**BH-19**

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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

September 9, 2008

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 2009 budget as listed in Attachment A of this letter. (Citywide)

DISCUSSION

On August 1, 2008, the City Manager's Proposed Budget for Fiscal Year 2009 (FY 09) was delivered by the Mayor to the City Council and community with recommended amendments for consideration. Subsequent workshops and hearings were set for August 5, August 12, August 19, August 26, September 2, September 4 and September 9, 2008 along with approximately three Budget Oversight Committee (BOC) meetings and ten community meetings at which the FY 09 Proposed Budget was discussed. We are pleased to report that through the scheduled workshops, hearings, BOC and community meetings, presentations have been made by multiple City departments resulting in 23 separate opportunities for public feedback, deliberation and input.

At the conclusion of the hearings, the City Council will be asked to amend the proposed budget as it deems appropriate, and to adopt the proposed budget as amended. Since the publication of the FY 09 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 09 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2008, this Ordinance must include a finding of emergency. Specific resolutions provide for approval of the budgets for the Harbor, Sewer and Water funds; and certain fee adjustments. Requests for approval include the FY 09 Capital Improvement Program; acknowledgment of the updated Financial Strategic Plan; the Mayor's Recommendations; and the Budget Oversight Committee's Recommendations to the FY 09 Proposed Budget.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on August 21, 2008.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 09 budget must be adopted by September 15, 2008, following at least one public hearing. Should the City Council fail to adopt the budget on or by that date, the City Manager's FY 09 Proposed Budget shall be deemed the budget for the 2009 fiscal year. The Mayor then has five calendar days from City Council adoption of the budget to use a line-item veto to reduce or eliminate expenditures. The City Council would then have until September 30, 2008, to override any line-item veto 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 09 budget for all departments and funds is \$3,468,910,455, which comprises \$3,096,273,192 in new appropriation and \$372,637,263 in estimated carry-over from FY 08 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-17 to this letter, totals \$2,343,846,799 for all funds except Harbor, Water and Sewer, and \$2,348,005,027 for all departments except Harbor and Water. The \$4,158,228 difference between funds and departments in the Appropriations Ordinance is due to general City indirect costs budgeted in the Department of Financial Management but charged to the Harbor, Water and Sewer funds, which are not included in the Appropriation Ordinance by fund.

The proposed Harbor, Water and Sewer Fund budgets are in separate City Council ordinances included as Attachment A-1 and A-4 to this letter, respectively, and total \$1,125,063,656. The budget for the Harbor Department was adopted by the Board of Harbor Commissioners by minute order on June 16, 2008. The budget for the Water Department was adopted by the Board of Water Commissioners by resolution on July 10, 2008.

The City Council is also requested to bring the Municipal Code into uniformity with the FY 09 budget by amending Municipal Code (section 15.20.060) establishing the maintenance for all sewer laterals to be the sole responsibility of the property owner. The Memorandum of Understanding with the Water Department to provide sewer lateral repair services related to tree root damage has been eliminated. This action will bring Long Beach's sewer lateral policy in-line with other local jurisdictions, including the City of Los Angeles.

The recommendations in this letter include various fee adjustments, as highlighted in the FY 09 Proposed Budget book, and are included in the attached Master Fee Resolution. The fee changes are necessary for full cost recovery and are summarized in Attachment A-6, Exhibit A to this letter.

Other requested City Council actions include approval of the FY 09 One-Year Capital Improvement Program (CIP) budget, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 15, 2008, approved the CIP for FY 09 for conformance with the General Plan. Any projects that are not in conformance with the Plan will be highlighted by Development Services staff and steps to secure conformance will be outlined.

Further, motions approving the budgets of the Redevelopment Agency's (RDA) Project Area Committees (PACs) for the Central Long Beach, the West Long Beach Industrial and the North Long Beach Project Areas and the Long Beach Housing Development Company (HDC) are requested. The PAC budgets are included in the budget of the Development Services Department, while the budget of the HDC is included in the budget of the Community Development Department.

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 41.05 percent of the 2008-2009 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

SUGGESTED ACTON:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2008 Budget Adoption Actions

1. Adopt the Resolution approving the FY 09 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 16, 2008 (A-1).
2. Declare an emergency to exist (A-2).
3. Declare the Ordinance approving the Resolution establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on July 24, 2008, 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 09 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on July 10, 2008 (A-4).
5. Declare the Ordinance to amend the Long Beach Municipal Code by amending section 15.20.060 relating to maintenance of sewers, read the first time and laid over to the next regular City Council meeting for final reading (A-5).
6. Adopt the Resolution establishing a master fee and charges schedule for specified city services for the Departments of Airport, City Clerk, City Prosecutor, Community Development – Code Enforcement, Development Services, Financial Management, Fire, Gas & Oil, Health and Human Services, Library Services, Parks, Recreation and Marine, Police, and Public Works. (A-6).
7. Approve the FY 09 One-Year Capital Improvement Program (A-7).
8. Adopt a motion approving the budgets for the Redevelopment Agency's Project Area Committees in the amounts of \$50,000 for Central Long Beach, \$80,000 for West Long Beach Industrial and \$44,558 for North Long Beach (A-8).
9. Adopt a motion approving the budget for the Long Beach Housing Development Company in the amount of \$30,424,612, which is included in the budget of the Department of Community Development (A-9).
10. Adopt a motion approving the transfer of \$16,059,464 from the Harbor Revenue Fund to the Tidelands Operating Fund (A-10).
11. Adopt the Resolution adopting an appropriations limit (Gann) for FY 09 pursuant to Article XIII(B) of the California Constitution (A-11).
12. Adopt the Mayor's proposed funding recommendations, as amended, to the FY 09 Proposed Budget (A-12).
13. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 09 Proposed Budget (A-13).
14. Acknowledge the updated Financial Strategic Plan (A-14).
15. Adopt a motion amending the proposed budget (A-15).
16. Declare an emergency to exist (A-16).
17. Declare the Appropriations Ordinance for FY 09, creating and establishing the funds of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year as an Emergency Ordinance, read and adopted as read and laid over to the next regular meeting of the City Council for final reading (A-17).

FISCAL YEAR 2009 APPROPRIATIONS ORDINANCE BY FUND

<u>FUND</u>	<u>FY 09 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 08 ESTIMATED CARRYOVER*</u>	<u>FY 09 APPROPRIATION</u>
GENERAL FUND	404,223,243	(329,134)	-	403,894,110
GENERAL GRANTS FUND	6,657,583	-	10,880,124	17,537,707
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	4,756,444	-	-	4,756,444
HEALTH FUND	44,706,112	212,069	36,281,335	81,199,515
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,031,088	-	-	7,031,088
SPECIAL ADVERTISING & PROMOTION FUND	6,930,787	7,502	-	6,938,289
UPLAND OIL FUND	28,650,709	-	-	28,650,709
HOUSING DEVELOPMENT FUND	26,684,889	19,826	66,657,962	93,362,677
BELMONT SHORE PARKING METER FUND	669,532	-	-	669,532
DEVELOPMENT SERVICES FUND	13,917,848	(78,020)	-	13,839,827
BUSINESS ASSISTANCE FUND	1,473,381	(258,849)	(48,155)	1,166,377
COMMUNITY DEVELOPMENT GRANTS FUND	26,598,907	60,751	32,256,190	58,915,849
PARK DEVELOPMENT FUND	1,056,174	1,479	-	1,057,653
GASOLINE TAX STREET IMPROVEMENT FUND	17,354,032	-	16,292,095	33,646,127
TRANSPORTATION FUND	16,920,015	2,659	17,318,712	34,241,387
CAPITAL PROJECTS FUND	10,790,141	-	53,652,719	64,442,860
CIVIC CENTER FUND	1,635,040	9,546	2,962,504	4,607,090
GENERAL SERVICES FUND	36,842,828	33,973	2,138,513	39,015,315
FLEET SERVICES FUND	36,311,834	27,523	359,703	36,699,059
INSURANCE FUND	36,290,954	80,631	-	36,371,584
EMPLOYEE BENEFITS FUND	226,004,478	1,093,568	-	227,098,045
TIDELANDS FUNDS	131,033,622	3,640,255	19,850,396	154,524,273
TIDELAND OIL REVENUE FUND	363,131,614	57,348	-	363,188,961
RESERVE FOR SUBSIDENCE	-	-	-	-
GAS FUND	144,771,416	63,086	3,736,684	148,571,186
AIRPORT FUND	34,789,571	149,081	48,127,643	83,046,295
REFUSE/RECYCLING FUND	49,529,322	22,713	(127,537)	49,424,498
SERRF FUND	53,701,873	1,511,097	-	55,212,970
SERRF JPA FUND	11,394,998	-	-	11,394,998
TOWING FUND	9,821,496	4,120	-	9,825,615
PARKING AUTHORITY FUND	-	-	-	-
HOUSING AUTHORITY FUND	67,445,005	12,613	792,013	68,249,631
REDEVELOPMENT FUND	142,414,052	51,934	61,506,361	203,972,347
CUPA FUND	1,289,158	5,621	-	1,294,779
TOTAL	1,964,808,145	6,401,391	372,637,263	2,343,846,799

* Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2009 APPROPRIATIONS ORDINANCE BY DEPARTMENT

<u>DEPARTMENT</u>	<u>FY 09 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 08 ESTIMATED CARRYOVER*</u>	<u>FY 09 APPROPRIATION</u>
MAYOR AND COUNCIL	\$ 5,215,817	\$ (151,354)	\$ -	\$ 5,064,463
CITY ATTORNEY	9,708,745	0	-	9,708,745
CITY AUDITOR	2,682,333	137,717	-	2,820,050
CITY CLERK	3,911,718	-57,978	-	3,853,740
CITY MANAGER	8,087,496	33,935	-	8,121,430
CITY PROSECUTOR	5,492,110	0	(16,989)	5,475,121
CIVIL SERVICE	2,224,506	0	-	2,224,505
AIRPORT	27,384,959	149,081	3,384,161	30,918,201
COMMUNITY DEVELOPMENT	145,578,033	5,337,385	98,559,410	249,474,828
DEVELOPMENT SERVICES	160,342,492	83,912	63,039,954	223,466,358
FINANCIAL MANAGEMENT**	367,300,622	539,998	(1,752,019)	366,088,602
FIRE	93,793,784	113,754	3,174,090	97,081,628
HEALTH AND HUMAN SERVICES	50,832,388	242,579	38,853,555	89,928,522
HUMAN RESOURCES	8,123,010	38,189	-	8,161,199
LIBRARY SERVICES	13,271,115	30,592	-	13,301,707
LONG BEACH GAS AND OIL	579,572,123	1,631,531	3,736,684	584,940,339
PARKS, RECREATION AND MARINE	57,997,862	193,840	19,437,940	77,629,642
POLICE	207,431,124	-465,867	5,098,889	212,064,147
PUBLIC WORKS	184,574,235	-1,876,419	137,183,074	319,880,890
TECHNOLOGY SERVICES	35,441,901	420,497	1,938,513	37,800,911
TOTAL	\$ 1,968,966,373	\$ 6,401,391	\$ 372,637,263	\$ 2,348,005,027

* Carryover of multi-year grants and CIP funds.

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

ORDINANCE NO.

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3 AN ORDINANCE OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING RESOLUTION NO.
5 WD-1245, A RESOLUTION OF THE BOARD OF WATER
6 COMMISSIONERS OF THE CITY ESTABLISHING THE
7 RATES AND CHARGES TO BE CHARGED FOR WATER
8 AND SEWER SERVICE AND DECLARING THE URGENCY
9 THEREOF, AND PROVIDING THAT THIS ORDINANCE
10 SHALL TAKE EFFECT AT 12:01 A.M. ON OCTOBER 1,
11 2008

12
13 The City Council of the City of Long Beach ordains as follows:

14 Section 1. That Resolution No. WD-1245 of the Board of Water
15 Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE BOARD
16 OF WATER COMMISSIONERS FIXING RATES AND CHARGES FOR WATER AND
17 SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE
18 RATEPAYERS AND OF THE CITY COUNCIL BY ORDINANCE," adopted by said Board
19 on July 24, 2008, and the rates fixed in the Resolution to be charged for water and sewer
20 service be and the same are hereby approved subject to a public hearing to be held on
21 September 18, 2008 to consider any public protest of the proposed increases to the
22 City's water and sewer rates for Fiscal Year 2009.

23 Section 2. This is an emergency measure and is urgently required for the
24 reason that in order to carry on the affairs, functions and business of Long Beach Water
25 Department during the fiscal year which begins on October 1, 2008, it is necessary to
26 authorize the rates and charges for water and sewer service and that this ordinance be
27 passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2008.

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

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

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

8 Section 4. This ordinance is an emergency ordinance duly adopted by
9 the City Council by a vote of five of its members and shall take effect immediately. The
10 City Clerk shall certify to a separate roll call and vote on the question of the emergency of
11 this ordinance and to its passage by the vote of five members of the City Council of the
12 City of Long Beach, and cause the same to be posted in three conspicuous places in the
13 City of Long Beach, and it shall thereupon take effect and shall be operative on and after
14 12:01 a.m. on October 1, 2008.

15 I hereby certify that on a separate roll call and vote which was taken by the
16 City Council of the City of Long Beach upon the questions of the emergency of this
17 ordinance at its meeting of _____, 2008, the ordinance was
18 declared to be an emergency by the following vote:

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Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: 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: _____

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 _____, 2008, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

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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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-1245

A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO. WD-1230 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, subject to a Public Hearing on September 18, 2008.

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, 2008, 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	\$0.360
1 inch	\$0.543
1-1/2 inch	\$1.013
2 inch	\$1.502
3 inch	\$3.110
4 inch	\$4.921
6 inch	\$9.068

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
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<u>Size of Service</u>	<u>Daily Service Charge</u>
8 inch	\$14.234
10 inch	\$23.311
12 inch	\$28.490
16 inch	\$47.152

B. On October 1, 2008, 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)	\$1.052
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.103
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.155

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)	\$1.893
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.103
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.155

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:

Tier IA	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$1.052
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Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.103
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.155

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)	\$1.893
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.103
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.155

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)	\$1.052
Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.103
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.155

6. For multi-family 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)	\$1.893
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Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.103
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.155

7. For commercial customers of potable water, \$2.103 per billing unit, or fraction thereof.

8. For industrial customers of potable water, \$2.103 per billing unit, or fraction thereof.

9. For irrigation customers of potable water, \$2.103 per billing unit, or fraction thereof.

10. For City of Long Beach Departments using potable water, \$2.103 per billing unit, or fraction thereof.

11. For reclaimed water users whose use is "peaking" as defined herein, \$1.472 per billing unit, or fraction thereof.

12. For reclaimed water users whose use is "non-peaking" as defined herein, \$1.052 per billing unit, or fraction thereof.

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

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

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

Section 3. A. Unmetered water service may be rendered to unoccupied or occupied property where it is not practical to meter the water, and on October 1, 2008, the rate for unmetered water service shall be:

///

<u>Size of Service</u>	<u>Daily Rate</u>
5/8 or 3/4 inch	\$1.758
1 inch	\$2.974
1-1/2 inch	\$7.326
2 inch	\$11.525

The rates for unmetered water service shall begin on the date of use of water by the customer, as determined by the General Manager.

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 WD-1209 the Board of Water Commissioners established a Water Conservation and Water Supply Shortage Plan (the Plan). As stipulated in 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, other than Tier 1 or life-line rates and reclaimed 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 Water, Reclaimed Water, Sewer Service and the Emergency Water

1 Conservation Plan” of the Water Department.

2 Section 6. A. On October 1, 2008, the service charge for private
3 fire protection service shall be in accordance with the following table:

4 <u>Size of Service</u>	<u>Daily Rate</u>
5 2 inch	\$0.752
6 3 inch	\$1.285
7 4 inch	\$1.899
8 6 inch	\$3.236
9 8 inch	\$4.744
10 10 inch	\$6.417
11 12 inch	\$8.089
12 16 inch	\$11.860

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

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

27 Section 7. The primary purpose of fire hydrants is extinguishing fires and
28 they shall be opened and used only by the Water Department or the Long Beach Fire

1 Department, or such other persons as may be authorized to do so by the General
2 Manager or the Chief of the Fire Department. Where fire hydrants are installed and
3 maintained by the Water Department, there shall be no standby charge made to the Fire
4 Department.

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

9 B. The daily sewer rate shall be in accordance with the following
10 table:

<u>Size of Service</u>	<u>Daily Sewer Rate</u>
5/8 or 3/4 inch	\$0.179
1 inch	\$0.284
1-1/2 inch	\$0.516
2 inch	\$0.749
3 inch	\$1.550
4 inch	\$2.455
6 inch	\$4.522
8 inch	\$7.105
10 inch	\$11.623
12 inch	\$14.207
16 inch	\$23.248

11 C. The volumetric sewer rate shall be \$0.248 per 100 cubic feet
12 of water furnished where water service size is 5/8 inches or larger. The
13 volumetric sewer rate shall not be applicable to fire services.

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

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

24 F. The City shall collect from all developments and all
25 developments shall be required to pay a capacity charge of Eighty Dollars
26 and Thirty-Seven Cents (\$80.37) per equivalent fixture unit at the time
27 application for sewer service is made, but in no event later than the time that
28 the City issues a sewer permit for connection to the City sewerage system,

1 as set forth in the Long Beach Municipal Code and the "Rules, Regulations
2 and Charges Governing Potable Water, Reclaimed Water, Sewer Service
3 and the Emergency Water Conservation Plan" of the Water Department.

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

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

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

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

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

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

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

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

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

20 Section 10. A. Regular bills for water service and sewer service
21 shall be issued at intervals of approximately one month (commonly called
22 "monthly") except in those cases where the General Manager or the Board
23 of Water Commissioners shall prescribe another billing interval. Insofar as
24 practical, meters shall be read at regular intervals for the preparation of
25 regular bills, and meters shall be read as required for the preparation of
26 opening, closing, and special bills.

27 B. Every water customer and every sewer customer shall be
28 liable for payment of bills for water service and sewer service. Charges for

1 water service and sewer service shall be included in municipal utility bills.

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

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

9 Section 12. The following words shall have the meanings defined as
10 follows:

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

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

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

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

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

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

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

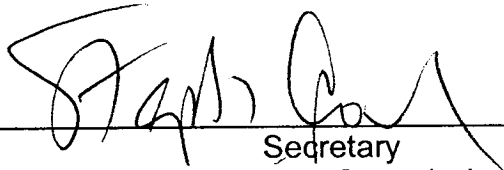
28 Section 14. The Secretary of the Board of Water Commissioners shall


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

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

3 I hereby certify that the foregoing resolution was adopted by the Board of
4 Water Commissioners of the City of Long Beach at its meeting held on July 24, 2008, by
5 the following vote:

6
7 Ayes: Commissioners: ALLEN; CONLEY; CLARKE; TOWNSEND
8 _____
9 _____
10 Noes: Commissioners: NONE
11 Absent: Commissioners: BLANCO
12 _____

13
14
15 
16 Secretary
17 Board of Water Commissioners

18 CERTIFIED AS A TRUE AND CORRECT COPY
19
20 SECRETARY TO THE BOARD OF WATER COMMISSIONERS
21 CITY OF LONG BEACH, CALIFORNIA
22 BY: 
23 DATE: 7/24/2008