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Board of Water Commissioners

CHRISTOPHER J. GARNER, General Manager

May 4, 2022

Subject

Adopt amended Resolution WD-1441A, a Resolution of the City of Long Beach Board of Water Commissioners Fixing Rates and Charges for Water and Sewer Services to All Customers, subject to the Approval of the City Council by Ordinance.

Executive Summary

The Board adopted the Water Department's Fiscal Year 2021-2022 Rate Resolution on June 24, 2021, which represented the planned expenditures and projected revenues needed to execute the Department's mission for the next fiscal year.

In December 2021, an appellate court ruled against the City of Long Beach in a lawsuit challenging the legality of the City's Measure M charter amendment. On March 23, 2022 the California State Supreme Court announced that it denied a petition to review the Measure M appellate court decision.

The Department has terminated the Measure M transfer to the City. This Rate Resolution reflects a Water rate decrease of 2.54%, reflecting the Water Fund no longer collecting rate revenue for the purpose of a Measure M transfer to the General Fund. Sewer rates remain unchanged.

The impact upon the reserve balance will then be factored by the Board of Water Commissioners into future budget and rate deliberations, as is always the case.

Recommendation

Adopt amended Resolution WD-1441A, a Resolution of the City of Long Beach Board of Water Commissioners Fixing Rates and Charges for Water and Sewer Services to All Customers, Subject to the Approval of the City Council by Ordinance.

B. Anatole Falagan Assistant General Manager

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Christopher (J. Garner General Manager

Attachment

A RESOLUTION OF THE CITY OF LONG BEACH BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO. WD-1444 FIXING RATES AND CHARGES FOR WATER AND SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE

RESOLUTION NO. WD-1441A

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

Section 1. That the following rates and charges for potable and reclaimed water service and for sewer service are hereby established, and the Long Beach Water Department ("Water Department") of the City of Long Beach ("City") is hereby authorized and directed to charge and collect the same in accordance with the provisions of this resolution, subject to a Public Hearing. All of the following rates and charges shall be effective as of June 1, 2022.

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

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The service charge shall be as follows:

1. Single family residential, duplex residential, and multifamily 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 shall receive a monthly service charge bill credit of approximately Five Dollars (\$5.00) and the service charge rates shall be as follows:

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Size of Service	Daily Service Charge
5/8 or 3/4 inch	\$0.733
1 inch	\$1.087
1-1/2 inch	\$1.972
2 inch	\$3.034
3 inch	\$6.394
4 inch	\$10.812
6 inch	\$24.077
8 inch	\$49.717
10 inch	\$74.474
12 inch	\$93.926
16 inch	\$138.133

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

Size of Service	Daily Service Charge
5/8 or 3/4 inch	\$0.733
1 inch	\$1.087
1-1/2 inch	\$1.972
2 inch	\$3.034
3 inch	\$6394
4 inch	\$10.812
6 inch	\$24.077
8 inch	\$49.717
10 inch	\$74.474

Size of Service	Daily Service Charge
12 inch	\$93.926
16 inch	\$138.133

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)	\$4.908
Tier III	Over 13 Billing Units (or fraction thereof)	\$7.162

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)	\$2.564
Tier II		Next 7 Billing Units (or fraction thereof)	\$4.908
Tier III		Over 13 Billing Units (or fraction thereof)	\$7.162
	3.	For commercial customers of	potable water, \$3.814 per

billing unit, or fraction thereof.

4. For industrial customers of potable water, \$3.814 per billing unit, or fraction thereof.

1	5. For irrigation customers of potable water, \$3.814 per		
2	billing unit, or fraction thereof.		
3	6. For City of Long Beach Departments using potable		
4	water, \$3.814 per billing unit, or fraction thereof.		
5	7. For reclaimed water users whose use is "peaking" as		
6	defined herein, \$2.479 per billing unit, or fraction thereof.		
7	8. For reclaimed water users whose use is "non-peaking"		
8	as defined herein, \$2.105 per billing unit, or fraction thereof.		
9	9. For reclaimed water users whose use is "interruptible"		
10	as defined herein, \$2.105 per billing unit or fraction thereof.		
11	10. These quantitative charges shall be subject to		
12	adjustment as provided in Section 4 of this Section.		
13	11. There shall be no charge for water used through fire		
14	hydrants for extinguishing fires.		
15	Section 3.		
16	A. Unmetered water service may be rendered to unoccupied or		
17	occupied property where it is not practical to meter the water, and the rate for		
18	unmetered water service shall be:		
19	Size of Service Daily Rate		
20	5/8 or 3/4 inch \$3.184		
21	1 inch \$5.387		
22	1-1/2 inch \$13.270		
23	2 inch \$20.876		
24	B. The rates for unmetered water service shall begin on the date		
25	of use of water by the customer, as determined by the General Manager of		
26	the Water Department ("General Manager").		
27	Section 4. By Resolution the Board of Water Commissioners has		
28	established a Water Conservation and Water Supply Shortage Plan (the Plan). Pursuant		
	4 RFA:bg A21-01966 (05-02-2022) 2022 05-04 02 WD-1441A - Rates and Charges for Water & Sewer Service - Reso.docx		

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 411 West Ocean Boulevard, 9th Floor Long Beach. CA 90802-4664 to the Plan, the Board may declare that a Stage 1, Stage 2 or Stage 3 Water Supply
Shortage exists, in its sole discretion. Upon such declaration, the Board may increase
water rates, by an amount necessary, as determined by the Board but not to exceed the
following percentages:

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

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

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

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

Section 6.

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

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20	Size of Service	Daily Rate
21	2 inch	\$0.434
22	3 inch	\$0.872
23	4 inch	\$1.631
24	6 inch	\$4.346
25	8 inch	\$9.031
26	10 inch	\$16.079
27	12 inch	\$25.846
28	16 inch	\$54.849

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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 Water 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 Water 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 7. The primary purpose of fire hydrants is extinguishing fires and
they shall be opened and used only by the Water 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 Water Department, there shall be no standby charge made to the Fire Department.

Section 8.

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

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 B. The daily sewer rate shall be in accordance with the following

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 table:

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Size of Service	Daily Sewer Rate
5/8 or 3/4 inch	\$0.248
1 inch	\$0.366
1-1/2 inch	\$0.961
2 inch	\$1.658
3 inch	\$3.862
4 inch	\$5.587
6 inch	\$15.565
8 inch	\$16.499
10 inch	\$25.540
12 inch	\$32.212
16 inch	\$47.376

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

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

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

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

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

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

F. The City shall collect from all developments and all developments shall be required to pay a capacity charge of One Hundred and Nine Dollars and Sixteen Cents (\$109.16) per equivalent fixture unit at the time application for sewer service is made, but in no event later than the time that the City issues a sewer permit for connection to the City sewage system, as set forth in the Long Beach Municipal Code and the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service and the Emergency Water Conservation Plan" of the Water Department.

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

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

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

J. Anyone who has paid a capacity charge may apply for a full or partial refund if within one year after payment: 1) the applicant has not been permitted to connect to the City sewage system; or 2) the development on which the capacity charge was calculated has been modified pursuant to applicable City ordinances, resolutions, or regulations, resulting from a reduction in the number of equivalent fixture units. Refund applications shall

be made on forms provided by the City and shall contain a declaration under oath of those facts, along with relevant documentary evidence, which qualify the applicant for the refund. In no event shall a refund exceed ninety percent (90%) of the amount of the capacity charge actually paid.

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

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

M. The capacity charge is a charge on development that reflects a development's proportionate share of the present depreciated value of the existing City sewage system. As such the capacity charge is additional to and not in substitution of the following: 1) on-site sewer facility requirements

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

Section 9. Any term not defined herein which is defined in the Long Beach 13 Municipal Code or in the "Rules, Regulations and Charges Governing Potable Water, 14 Reclaimed Water, Sewer Service, and the Emergency Water Conservation Plan" of the 15 Water Department shall have the meaning stated therein.

Section 10.

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

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

C. Anyone who has been granted an exemption under Chapter 3.68 of the Long Beach Municipal Code as of the date of this resolution does

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not need to file a separate application for exemption hereunder.

Section 11. Whenever the correctness of any bill for water or sewer service 3 is questioned by a customer, the procedures established in the "Rules, Regulations and 4 Charges Governing Potable Water, Reclaimed Water, Sewer Service, and the Emergency 5 Water Conservation Plan" of the Water Department shall be followed.

6 Section 12. The following words shall have the meanings defined as 7 follows:

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

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

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

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

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

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

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

25 Section 13. All other resolutions of the Board of Water Commissioners, or 26 provisions thereof, which conflict with this resolution are hereby rescinded. The charges, 27 conditions, and provisions established in this Resolution shall supersede all others 28 previously established.

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

I hereby certify that the foregoing resolution was adopted by the Board of
Water Commissioners of the City of Long Beach at its meeting held on May 4, 2022, by
the following vote:

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8	Ayes:	Commissioners:	
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11	Noes:	Commissioners:	
12	Absent:	Commissioners:	
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16			Secretary Board of Water Commissioners
17			Board of Water Commissioners
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