

September 5, 2023

# **BH-27.10**

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 2024 budget as listed in Attachment A. (Citywide)

## DISCUSSION

On August 1, 2023, the City Manager's Proposed Budget for Fiscal Year 2024 (FY 24) was delivered by Mayor Richardson to the City Council and the community for consideration. The City Council budget hearings were held on January 17, March 7, August 1, August 8, August 15, August 22, and September 5, 2023. Additionally, Budget Oversight Committee (BOC) meetings and citywide community town hall meetings were also held in the months of January, February, July, and August 2023, at which the Proposed FY 24 Budget was discussed. As a result of these meetings, there were 24 scheduled opportunities for public feedback, deliberation, and input. Additionally, FY 24 budget input was solicited through the Long Beach Budget Priority Survey in January and the Digital Budget Comment Card in August to obtain feedback on desired City priorities and input on the FY 24 Proposed Budget. Both the survey and the comment card were promoted on the City's website, X (formally Twitter), Instagram, Facebook, Reddit, Nextdoor, and at community meetings.

At the conclusion of the September 5, 2023 Budget Hearing, the City Council will amend the Proposed FY 24 Budget as it deems appropriate and adopt the proposed budget as amended. Since the publication of the Proposed FY 24 Budget, a few updates were made to the proposed revenue and expenditure budgets, which primarily address technical corrections and are listed by fund group and department in Attachments B, C, and D. The reasons for these budget adjustments are discussed at the end of this letter.

As part of the FY 24 Budget Adoption, there are three Ordinances to be considered for approval in Attachment A. The first Ordinance amends the Departmental Organization of the City (A-6). The second Ordinance approves Resolution No. UT-1482 (A-10), which establishes the rates and charges for the water, sewer, and gas services. The third is the Appropriations Ordinance (A-16), which officially appropriates the funding for the Adopted Budget (approved in A-3) and authorizes expenditures in conformance with the Adopted Budget. For the second and third Ordinances to become effective on October 1, 2023, the City Council must first declare an emergency to exist before adopting each Ordinance (A-9 and A-15).

There are also five Resolutions to approve the Master Fees and Charges Schedule (A-4); amend the Salary Resolution (A-7); approve the budget for the Long Beach Harbor Department (A-8); approve the budget for the Utilities Department (A-11); and establish the Gann Appropriations Limit (A-14). There are also the following motions: approve the Mayor's

## HONORABLE MAYOR AND CITY COUNCIL

September 5, 2023

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Recommendations (A-1); approve the BOC Proposed Funding Recommendations (A-2); amend the Proposed FY 24 Budget (A-3); approve the FY 24 One-Year Capital Improvement Program (A-5); approve the FY 24 Budget for the Long Beach Community Investment Company (A-12); and approve the Harbor Fund Group transfer (A-13).

This matter was reviewed by Deputy City Attorney Monica Kilaita on August 16, 2023 and by Budget Manager Grace H. Yoon on August 15, 2023.

### TIMING CONSIDERATIONS

In accordance with the City Charter, the Proposed FY 24 Budget must be adopted by September 15, 2023. Should the City Council fail to adopt the budget by that date, the City Manager's Proposed FY 24 Budget will be deemed the budget for the 2024 Fiscal Year. The Mayor has five calendar days from the City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2023, to override the veto action by the Mayor with a two-thirds supermajority vote (six Councilmembers).

### FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance govern and control the expenditure and commitment amounts stated therein relating to City departments, offices, and agencies during each fiscal year. The total Proposed FY 24 Budget for all departments and fund groups is \$4,264,914,347, which comprises of \$3,239,989,594 in new appropriation and \$1,024,924,753 in estimated carryover from FY 23 for multi-year grants and projects. Attachments B, C, and D provide the financial overview by Fund Group and Department, and Citywide revenue by Fund Group, respectively.

The Appropriations Ordinance, included as Attachment A-16, totals \$3,339,734,767 for all Fund Groups except Harbor, Sewer, Water, and Gas Fund Groups, and \$3,344,564,651 for all departments except Harbor and Utilities Departments. The \$4,829,884 difference between Fund Groups and Departments is due to general City indirect costs budgeted in the Financial Management Department but charged to the Harbor, Water, Sewer, and Gas Fund Groups, which are not included in the Appropriations Ordinance by Fund Group.

The proposed Harbor, Water, Sewer, and Gas Fund Group budgets are in separate City Council Resolutions included as Attachment A-8 and A-11, respectively, and total \$925,179,581. This total figure reflects what is in the budget system, which may vary from the figures included in the resolutions, which allow for adjustments to be made to the adopted budget in an amount not exceeding five (5) percent. The final budgets are \$608,416,908 for the Harbor Fund Budget, \$162,465,645 for the Water Fund, \$23,564,028 for the Sewer Fund, and \$130,733,000 for the Gas Fund. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on June 12, 2023. The Board of Utilities Commissioners adopted the budget for the Utilities Department by Resolution on June 26, 2023.

User fees and charges in the Master Fees and Charges Schedule, included as Attachment A-4, have been adjusted due to changes in service and other factors. For details regarding these

proposed new fees and adjustments, please see the List of Proposed Fees Adjustments for FY 24 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 24 One-Year Capital Improvement Program (CIP) budget, included as Attachment A-5, which is contained in the Appropriations Ordinance.
- Amending the Departmental Organization Ordinance included as Attachment A-6. This amendment incorporates changes to departments, bureaus, and divisions for FY 24. These organizational changes are necessary to implement changes reflected in the Proposed FY 24 Budget. A redline version of the changes is also provided.
- Adopting the amended Salary Resolution for FY 24, which creates and establishes positions of employment while fixing and prescribing the compensation for officers and employees, is included as Attachment A-7. Historically, the Salary Schedule has been included alongside the Salary Resolution, for review by Council. Starting in FY 23, the Department of Human Resources will return to City Council at a later date for approval of the Salary Schedule to ensure accuracy and inclusion of new/updated classifications.
- Adopting the FY 24 Long Beach Community Investment Company (LBCIC) budget, included as Attachment A-12. The LBCIC budget is prepared annually for City Council approval and is a subset of the Housing Development Fund. The LBCIC oversees the delivery of housing and neighborhood revitalization services. The LBCIC approved its FY 24 Budget on May 17, 2023.
- Adopting a Resolution, included as Attachment A-14, 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 that 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 47.95 percent of the 2023-2024 Appropriations Limit and, therefore, do not exceed the Limit. The City Auditor reviews this calculation for conformance to the law.

After the City Manager delivered the Proposed FY 24 Budget to the Mayor, technical adjustments were made to complete the budget. These changes are shown in Attachments B, C, and D. Changes include the following:

1. An expense and revenue decrease of \$16,195 in the Public Works Department in the Capital Projects Fund Group as a correction to align with CDBG FY 24 Action Plan 24.
2. An expense decrease in the Airport Department in the Capital Projects Fund Group of \$52,449 as a technical correction to align personnel budgeting to project budgeting.

3. An expense increase in the Health and Human Services Department in the Health Fund Group of \$23,890 as a technical correction for the sidewalk vending program fleet vehicle purchase expenditure in FY 24.

The remaining changes were minor, technical adjustments made to various funds and departments resulting in no bottom line changes at the fund level.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



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THOMAS B. MODICA  
CITY MANAGER

ATTACHMENTS

**List of Requested Fiscal Year 2024 Budget Adoption Actions**

1. Adopt the Mayor's proposed budget recommendations, as amended, to the Proposed FY 24 Budget. (A-1)
2. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the Proposed FY 24 Budget. (A-2)
3. Adopt the expenditures and revenues as identified in the Proposed FY 24 Budget, as amended. (A-3)
4. 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-4)
5. Approve the FY 24 One-Year Capital Improvement Program. (A-5)
6. 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-6)
7. Adopt the amended Salary Resolution for FY 24. (A-7)
8. Adopt the Resolution approving the FY 24 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 12, 2023. (A-8)
9. Declare an emergency to exist pursuant to City Charter Section 221 for the Ordinance approving the Resolution No. UT-1482 establishing the rates and charges for Water, Sewer, and Gas services to all customers, as adopted by the Board of Utilities Commissioners on June 26, 2023. (A-9)
10. Declare the Ordinance approving the Resolution No. UT-1482 establishing the rates and charges for Water, Sewer, and Gas services to all customers, as adopted by the Board of Utilities Commissioners on June 26, 2023, 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-10)
11. Adopt the Resolution approving the FY 24 budget of the Long Beach Utilities Department as adopted by the Board of Utilities Commissioners on June 26, 2023. (A-11)
12. Adopt a motion approving the FY 24 budget for the Long Beach Community Investment Company in the amount of \$10,675,142. (A-12)
13. Adopt a motion approving the estimated transfer of \$24,122,500 from the Harbor Fund Group to the Tidelands Operations Fund Group. (A-13)
14. Adopt the Resolution establishing the Gann Appropriations Limit for FY 24 pursuant to Article XIII (B) of the California Constitution. (A-14)
15. Declare an emergency to exist pursuant to City Charter Section 221 for the Appropriations Ordinance for FY 24, creating and establishing the fund groups of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year. (A-15)

**List of Requested Fiscal Year 2024 Budget Adoption Actions**

16. Declare the Appropriations Ordinance for FY 24, creating and establishing the fund groups 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-16)

**FISCAL YEAR 2024 APPROPRIATIONS ORDINANCE BY FUND GROUP**  
**(Does not include Harbor, Water, Sewer, and Gas Fund Groups)**

<u>FUND GROUP</u>	<u>FY 24 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 23 ESTIMATED CARRYOVER**</u>	<u>FY 24 APPROPRIATIONS***</u>
GENERAL FUND	719,137,012	-	-	719,137,012
UPLAND OIL FUND	10,314,080	-	-	10,314,080
GENERAL GRANTS FUND	11,598,781	-	27,185,298	38,784,078
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,871,145	-	-	2,871,145
HEALTH FUND	64,077,201	23,890	41,504,528	105,605,619
CUPA FUND	2,935,653	-	-	2,935,653
SPECIAL ADVERTISING & PROMOTION FUND	11,599,628	-	-	11,599,628
HOUSING DEVELOPMENT FUND	12,463,329	-	18,219,282	30,682,611
BELMONT SHORE PARKING METER FUND	844,382	-	-	844,382
BUSINESS ASSISTANCE FUND	757,019	-	4,246,567	5,003,586
COMMUNITY DEVELOPMENT GRANTS FUND	18,319,604	-	25,491,614	43,811,218
HOUSING AUTHORITY FUND	109,722,688	-	5,737,141	115,459,829
GASOLINE TAX STREET IMPROVEMENT FUND	11,889,365	-	14,044,644	25,934,008
CAPITAL PROJECTS FUND	184,852,036	(68,644)	663,205,342	847,988,734
SUCCESSOR AGENCY OPERATIONS	4,233,281	-	29,466,722	33,700,003
CIVIC CENTER FUND	24,819,094	-	480,371	25,299,465
GENERAL SERVICES FUND	78,420,346	-	20,707,380	99,127,726
FLEET SERVICES FUND	51,911,234	-	3,482,863	55,394,097
INSURANCE FUND	74,815,760	-	-	74,815,760
EMPLOYEE BENEFITS FUND	416,869,196	-	-	416,869,196
TIDELANDS OPERATIONS FUND	107,900,479	-	95,545,309	203,445,788
TIDELANDS AREA FUNDS	38,084,601	-	18,073,198	56,157,799
TIDELANDS OIL REVENUE FUND	91,961,960	-	-	91,961,960
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	35,350,578	-	(2,056,422)	33,294,157
GAS PREPAY	46,131,723	-	-	46,131,723
AIRPORT FUND	60,627,755	-	57,420,340	118,048,095
REFUSE/RECYCLING FUND	72,340,343	-	2,170,576	74,510,919
SERRF FUND	7,093,001	-	-	7,093,001
SERRF JPA FUND	-	-	-	-
TOWING FUND	7,327,677	-	-	7,327,677
DEBT SERVICE FUND	11,593,856	-	-	11,593,856
SUCCESSOR AGENCY - DEBT SERVICE	23,991,962	-	-	23,991,962
<b>TOTAL</b>	<b>2,314,854,768</b>	<b>(44,754)</b>	<b>1,024,924,753</b>	<b>3,339,734,767</b>

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

\*\*Reflects estimated carryover for accounts with projects and grants as of 5/31/23.

\*\*\*The total appropriations for all fund groups is \$4,264,914,347. This is derived from the total FY 24 Appropriations amount above, plus \$925,179,581 for the Harbor, Water, Sewer, and Gas Fund Groups not listed above. Note: figure may not account for rounding.

**FISCAL YEAR 2024 APPROPRIATIONS ORDINANCE BY DEPARTMENT**  
**(Does not include Harbor and Utilities Departments)**

<u>DEPARTMENT</u>	<u>FY 24 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 23 ESTIMATED CARRYOVER**</u>	<u>FY 24 APPROPRIATIONS****</u>
MAYOR AND COUNCIL	8,050,573	-	(1,081)	8,049,492
CITY ATTORNEY	10,617,544	-	(3,900)	10,613,644
CITY AUDITOR	3,507,601	-	-	3,507,601
CITY CLERK	5,281,467	-	-	5,281,467
CITY MANAGER	27,188,045	-	7,282,576	34,470,621
CITY PROSECUTOR	7,138,407	-	1,674,586	8,812,993
CIVIL SERVICE	3,895,471	-	-	3,895,471
AIRPORT	59,725,492	(52,449)	57,230,336	116,903,379
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	14,395,629	-	1,561,976	15,957,605
DEVELOPMENT SERVICES	88,275,826	-	71,224,979	159,500,804
ECONOMIC DEVELOPMENT	32,677,659	-	98,767	32,776,426
FINANCIAL MANAGEMENT***	754,073,266	-	112,562,598	866,635,864
FIRE	166,301,404	-	3,545,615	169,847,019
HEALTH AND HUMAN SERVICES	187,127,193	23,890	47,180,253	234,331,336
HUMAN RESOURCES	38,587,031	-	(686,811)	37,900,220
LIBRARY SERVICES	19,653,165	-	5,118,904	24,772,068
ENERGY RESOURCES	109,001,976	-	-	109,001,976
PARKS, RECREATION AND MARINE	78,528,151	-	31,107,645	109,635,795
POLICE	314,615,694	-	11,173,594	325,789,289
POLICE OVERSIGHT	1,499,453	-	-	1,499,453
PUBLIC WORKS	316,580,874	(16,195)	653,806,601	970,371,280
TECHNOLOGY & INNOVATION	72,962,731	-	22,048,117	95,010,848
<b>TOTAL</b>	<b>2,319,684,651</b>	<b>(44,754)</b>	<b>1,024,924,753</b>	<b>3,344,564,651</b>

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

\*\*Reflects estimated carryover for accounts with projects and grants as of 5/31/23.

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

\*\*\*\*The total appropriations for all fund groups is \$4,264,914,347. This is derived from the total FY 24 Appropriations amount above, plus \$920,349,696 for the Harbor and Utilities Departments not listed above. Note: figure may not account for rounding.



**FISCAL YEAR 2024 REVENUES BY FUND GROUP**  
**(Does not include Harbor, Water, Sewer, and Gas Fund Groups)**

<u>FUND GROUP</u>	<u>FY 24 PROPOSED REVENUES</u>	<u>CHANGES*</u>	<u>FY 24 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	676,790,001	-	676,790,001
UPLAND OIL FUND	11,811,475	-	11,811,475
GENERAL GRANTS FUND	11,147,287	-	11,147,287
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,897,874	-	2,897,874
HEALTH FUND	63,475,465	-	63,475,465
SPECIAL ADVERTISING & PROMOTION FUND	12,008,333	-	12,008,333
HOUSING DEVELOPMENT FUND	12,735,212	-	12,735,212
BELMONT SHORE PARKING METER FUND	893,794	-	893,794
BUSINESS ASSISTANCE FUND	728,199	-	728,199
COMMUNITY DEVELOPMENT GRANTS FUND	9,778,871	-	9,778,871
GASOLINE TAX STREET IMPROVEMENT FUND	13,096,064	-	13,096,064
CAPITAL PROJECTS FUND	173,206,602	(16,195)	173,190,407
CIVIC CENTER FUND	24,361,028	-	24,361,028
GENERAL SERVICES FUND	78,547,435	-	78,547,435
FLEET SERVICES FUND	67,916,587	-	67,916,587
INSURANCE FUND	84,593,625	-	84,593,625
EMPLOYEE BENEFITS FUND	416,498,796	-	416,498,796
TIDELANDS OPERATIONS FUND	112,569,406	-	112,569,406
TIDELANDS AREA FUNDS	34,619,590	-	34,619,590
TIDELANDS OIL REVENUE FUND	98,787,714	-	98,787,714
RESERVE FOR SUBSIDENCE	5,286,979	-	5,286,979
DEVELOPMENT SERVICES FUND	36,905,203	-	36,905,203
GAS PREPAY FUND	-	-	-
AIRPORT FUND	65,877,118	-	65,877,118
REFUSE/RECYCLING FUND	73,516,115	-	73,516,115
SERRF FUND	4,150,000	-	4,150,000
SERRF JPA FUND	-	-	-
TOWING FUND	7,328,360	-	7,328,360
HOUSING AUTHORITY FUND	105,713,883	-	105,713,883
SUCCESSOR AGENCY OPERATIONS	4,219,567	-	4,219,567
CUPA FUND	1,864,161	-	1,864,161
DEBT SERVICE FUND	10,000,690	-	10,000,690
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
<b>TOTAL</b>	<b>2,251,487,476</b>	<b>(16,195)</b>	<b>2,251,471,281</b>

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

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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. UT-1482, A RESOLUTION OF THE CITY OF LONG BEACH BOARD OF PUBLIC UTILITIES COMMISSIONERS AMENDING RESOLUTION NO. WD-1441A, FIXING RATES AND CHARGES FOR WATER, SEWER, AND GAS SERVICE TO ALL CUSTOMERS, AND DECLARING THE URGENCY THEREOF, AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AT 12:01 A.M. ON OCTOBER 1, 2023

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

Section 1. That Resolution No. UT-1482 of the Board of Public Utilities Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE CITY OF LONG BEACH BOARD OF PUBLIC UTILITIES COMMISSIONERS AMENDING RESOLUTION NO. WD-1441A, FIXING RATES AND CHARGES FOR WATER, SEWER, AND GAS SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE," adopted by said Board on June 22, 2023, and the rates fixed in the Resolution to be charged for water, sewer and gas service 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 Public Utilities Department during the fiscal year which begins on October 1, 2023, it is necessary to authorize the rates and charges for water, sewer and gas service and that this ordinance be passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2023.

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

9           Section 4. This ordinance is an emergency ordinance duly adopted by the  
10 City Council by a vote of five of its members and shall take effect immediately. The City  
11 Clerk shall certify to a separate roll call and vote on the question of the emergency of this  
12 ordinance and to its passage by the vote of five members of the City Council of the City of  
13 Long Beach, and cause the same to be posted in three conspicuous places in the City of  
14 Long Beach, and it shall thereupon take effect and shall be operative on and after 12:01  
15 a.m. on October 1, 2023.

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I hereby certify that on a separate roll call and vote which was taken by the City Council of the City of Long Beach upon the questions of the emergency of this ordinance at its meeting of \_\_\_\_\_, 2023, the ordinance was declared to be an emergency by the following vote:

Ayes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Noes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
Absent: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
Recusal(s): Councilmembers: \_\_\_\_\_

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

Ayes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Noes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
Absent: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
Recusal(s): Councilmembers: \_\_\_\_\_

OFFICE OF THE CITY ATTORNEY  
DAWN MCINTOSH, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4511

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I further certify that the foregoing ordinance was thereafter adopted on final reading of the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2023, by the following vote:

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

Recusal(s): Councilmembers: \_\_\_\_\_

\_\_\_\_\_

City Clerk

Approved: \_\_\_\_\_

(Date)

\_\_\_\_\_

Mayor



**BOARD OF UTILITIES COMMISSIONERS**

1800 E. Wardlow Road, Long Beach, CA 90807  
562.570.2300 | LBUutilities.org

June 22, 2023

**Recommendation**

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Adopt Resolution UT-1482, a Resolution of the City of Long Beach Board of Utilities Commissioners Fixing Rates and Charges for Water, Sewer, and Gas Services to All Customers, Subject to the Approval of the City Council by Ordinance, and subject to a public protest hearing as provided for in the California Constitution Article XIII.

**Executive Summary**

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Pursuant to the budget guidelines of City Charter Section 1405, the Rate Resolution must be adopted in conjunction with the Fiscal Year 2023-2024 Budget Resolution and will be submitted to the City Council for approval subsequent to Board adoption.

Resolution UT-1482 replaces the current rate resolution, WD-1441A, and incorporates a 10% increase for water rates and no increase for sewer and gas rates.

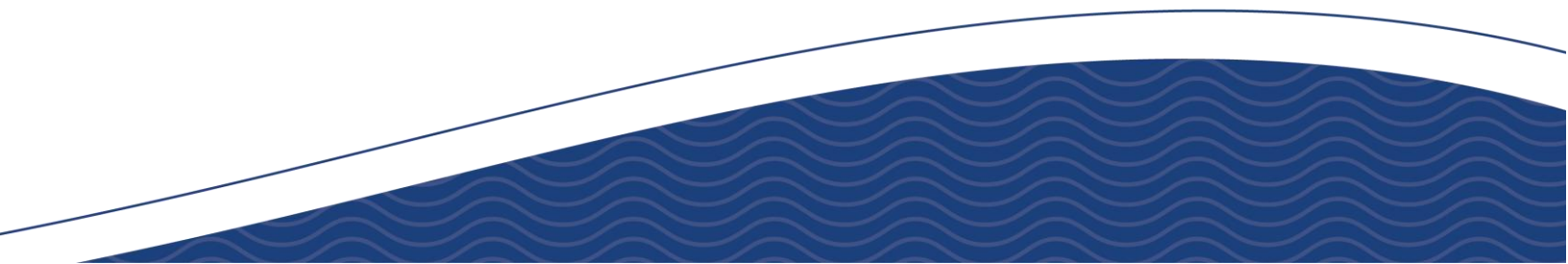
The typical monthly water bill for a single-family residence, consisting of a volumetric and daily service charge and based on 10 billing units, will increase by approximately \$5.69 per month.

B. Anatole Falagan  
Assistant General Manager

Christopher J. Garner  
General Manager

Attachment

APPROVED 6/26/2023  
BOARD OF UTILITIES COMMISSIONERS  
RESOLUTION # UT - 1482 - 9%



1 RESOLUTION NO. UT-1482

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3 A RESOLUTION OF THE CITY OF LONG BEACH  
4 BOARD OF PUBLIC UTILITIES COMMISSIONERS  
5 AMENDING RESOLUTION NO. WD-1441A FIXING RATES  
6 AND CHARGES FOR WATER, SEWER, AND GAS  
7 SERVICE TO ALL CUSTOMERS, SUBJECT TO THE  
8 APPROVAL OF THE CITY COUNCIL BY ORDINANCE  
9

10 The Board of Public Utilities Commissioners of the City of Long Beach  
11 resolves as follows:

12 Section 1. That the following rates and charges for potable and reclaimed  
13 water service, sewer service, and gas service are hereby established, and the Long Beach  
14 Public Utilities Department (“Public Utilities Department”) of the City of Long Beach (“City”)  
15 is hereby authorized and directed to charge and collect the same in accordance with the  
16 provisions of this resolution. The establishment of rates and charges for water service and  
17 sewer service are subject to a public hearing as required by Article XIII of the California  
18 Constitution. All of the following rates and charges shall be effective as of October 1, 2023.

19 Section 2. The schedules of gas rates, use priorities, and conditions, and  
20 exhibits of gas fees, charges, incentives, and related services attached hereto as Exhibit  
21 “A” are hereby adopted and approved.

22 Section 3. For all metered services the charge for potable and reclaimed  
23 water shall consist of both a service charge based on the size of the service and a  
24 quantitative charge for water delivered.

25 A. The service charge shall be as follows:

26 1. Single family residential, duplex residential, and multi-  
27 family residential customers of potable water who have been granted an  
28 exemption from the City’s Utility Users Tax in accordance with Chapter 3.68

1 of the Long Beach Municipal Code shall receive a monthly service charge bill  
2 credit of approximately Five Dollars (\$5.00) and the service charge rates shall  
3 be as follows:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.799
1 inch	\$1.185
1-1/2 inch	\$2.149
2 inch	\$3.307
3 inch	\$6.969
4 inch	\$11.785
6 inch	\$26.244
8 inch	\$54.192
10 inch	\$81.177
12 inch	\$102.379
16 inch	\$150.565

16 2. For commercial, industrial, irrigation, City of Long Beach  
17 Department, reclaimed, single family residential, duplex residential, and  
18 multi-family residential customers who have not been granted an exemption  
19 from the City's Utility Users Tax in accordance with Chapter 3.68 of the Long  
20 Beach Municipal Code the service charge rates shall be as follows:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.799
1 inch	\$1.185
1-1/2 inch	\$2.149
2 inch	\$3.307
3 inch	\$6.969
4 inch	\$11.785
6 inch	\$26.244



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<u>Size of Service</u>	<u>Daily Service Charge</u>
8 inch	\$54.192
10 inch	\$81.177
12 inch	\$102.379
16 inch	\$150.565

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)	\$5.350
Tier III	Over 13 Billing Units (or fraction thereof)	\$7.807

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)	\$2.795
Tier II	Next 7 Billing Units (or fraction thereof)	\$5.350
Tier III	Over 13 Billing Units (or fraction thereof)	\$7.807

3. For commercial customers of potable water, \$4.157 per billing unit, or fraction thereof.

- 1                   4.     For industrial customers of potable water, \$4.157 per  
2     billing unit, or fraction thereof.
- 3                   5.     For irrigation customers of potable water, \$4.157 per  
4     billing unit, or fraction thereof.
- 5                   6.     For City of Long Beach Departments using potable  
6     water, \$4.157 per billing unit, or fraction thereof.
- 7                   7.     For reclaimed water users whose use is “peaking” as  
8     defined herein, \$2.702 per billing unit, or fraction thereof.
- 9                   8.     For reclaimed water users whose use is “non-peaking”  
10    as defined herein, \$2.294 per billing unit, or fraction thereof.
- 11                  9.     For reclaimed water users whose use is “interruptible”  
12    as defined herein, \$2.294 per billing unit or fraction thereof.
- 13                  10.    These quantitative charges shall be subject to  
14    adjustment as provided in Section 4 of this Section.
- 15                  11.    There shall be no charge for water used through fire  
16    hydrants for extinguishing fires.

17                   Section 4.

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

<u>Size of Service</u>	<u>Daily Rate</u>
5/8 or 3/4 inch	\$3.471
1 inch	\$5.872
1-1/2 inch	\$14.464
2 inch	\$22.755

26                  B.     The rates for unmetered water service shall begin on the date  
27    of use of water by the customer, as determined by the General Manager of  
28    the Public Utilities Department (“General Manager”).

1                   Section 5.     By Resolution the Board of Public Utilities Commissioners has  
2 established a Water Shortage Contingency Plan (the “Plan”). Pursuant to the Plan, the  
3 Board may declare that a Level 1, Level 2 or Level 3 Water Shortage exists, in its sole  
4 discretion. Upon such declaration, the Board may increase water rates, by an amount  
5 necessary, as determined by the Board but not to exceed the following percentages:

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

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

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

12                   Section 6.     Charges for water service through meters at temporary service  
13 connections from fire hydrants or otherwise shall be at the applicable quantitative charge  
14 plus the meter rental fee, together with a charge for installing, relocating, and removing the  
15 meter and fittings in accordance with the “Rules, Regulations and Charges Governing  
16 Potable Water, Reclaimed Water, Sewer Service and the Water Shortage Contingency  
17 Plan” of the Public Utilities Department.

18                   Section 7.

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

21 <u>Size of Service</u>	<u>Daily Rate</u>
22                   2 inch	\$0.473
23                   3 inch	\$0.950
24                   4 inch	\$1.778
25                   6 inch	\$4.737
26                   8 inch	\$9.844
27                   10 inch	\$17.526
28                   12 inch	\$28.172

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Size of Service

Daily Rate

16 inch

\$59.785

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

B. Whenever the Public Utilities Department finds that water through a private fire protection service is being used for purposes other than fire extinguishing or testing the fire line, the General Manager may make a determination of the quantity of water used, the quantitative charges for that water, and the service charges to be applied. The General Manager's determination shall be final. In addition, if water through a private fire protection service is used for purposes other than fire extinguishing or testing the fire line, the Public Utilities Department may discontinue the private fire protection service or may install 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 classified as regular service and billed at the rates applicable thereto.

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

Section 9.

A. For all sewer service where the sewer lateral connects to a main line maintained by the Public Utilities Department, or the sewer lateral is located in the public right-of-way, the charge for sewer service shall consist

1 of both a daily sewer rate and a volumetric sewer rate.

2 B. The daily sewer rate shall be in accordance with the following  
3 table:

4 <u>Size of Service</u>	<u>Daily Sewer Rate</u>
5 5/8 or 3/4 inch	\$0.248
6 1 inch	\$0.366
7 1-1/2 inch	\$0.961
8 2 inch	\$1.658
9 3 inch	\$3.862
10 4 inch	\$5.587
11 6 inch	\$15.565
12 8 inch	\$16.499
13 10 inch	\$25.540
14 12 inch	\$32.212
15 16 inch	\$47.376

16  
17 C. The volumetric sewer rate shall be \$0.393 per 100 cubic feet of  
18 water furnished where water service size is 5/8 inches or larger. The  
19 volumetric sewer rate shall not be applicable to fire services.

20 Industrial customers may apply for separately metered sewer  
21 discharge in accordance with the "Rules, Regulations and Charges  
22 Governing Potable Water, Reclaimed Water, Sewer Service, and the Water  
23 Shortage Contingency Plan" of the Public Utilities Department.

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

27 Volumetric sewer rates for single family residential, duplex  
28 residential and multi-family residential shall be computed based on the

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

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

22 F. The City shall collect from all developments and all  
23 developments shall be required to pay a capacity charge of One Hundred  
24 and Twenty-One Dollars and Thirty-Nine Cents (\$121.39) per equivalent  
25 fixture unit at the time application for sewer service is made, but in no event  
26 later than the time that the City issues a sewer permit for connection to the  
27 City sewage system, as set forth in the Long Beach Municipal Code and the  
28 "Rules, Regulations and Charges Governing Potable Water, Reclaimed

1 Water, Sewer Service and the Water Shortage Contingency Plan” of the  
2 Public Utilities Department.

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

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

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

25 J. Anyone who has paid a capacity charge may apply for a full or  
26 partial refund if within one year after payment: 1) the applicant has not been  
27 permitted to connect to the City sewage system; or 2) the development on  
28 which the capacity charge was calculated has been modified pursuant to

1 applicable City ordinances, resolutions, or regulations, resulting from a  
2 reduction in the number of equivalent fixture units. Refund applications shall  
3 be made on forms provided by the City and shall contain a declaration under  
4 oath of those facts, along with relevant documentary evidence, which qualify  
5 the applicant for the refund. In no event shall a refund exceed ninety percent  
6 (90%) of the amount of the capacity charge actually paid.

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

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

27 M. The capacity charge is a charge on development that reflects a  
28 development's proportionate share of the present depreciated value of the



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

14 Section 10. Any term not defined herein which is defined in the Long Beach  
15 Municipal Code or in the “Rules, Regulations and Charges Governing Potable Water,  
16 Reclaimed Water, Sewer Service, and the Water Shortage Contingency Plan” of the Public  
17 Utilities Department shall have the meaning stated therein.

18 Section 11.

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

26 B. Every water customer and every sewer customer shall be liable  
27 for payment of bills for water service and sewer service. Charges for water  
28 service and sewer service shall be included in municipal utility bills.

1 C. Anyone who has been granted an exemption under Chapter  
2 3.68 of the Long Beach Municipal Code as of the date of this resolution does  
3 not need to file a separate application for exemption hereunder.

4 Section 12. Whenever the correctness of any bill for water or sewer service  
5 is questioned by a customer, the procedures established in the “Rules, Regulations and  
6 Charges Governing Potable Water, Reclaimed Water, Sewer Service, and the Water  
7 Shortage Contingency Plan” of the Public Utilities Department shall be followed.

8 Section 13. The following words shall have the meanings defined as  
9 follows:

10 A. “Billing unit” means one hundred (100) cubic feet of water and  
11 equals 748 gallons;

12 B. “Commercial” refers to activities devoted primarily to business,  
13 property management, or a profession;

14 C. “Industrial” refers to activities devoted primarily to  
15 manufacturing or processing;

16 D. “Interruptible” refers to reclaimed water service that can be  
17 suspended at any time at the Board’s discretion, without liability and  
18 dependent upon the Public Utilities Department’s reclaimed water system  
19 needs for such service.

20 E. “Non-peaking” means total average daily demand occurring at  
21 a continuous, constant level over a twenty-four (24) hour period;

22 F. “Peaking” means total average daily demand occurring  
23 between the hours of 9:00 p.m. and 6:00 a.m.

24 G. “Winter billing period” means the time period used for sewer  
25 volumetric calculation purposes, which includes bills with a bill prepared date  
26 in December, January, February, or March.

27 Section 14. All other resolutions of the Board of Public Utilities  
28 Commissioners, or provisions thereof, which conflict with this resolution are hereby

OFFICE OF THE CITY ATTORNEY  
DAWN MCINTOSH, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664

1 rescinded. The charges, conditions, and provisions established in this Resolution shall  
2 supersede all others previously established.

3 Section 15. The Secretary of the Board of Public Utilities Commissioners  
4 shall certify to the passage of this resolution and it shall take effect by operation of law  
5 following its approval by the City Council by ordinance.

6 I hereby certify that the foregoing resolution was adopted by the Board of  
7 Public Utilities Commissioners of the City of Long Beach at its meeting held on June 26,  
8 2023, by the following vote:

9  
10 Ayes: Commissioners: GLORIA CORDERO, NAOMI RAINEY,  
11 GINA MAGUIRE, FRANK MARTINEZ  
12 \_\_\_\_\_  
13 Noes: Commissioners: ROBERT SHANNON  
14 Absent: Commissioners: \_\_\_\_\_  
15 \_\_\_\_\_

17 \_\_\_\_\_  
18 *Gina Maguire*  
19 Secretary  
20 Board of Public Utilities Commissioners

21  
22 CERTIFIED AS A TRUE AND CORRECT COPY  
23 EXECUTIVE ASSISTANT TO THE BOARD OF UTILITIES COMMISSIONERS  
24 CITY OF LONG BEACH, CALIFORNIA  
25 BY: *USA Squires*  
26 DATE: 6/26/2023

EXHIBIT "A"

**LONG BEACH ENERGY RESOURCES DEPARTMENT**  
**GAS RATE SCHEDULE**  
Page 1

Long Beach Municipal Code  
Chapter 15.36  
Effective Date: **December 1, 2020**

**SCHEDULE 1**

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**R E S I D E N T I A L**

Applicable to residential service of natural gas for cooking, water heating, space heating and other residential uses, as set forth in Section 15.36.020 of the Municipal Code.

**RATES:**

**Residential**

- **Daily Service Charge per Meter** \$0.1644
  
- **Tier I Rate (per therm)** \$0.7474  
Applicable to all usage at or below daily baseline therm allowances under Special Condition (1)
  
- **Tier II Rate (per therm)** \$1.0724  
Applicable to all usage above daily baseline therm allowances under Special Condition (1)
  
- **Cost of Gas (per therm)** Core Commodity Charge  
Applicable to all usage

**USE PRIORITY:**

Service under this schedule shall be limited to residential customers who have priority in the use of gas over customers served under any of the other rate schedules at times when there is insufficient gas to supply the demands of all customers.

**SPECIAL CONDITIONS:**

- (1) Applicable only to specific volumes of residential cooking, water heating, space heating and other residential uses. Based on the end use for (A) single-family and individually metered dwelling units and (B) master metered multi-family dwelling units, a Daily Baseline Therm Allowance (Baseline Allowance), will be applied. Usage falling at or below the Baseline Allowance will be charged at the Tier I Rate. Usage in excess of the Baseline Allowance will be billed at the Tier II Rate.

Billing Codes	End Use for Residence	Daily Baseline Therm Allowance	
		(A) Single Family and Individually-Metered Dwelling Units (Per Unit)	(B) Master-Metered Multi-Family Dwelling Units (Per Unit)
1	Space Heating Only		
	· Summer (5/1 through 10/31)	0.473	0.000
	· Winter (11/1 through 4/30)	1.691	1.210
2	Cooking & Water Heating		
	· Summer (5/1 through 10/31)	0.473	0.477
	· Winter (11/1 through 4/30)	1.691	0.477
3	Basic Plus Space Heating		
	· Summer (5/1 through 10/31)	0.473	0.477
	· Winter (11/1 through 4/30)	1.691	1.687
4	Cooking & Space Heating		
	· Summer (5/1 through 10/31)	0.473	0.089
	· Winter (11/1 through 4/30)	1.691	1.299
5	Cooking Only		
	· Summer (5/1 through 10/31)	0.473	0.089
	· Winter (11/1 through 4/30)	1.691	0.089
6	Water Heating		
	· Summer (5/1 through 10/31)	0.473	0.388
	· Winter (11/1 through 4/30)	1.691	0.388
7	Water & Space Heating		
	· Summer (5/1 through 10/31)	0.473	0.388
	· Winter (11/1 through 4/30)	1.691	1.598
8	Medical Condition per Exhibit "A"		
	· Summer (5/1 through 10/31)	1.295	N/A
	· Winter (11/1 through 4/30)	2.513	N/A
9	Non-Essential Uses	0.000	0.000

Monthly allowance is expressed in therms as determined by the system average one therm equals 100,000 Btu.

- (2) Residential customers using gas for non-essential uses only, will pay the Tier II Rate for all usage. These non-essential uses include, but are not limited to decorative fireplaces, gas lamps and clothes dryers.
- (3) Long Beach Energy Resources' (ER) cost of gas is defined as an amount equal to ER's weighted average cost per therm of gas supply purchased, necessary to meet the forecasted Core and Non-Core demand for the month. In addition, the cost of gas shall include the cost to administer the transportation, purchasing, remarketing, balancing, etc., of ER's natural gas requirements, as well as the cost for any financial transactions implemented to reduce market exposure for the cost of gas. The gas purchased will be comprised of any one or combination of three increments of supply as follows:
  - (a) Interstate supplies delivered into the Southern California Gas Company (SoCalGas) intrastate pipeline system without consideration of SoCalGas (or any other intrastate pipeline company providing similar services) pipeline transportation and other system costs associated with intrastate delivery to the City of Long Beach (City);
  - (b) Gas storage withdrawals; and
  - (c) Any local gas delivered directly into ER's pipeline system.
- (4) The Core Commodity Charge under this Schedule will be determined on a monthly basis and shall be equal to ER's projected cost of gas. There will be no markup to the customer above ER's actual cost of gas as determined by actual expenditures, but not including any discounts or rebates.
- (5) The cost of all gas purchased by ER shall be assigned to either the Core or Non-Core Commodity Charge, according to the price of each increment. The Core demand (Rate Schedules 1, 2, 3, and 5) shall be met with sufficient volumes of the lowest cost increment(s) of gas.
- (6) The monthly Commodity Charge will be made available to customers by calling ER at (562) 570-2066 and will also be posted on the City's internet website. The actual cost of gas charged to the customer may differ from the posted rate as the customer's billing period may overlap over more than one month and therefore the billed commodity charge will reflect the weighted average commodity charge based on the number of days in each month under the customer's billing cycle.
- (7) The Commodity Charge shall be subject to adjustment as the result of tariff, pricing changes, or regulatory action that may be imposed by governmental entities having jurisdiction therein.
- (8) These rates do not apply to services provided by SoCalGas operating under franchise with the City.

## **SCHEDULE 2**

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### **SMALL COMMERCIAL AND INDUSTRIAL**

Applicable to non-residential service of natural gas to commercial and industrial customers whose annual consumption does not exceed 12,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.030 of the Municipal Code.

#### **RATES:**

- **Daily Service Charge per Meter** \$0.4932
  
- **Transmission Charge (per therm)**
  - Tier I: All usage not to exceed 100 therms per summer month (April – November) or 250 therms per winter month (December – March) (prorated on a daily basis) \$0.7833
  
  - Tier II: All usage exceeding Tier I volumes but not exceeding 4,167 therms monthly (prorated on a daily basis) \$0.4271
  
  - Tier III: All usage exceeding 4,167 therms monthly (prorated on a daily basis) \$0.1882
  
- **Cost of Gas (per therm)**
  - Applicable to all usage Core Commodity Charge

#### **USE PRIORITY:**

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules, except Schedule 1 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedule 1. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

**SPECIAL CONDITIONS:**

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 1 and the Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 1.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.



### **SCHEDULE 3**

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### **COMMERCIAL AND INDUSTRIAL**

Applicable to commercial and industrial service of natural gas to customers with annual consumption in excess of 12,000 therms or less than 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.040 of the Municipal Code.

#### **RATES:**

- **Daily Service Charge per Meter** \$0.4932
  
- **Transmission Charge (per therm)**
  - Tier I: All usage not to exceed 100 therms per summer month (April – November) or 250 therms per winter month (December – March) (prorated on a daily basis) \$0.7833
  
  - Tier II: All usage exceeding Tier I volumes but not exceeding 4,167 therms monthly (prorated on a daily basis) \$0.4271
  
  - Tier III: All usage exceeding 4,167 therms monthly (prorated on a daily basis) \$0.1882
  
- **Cost of Gas (per therm)**
  - Applicable to all usage Core Commodity Charge

#### **USE PRIORITY:**

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules, except Schedules 1 and 2 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1 and 2. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

**SPECIAL CONDITIONS:**

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 1 and the Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 1.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

**SCHEDULE 4**

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**LARGE COMMERCIAL AND INDUSTRIAL**

Applicable to commercial and industrial service to customers with annual consumption in excess of 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.050 of the Municipal Code.

**RATES:**

- **Daily Service Charge per Meter** \$11.5069
  
- **Transmission Charge (per therm)**
  - Tier I: 0 – 20,833 therms \$0.2561
  - Tier II: 20,834 – 83,333 therms \$0.1811
  - Tier III: 83,334 – 166,667 therms \$0.1331
  - Tier IV: Over 166,667 therms \$0.0988
  
- **Cost of Gas (per therm)**
  - Applicable to all usage Non-Core Commodity Charge

**USE PRIORITY:**

Service under this schedule shall have priority in the use of gas over customers served under other rate schedules, except Schedules 1, 2, 3, and 5 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, and 5. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

**SPECIAL CONDITIONS:**

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) Gas supplied under this schedule shall be subject to shutoff of service without notice to the customer in the event of nonpayment exceeding fifteen (15) days from the date of mailing of a statement to the customer.
- (3) Long Beach Energy Resources' (ER) cost of gas is defined as an amount equal to ER's weighted average cost per therm of gas supply purchased, necessary to meet the forecasted Core and Non-Core demand for the month. In addition, the cost of gas shall include the cost to administer the transportation, purchasing, remarketing, balancing, etc. of ER's natural gas requirements, as well as the cost for any financial transactions implemented to reduce market exposure for the cost of gas. The gas purchased will be comprised of any one or combination of three increments of supply as follows:
  - (a) Interstate supplies delivered into the Southern California Gas (SoCalGas) intrastate pipeline system without consideration of SoCalGas (or any other intrastate pipeline company providing similar services) pipeline transportation and other system costs associated with intrastate delivery to the City of Long Beach (City);
  - (b) Gas storage withdrawals; and
  - (c) Any local gas delivered directly into ER's pipeline system.
- (4) The Non-Core Commodity Charge under this Schedule will be determined on a monthly basis and shall equal ER's projected cost of gas. There will be no markup to the customer above ER's actual cost of gas as determined by actual expenditures, but not including any discounts or rebates.
- (5) The cost of all gas purchased by ER shall be assigned to either the Core or Non-Core Commodity Charge according to the price of each increment. The Non-Core demand (Rates Schedules 4 and 7) shall be met with sufficient volumes of the highest cost increment(s) of gas.
- (6) All Customers eligible for service under this Schedule, may at any time elect to switch to Schedule 9 in order to procure their own gas at a possible savings by entering into a written Transportation/Service Agreement with the City.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

**SCHEDULE 5****COMPRESSED NATURAL GAS**

Applicable to the sale of natural gas to customers who use Compressed Natural Gas (CNG) as a motor vehicle fuel, as set forth in Section 15.36.060 of the Municipal Code.

**RATES:****CNG Service through a Dedicated Meter**

- Daily Service Charge \$0.4274
- Transmission Charge (per therm)
  - Compressed: All usage when compression is performed by utility \$1.3104
  - Uncompressed: All usage when compression is performed by customer \$0.2683

**Residential and CNG Service through a Single Common Meter**

- Daily Service Charge \$0.3288
- Transmission Charge (per therm)
  - Uncompressed: All usage when compression is performed by customer \$0.2871

**Cost of Gas (per therm)**

Applicable to all usage

Core Commodity Charge

Upon recommendation by the Director of Long Beach Energy Resources (ER), the City Manager may adjust the amount of the Cost of Gas a maximum of 10% above or below the stated Cost of Gas to reflect current changes in market conditions.

The customer's Cost of Gas is subject to adjustment for the payment of any local, state, or federal taxes, fees, or other charges, which may be imposed on such sales or services.

**USE PRIORITY:**

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedules 1, 2, and 3 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, and 3. Customers receiving CNG and Residential service through a single common meter shall retain the priority established under Schedule 1. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance shut off of such gas supply or service.

**SPECIAL CONDITIONS:**

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules, except that customer may elect to receive both Residential and CNG service through a single meter at the rates set in this schedule.
- (2) If customer elects to receive both Residential and CNG service through a single meter the specific amounts of gas supplied for each service will be indeterminable, and customer therefore agrees to pay the Utility Users Tax on the full amount of gas supplied through the single common meter and applicable charges.
- (3) Establishment of service under this schedule is subject to initial and periodic verification of an installed natural gas vehicle (NGV) home refueling appliance at customer's address, and proof of a current NGV registration or lease listing customer's address.
- (4) The owner of any vehicle obtaining or attempting to obtain CNG fuel from a fueling station on City property shall be liable for any and all damages to CNG pumps or adjacent City property while refueling or attempting to refuel. Customers shall pay all damages within 30 days from the time billed by the City. If any damage amount is disputed within 15 days from the billing date, Customer shall provide a request in writing setting out the disputed amount and request for an adjustment, including any proof substantiating same, and shall deliver this to the Director of the ER for a determination, which shall be made in writing. Thereafter, the Customer may appeal the Director's determination to the City Council within 30 days of receipt of determination.
- (5) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 1 and the Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 1.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

## **SCHEDULE 7**

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### **ELECTRIC GENERATION**

Applicable to service of customer's gas used for the production of electrical energy.

#### **RATES:**

- **Daily Service Charge per Customer**

For Customers using less than 3 million therms per year	\$1.6438
For Customers using 3 million therms or more per year	No Charge

- **Transmission Charge (per therm)**

For Customers using less than 3 million therms per year	\$0.1760
For Customers using 3 million therms or more per year	\$0.0519

- **Cost of Gas (per therm)** Non-Core Commodity Charge Plus a Surcharge of \$0.0500

Upon recommendation by the Director of Long Beach Energy Resources (ER), the City Manager, subject to approval of City Council, may adjust on a case-by-case basis the amount of the surcharge in the Cost of Gas per therm a maximum of \$0.05 above or below the stated surcharge rate to reflect current changes in market conditions. Notice of the upcoming monthly surcharge amount will be posted at ER at least 15 days before the beginning of each month and will also be available from ER by telephone or facsimile upon request. The Non-Core Commodity Charge will be posted at ER within 10 days after the end of each month and will also be available from the ER website <http://www.longbeach.gov/energyresources> as well as by telephone or facsimile upon request.

#### **USE PRIORITY:**

Customers receiving service under this schedule shall have priority in the use of gas equal to customers served under Rate Schedule 9 and lower than Rate Schedules 1, 2, 3, 4, and 5, when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, 4, and 5. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

**SPECIAL CONDITIONS:**

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) Gas supplied under this schedule shall be subject to shutoff of service without notice to the customer in the event of nonpayment exceeding 15 days from the date of mailing of a statement to the customer.
- (3) Gas transported and delivered under this schedule shall be used only by the customer.
- (4) Gas transported and delivered under this schedule shall be supplied at standard delivery pressure. Additional costs to serve a customer at higher than standard delivery pressure shall be borne by the customer.
- (5) Gas supplied under this schedule is only available for the electric generation portion of the customer's gas purchases.
- (6) As a condition precedent to service under this schedule when customer elects to procure its own gas supply, a separate Transportation/Service Agreement with the City must be executed. The Transportation/Service Agreement shall specify the terms and conditions applicable to service under this schedule. Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid for in advance by the customer.
- (7) Any additional transmission costs, surcharges or penalties incurred by ER on behalf of these customers will be passed through to the customer at cost.
- (8) Customer may elect to purchase all of its gas commodity from ER if customer does the following: a) maintains a deposit with ER for the remaining term of the Agreement in an amount equal to the average of two months of gas commodity and transportation charges, b) customer advises ER 10 days before the initial month that the customer elects to purchase all of its gas from ER for the remaining term of the Agreement, and c) customer pays as agreed upon receipt of the monthly bill and is not delinquent in any prior month's billing.
- (9) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 4 and the Non-Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 4.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.



## **SCHEDULE 9**

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### **TRANSPORTATION AND EXCHANGE OF NATURAL GAS SERVICE**

Applicable to natural gas procured by commercial/industrial customers with annual consumption in excess of 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customer, transported or exchanged by LBGO for the customer under Section 15.36.080 of the Municipal Code.

#### **RATES:**

- **Daily Service Charge per Customer** \$11.5069
  
- **Transmission Charge (per therm)**
  - Tier I: 0 – 20,833 therms \$0.1936
  - Tier II: 20,834 – 83,333 therms \$0.1186
  - Tier III: 83,334 – 166,667 therms \$0.0706
  - Tier IV: Over 166,667 therms \$0.0363

#### **USE PRIORITY:**

Service under this schedule provides transportation and delivery of customer-procured compatible pipeline quality gas from designated receipt points to customer premises.

Customers receiving service under this schedule shall have priority in the use of gas equal to customers served under Rate Schedule 7, and lower than Rate Schedules 1, 2, 3, 4, and 5, when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, 4, and 5. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

**SPECIAL CONDITIONS:**

- (1) As a condition precedent to service under this schedule, a separate Transportation/Service Agreement must be executed. The Transportation/Service Agreement shall specify the terms and conditions applicable to service under this schedule. Also, customer may be required to pay a deposit equivalent to two times the customer's estimated average monthly billing.
- (2) Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid in advance by the customer.
- (3) Gas transported under this schedule shall be used only by the customer and such gas may not be sold, transported, assigned, distributed, exchanged, or otherwise transferred to benefit another customer or provide non-municipal natural gas to any natural gas user, transporter or consumer within the City.
- (4) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules. The customer will be required to pay for the installation and cost of electronic meter reading equipment and monthly charges associated with such equipment.
- (5) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City.
- (6) Any additional transmission costs or surcharges incurred by the City on behalf of these customers will be passed through to the customer at cost.