Potable Water, Reclaimed Water,  
7 Sewer Service and the Emergency Water Conservation Plan" of the Water  
8 Department.

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

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

28 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 sewerage 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 sewerage 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 sewerage system shall be eligible for  
18 a credit for such contribution against the capacity charge otherwise due.  
19 The amount of the credit shall be the value of the contribution as determined  
20 by the City provided, however, that the credit shall not exceed ninety  
21 percent (90%) of the amount of the capacity charge. Applications for said  
22 credit shall be made on forms provided by the City and shall be submitted at  
23 or 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 sewerage 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  
23 Charges Governing Potable Water, Reclaimed Water, Sewer Service, and  
24 the Emergency Water Conservation Plan" of the Water Department shall  
25 have the meaning stated therein.

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

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

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

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

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

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

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

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

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

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

26 E. "Peaking" means total average daily demand occurring  
27 between the hours of 9:00 p.m. and 6:00 a.m.

28 F. "Winter billing period" means the time period used for sewer

1 volumetric calculation purposes, which includes bills with a bill prepared  
2 date in December, January, and/or February.

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

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

12 I hereby certify that the foregoing resolution was adopted by the Board of  
13 Water Commissioners of the City of Long Beach at its meeting held on June 4, 2009, by  
14 the following vote:

15  
16 Ayes: Commissioners: BLANCO; CLARKE; TOWNSEND;

17 DALLMAN; ALLEN

18  
19 Noes: Commissioners: NONE

20 Absent: Commissioners: NONE

21  
22  
23 CERTIFIED AS A TRUE AND CORRECT COPY  
24 SECRETARY TO THE BOARD OF WATER COMMISSIONERS  
CITY OF LONG BEACH, CALIFORNIA

25 Frank L. Clarke  
26 6/4/2009

Frank Clarke

Secretary  
Board of Water Commissioners

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