



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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

September 4, 2012

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 2013 budget as listed in Attachment A of this letter. (Citywide)

DISCUSSION

On August 1, 2012, the City Manager's Proposed Budget for Fiscal Year 2013 (FY 13) was delivered by the Mayor to the City Council and community with recommended amendments for consideration. Hearings were set for March 6, April 17, June 10, July 3, July 24, August 7, August 14, August 21, August 28, and September 4 and September 11, along with five Budget Oversight Committee (BOC) meetings and ten community meetings at which the FY 13 Proposed Budget was discussed. We are pleased to report that through the scheduled hearings, BOC and community meetings, presentations have been made by multiple City departments resulting in 26 separate opportunities for public feedback, deliberation and input.

At the conclusion of the hearings, the City Council will amend the proposed budget as it deems appropriate, and adopt the proposed budget as amended. Since the publication of the FY 13 Proposed Budget, updated estimates of revenue and expense, which address technical corrections as well as decisions made by elected offices, are listed by fund and department in Attachments B and C to this letter, respectively.

The Appropriations Ordinance officially adopts the FY 13 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2012, this Ordinance must include a finding of emergency. Specific resolutions provide for approval of the budgets for the Harbor, Sewer, and Water funds, which are not in the appropriation ordinance, and certain fee adjustments. Requests for approval include the FY 13 Capital Improvement Program; the Mayor's Recommendations; and the Budget Oversight Committee's Recommendations for the FY 13 Proposed Budget.

This matter was reviewed by Assistant City Attorney Charles Parkin on August 16, 2012.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 13 budget must be adopted by September 15, 2012. Should the City Council fail to adopt the budget by that date, the City Manager's FY 13 Proposed Budget shall be deemed the budget for the 2013 fiscal year. The Mayor has five calendar days from City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2012, to override veto action by the Mayor with a two-thirds supermajority vote.

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance shall govern and control the expenditure and commitment amounts stated therein relating to the City's departments, offices and agencies during each fiscal year. The total FY 13 budget for all departments and funds is \$4,211,052,092, which comprises \$2,979,129,932 in new appropriation and \$1,231,922,160 in estimated carry-over from FY 12 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-16 to this letter, totals \$2,293,557,866 for all funds except Harbor, Sewer, and Water, and \$2,295,149,709 for all departments except Harbor and Water. The \$1,591,844 difference between funds and departments in the Appropriations Ordinance is due to general City indirect costs budgeted in the Department of Financial Management but charged to the Harbor, Water and Sewer funds, which are not included in the Appropriations Ordinance by fund.

The proposed Harbor, Water and Sewer Fund budgets are in separate City Council resolutions included as Attachment A-1 and A-4 to this letter, respectively, and total \$1,042,981,067. The budget for the Harbor Department was adopted by the Board of Harbor Commissioners by minute order on June 4, 2012. The budget for the Water Department was adopted by the Board of Water Commissioners by resolution on June 21, 2012.

User fees and charges in the attached Master Fee and Charges Schedule (A-5) have been increased by the City Cost Index (CCI), a calculation of the projected increase in the City's cost from FY 12 to FY 13, except for those fees that are set using other criteria. In addition to the CCI-based fee changes, some fees have been added or adjusted due to a change in service or other bases. For details regarding these proposed new fees and non-CCI fee adjustments, please see the List of Proposed Fee Adjustments for FY 13 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

Other requested City Council actions include approval of the FY 13 One-Year Capital Improvement Program (CIP) budget, which is contained in the Appropriations Ordinance.

HONORABLE MAYOR AND CITY COUNCIL

September 4, 2012

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The Planning Commission, at its meeting of August 16, 2012, approved the CIP for FY 13 for conformance with the General Plan.

A motion to amend the Departmental Organization Ordinance is also being requested. This amendment incorporates changes to departments, bureaus, and divisions for Fiscal Year 2013. These organizational changes are necessary to implement changes reflected in the Proposed FY 13 budget. The Salary Resolution is also included for adoption. (A redline version is also provided)

All the City's Redevelopment Funds were dissolved and the assets and liabilities were transferred to the Successor Agency Fund whose sole purpose is to dispose of the assets and discharge the obligations of the former Redevelopment Agency. This fund is now included as part of the Appropriations Ordinance.

The City Council is also requested to adopt the Resolution establishing the "Gann Appropriations Limit" (Limit) for general purpose expenditures. In November 1979, the voters of the State of California approved Proposition 4, also known as the "Gann Initiative." The Initiative places certain limits on the amount of tax revenue that can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79 and guards against overspending proceeds of taxes. Only those revenues which are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The Proposed Budget includes tax revenue estimates that are at 39.78 percent of the 2012-2013 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG/rag
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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2013 Budget Adoption Actions

1. Adopt the Resolution approving the FY 13 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 4, 2012. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1299 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 21, 2012, as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-3)
4. Adopt the Resolution approving the FY 13 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 21, 2012. (A-4)
5. Adopt the Resolution amending the master fee and charges schedule for specified city services for citywide fees and charges for the City of Long Beach. (A-5)
6. Approve the FY 13 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 13 budget for the Long Beach Housing Development Company in the amount of \$2,678,780. (A-7)
8. Adopt a motion approving the estimated transfer of \$16,825,000 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-8)
9. 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-9)
10. Adopt the amended Salary Resolution for FY 13. (A-10)
11. Adopt the Resolution adopting an appropriations limit (Gann) for FY 13 pursuant to Article XIII (B) of the California Constitution. (A-11)
12. Adopt the Mayor's proposed funding recommendations, as amended, to the FY 13 Proposed Budget. (A-12)
13. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 13 Proposed Budget. (A-13)
14. Adopt a motion amending the proposed FY 13 budget. (A-14)
15. Declare an emergency to exist. (A-15)
16. Declare the Appropriations Ordinance for FY 13, creating and establishing the funds of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-16)

FISCAL YEAR 2013 APPROPRIATIONS ORDINANCE BY FUND
 (Does not include Harbor, Sewer, and Water)
 FY 13

<u>FUND</u>	<u>PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 12 ESTIMATED CARRYOVER*</u>	<u>FY 13 APPROPRIATION</u>
GENERAL FUND	395,418,650	(377,370)	-	395,041,280
GENERAL GRANTS FUND	6,511,090	(31,662)	11,000,570	17,479,998
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	4,044,945	(55,126)	-	3,989,819
HEALTH FUND	38,178,507	(252,283)	31,888,013	69,814,237
PARKING & BUSINESS AREA IMPROVEMENT FUND	6,234,269	490,752	-	6,725,021
SPECIAL ADVERTISING & PROMOTION FUND	5,398,987	176	-	5,399,163
UPLAND OIL FUND	33,721,727	13	-	33,721,740
HOUSING DEVELOPMENT FUND	9,791,449	(39,031)	68,704,262	78,456,680
BELMONT SHORE PARKING METER FUND	458,589	-	-	458,589
DEVELOPMENT SERVICES FUND	15,053,545	553,808	-	15,607,353
BUSINESS ASSISTANCE FUND	707,916	(54,603)	1,184,012	1,837,325
COMMUNITY DEVELOPMENT GRANTS FUND	21,586,959	260,800	12,040,635	33,888,393
PARK DEVELOPMENT FUND	-	-	-	-
GASOLINE TAX STREET IMPROVEMENT FUND	14,452,282	(2,303)	23,666,824	38,116,803
TRANSPORTATION FUND	18,124,872	(6,736)	18,555,062	36,673,199
CAPITAL PROJECTS FUND	8,055,612	44,788	81,933,533	90,033,933
DEBT SERVICE FUND	10,255,959	210,000	-	10,465,959
CIVIC CENTER FUND	10,728,312	13,607	254,879	10,996,798
GENERAL SERVICES FUND	38,155,742	15,072	8,335,358	46,506,172
FLEET SERVICES FUND	31,883,232	6,284	916,881	32,806,398
INSURANCE FUND	39,075,172	697,634	139,683	39,912,488
EMPLOYEE BENEFITS FUND	234,430,971	(10,323,145)	-	224,107,826
TIDELANDS FUNDS	132,270,532	2,214,995	77,839,985	212,325,513
TIDELAND OIL REVENUE FUND	423,108,119	1,043	-	423,109,162
RESERVE FOR SUBSIDENCE	-	-	-	-
GAS FUND	104,773,246	(116,074)	16,724,591	121,381,763
GAS PREPAY FUND	41,450,391	-	-	41,450,391
AIRPORT FUND	41,236,510	275,556	37,543,977	79,056,042
REFUSE/RECYCLING FUND	44,880,187	(38,264)	470,680	45,312,604
SERRF FUND	46,563,701	238	-	46,563,939
SERRF JPA FUND	11,369,810	-	-	11,369,810
TOWING FUND	7,252,762	(248,000)	-	7,004,762
PARKING AUTHORITY FUND	-	-	-	-
HOUSING AUTHORITY FUND	80,049,150	93,537	(230,826)	79,911,861
SUCCESSOR AGENCY	41,439,237	3,048,652	(11,993,987)	32,493,903
CUPA FUND	1,531,795	7,146	-	1,538,941
TOTAL	1,918,194,228	(3,610,495)	378,974,133	2,293,557,866

*Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2013 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)

<u>DEPARTMENT</u>	<u>FY 13 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 12 ESTIMATED CARRYOVER*</u>	<u>FY 13 APPROPRIATION</u>
MAYOR AND COUNCIL	4,649,853	-	-	4,649,853
CITY ATTORNEY	8,896,127	(5,654)	-	8,890,473
CITY AUDITOR	2,987,888	(4,678)	-	2,983,210
CITY CLERK	3,120,066	(2,714)	-	3,117,351
CITY MANAGER	22,876,060	15,687	45,779,290	68,671,037
CITY PROSECUTOR	4,739,278	21,643	-	4,760,921
CIVIL SERVICE	2,054,339	287	-	2,054,625
AIRPORT	40,839,181	286,139	35,755,006	76,880,325
DEVELOPMENT SERVICES	79,115,961	3,126,728	95,083,051	177,325,741
FINANCIAL MANAGEMENT**	442,753,876	(8,205,281)	16,100,686	450,649,282
FIRE	93,011,139	(319,696)	2,774,543	95,465,986
HEALTH AND HUMAN SERVICES	118,868,692	(167,444)	31,969,373	150,670,620
HUMAN RESOURCES	20,905,208	24,164	(596,812)	20,332,560
LIBRARY SERVICES	12,723,428	(73,429)	-	12,649,999
LONG BEACH GAS AND OIL	598,192,817	13,350	16,724,591	614,930,758
PARKS, RECREATION AND MARINE	50,923,249	(57,116)	23,300,561	74,166,694
POLICE	196,925,817	52,883	5,768,910	202,747,610
PUBLIC WORKS	179,544,238	1,669,565	97,979,575	279,193,377
TECHNOLOGY SERVICES	36,658,854	15,072	8,335,359	45,009,285
TOTAL	1,919,786,072	(3,610,495)	378,974,133	2,295,149,709

*Carryover of multi-year grants and CIP funds.

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

ORDINANCE NO.

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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. WD-1299, A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY ESTABLISHING THE RATES AND CHARGES TO BE CHARGED FOR WATER AND SEWER SERVICE

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

Section 1. That Resolution No. WD-1299 of the Board of Water Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE CITY OF LONG BEACH BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO. WD-1299 FIXING RATES AND CHARGES FOR WATER AND SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE," adopted by said Board on June 21, 2012, and the rates fixed in the Resolution to be charged for water and sewer service be and the same are hereby approved subject to approval by the ratepayers at a public hearing.

Section 2. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.

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

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

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I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 2012, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____
(Date)

Mayor

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

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RESOLUTION NO. WD-1299

A RESOLUTION OF THE CITY OF LONG BEACH
BOARD OF WATER COMMISSIONERS AMENDING
RESOLUTION NO. WD-1285 FIXING RATES AND
CHARGES FOR WATER AND SEWER SERVICE TO ALL
CUSTOMERS, SUBJECT TO THE APPROVAL OF THE
CITY COUNCIL BY ORDINANCE

The Board of Water Commissioners of the City of Long Beach resolves as 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.

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.

A. On October 1, 2012, the service charge shall be in accordance with the following table:

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

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

B. On October 1, 2012, the quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

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

Tier IA	First 5 Billing Units (or fraction thereof)	\$1.220
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.439
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.659

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

Tier IB	First 5 Billing Units (or fraction thereof)	\$2.196
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.439
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.659

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

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

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

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

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

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

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

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2	Tier IB	First 2.5 Billing Units	\$2.196
3		(or fraction thereof	
4		per dwelling unit)	
5	Tier II	Next 6.5 Billing Units	\$2.439
6		(or fraction thereof	
7		per dwelling unit)	
8	Tier III	Over 9 Billing Units	\$3.659
9		(or fraction thereof	
10		per dwelling unit)	

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

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

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

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

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

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

20 13. For reclaimed water users whose use is "interruptible" as
21 defined herein, \$1.220 per billing unit or fraction thereof.

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

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

26 Section 3. A. Unmetered water service may be
27 rendered to unoccupied or occupied property where it is not practical
28 to meter the water, and on October 1, 2012, the rate for unmetered

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water service shall be:

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

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

Section 4. By Resolution the Board of Water

Commissioners has established a Water Conservation and Water Supply Shortage Plan (the Plan). Pursuant 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:

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

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

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

Section 5. Charges for water service through meters at temporary service connections from fire hydrants or otherwise shall be at the applicable quantitative charge plus the service charge, together with a charge for installing, changing, and removing the meter and fittings in accordance with the "Rules, Regulations and Charges Governing Potable

1 Water, Reclaimed Water, Sewer Service and the Emergency Water
2 Conservation Plan” of the Water Department.

3 Section 6. A. On October 1, 2012, the service
4 charge for private fire protection service shall be in accordance with
5 the following table:

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

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

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

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

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

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

<u>Size of Service</u>	<u>Daily Sewer Rate</u>
5/8 or 3/4 inch	\$0.250
1 inch	\$0.396
1-1/2 inch	\$0.721
2 inch	\$1.046
3 inch	\$2.164
4 inch	\$3.428
6 inch	\$6.315
8 inch	\$9.920
10 inch	\$16.229
12 inch	\$19.838
16 inch	\$32.462

15 C. The volumetric sewer rate shall be \$0.347 per 100 cubic feet
16 of water furnished where water service size is 5/8 inches or larger. The
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1 volumetric sewer rate shall not be applicable to fire services.

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

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

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

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

1 developments shall be required to pay a capacity charge of Ninety-One
2 Dollars and Thirty-Seven Cents (\$91.37) per equivalent fixture unit at the
3 time application for sewer service is made, but in no event later than the
4 time that the City issues a sewer permit for connection to the City sewage
5 system, as set forth in the Long Beach Municipal Code and the "Rules,
6 Regulations and Charges Governing Potable Water, Reclaimed Water,
7 Sewer Service and the Emergency Water Conservation Plan" of the Water
8 Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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.

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

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 June 21, 2012, by the following vote:

Ayes:	Commissioners:	TOWNSEND; BLANCO; DALLMAN;
		CLARKE
Noes:	Commissioners:	ALLEN
Absent:	Commissioners:	NONE

CERTIFIED AS A TRUE AND CORRECT COPY

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

BY: [Signature]
 DATE: 6/27/2012



 Secretary
 Board of Water Commissioners