

R-37

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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

September 7, 2010

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 2011 budget as listed in Attachment A of this letter. (Citywide)

DISCUSSION

On July 23, 2010, the City Manager's Proposed Budget for Fiscal Year 2011 (FY 11) was delivered by the Mayor to the City Council and community with recommended amendments for consideration. Subsequent hearings were set for July 27, August 10, August 17, August 24, and September 7, along with approximately three Budget Oversight Committee (BOC) meetings and 7 community meetings at which the FY 11 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 16 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 11 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 11 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2010, 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 11 Capital Improvement Program; the Mayor's Recommendations; and the Budget Oversight Committee's Recommendations to the FY 11 Proposed Budget.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on August 24, 2010.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 11 budget must be adopted by September 15, 2010, 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 11 Proposed Budget shall be deemed the budget for the 2011 fiscal year. The Mayor then has five calendar days from City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2010, 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 11 budget for all departments and funds is \$2,888,906,361 which comprises \$2,491,051,082 in new appropriation and \$397,855,279 in estimated carry-over from FY 10 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-19 to this letter, totals \$2,058,387,516 for all funds except Harbor, Water and Sewer, and \$2,060,265,449 for all departments except Harbor and Water. The \$1,877,933 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 \$828,640,912. The budget for the Harbor Department was adopted by the Board of Harbor Commissioners by minute order on June 28, 2010. The budget for the Water Department was adopted by the Board of Water Commissioners by resolution on June 24, 2010.

All user fees and charges in the attached Master Fee and Charges Schedule (A-5) have been increased by the City Cost Index, a calculation of the projected increase in the City's cost from FY 10 to FY 11, 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 11 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

Other requested City Council actions include approval of the FY 11 One-Year Capital Improvement Program (CIP) budget, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 19, 2010, approved the CIP for FY 11 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.

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. In addition, a motion to find that the contribution of North Redevelopment Project Area funds to Central Redevelopment Project Area low-and-moderate-income housing efforts will benefit the North Redevelopment Project Area is requested. A motion is also requested making certain findings regarding the construction of certain public improvements with Redevelopment Funds to allow the Downtown Redevelopment Project Area to fund the City Place Parking Structure debt service payment.

A motion to amend the Departmental Organization Ordinance is also being requested. This amendment incorporates changes to departments, bureaus, and divisions for Fiscal Year 2011. These organizational changes are necessary to implement changes reflected in the Proposed FY 11 budget. The Salary Resolution will be submitted at a later date to the Council for approval.

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 38.42 percent of the 2010-2011 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

HONORABLE MAYOR AND CITY COUNCIL
September 7, 2010
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

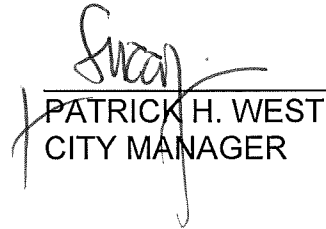


LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2011 Budget Adoption Actions

1. Adopt the Resolution approving the FY 11 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 28, 2010. (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 June 24, 2010, as an Emergency Ordinance, read and adopted as read. (A-3)
4. Adopt the Resolution approving the FY 11 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 24, 2010. (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 11 One-Year Capital Improvement Program. (A-6)
7. 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 \$50,000 for North Long Beach. (A-7)
8. Adopt the Resolution of the City Council of the City of Long Beach finding that the use of taxes allocated to the North Redevelopment Project on behalf of the Central Redevelopment Project for the purpose of increasing, improving and preserving the community's supply of low-and-moderate-income housing will be of benefit to the North Redevelopment Project. (A-8)
9. Adopt the Resolution making certain findings regarding the construction of certain public improvements with Redevelopment funds (City Place Parking Structure debt service). (A-9)
10. Adopt a motion approving the budget for the Long Beach Housing Development Company in the amount of \$19,050,008. (A-10)
11. Adopt a motion approving the transfer of \$24,847,412 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-11)
12. Adopt a motion approving the use of the CalPERS Annual Lump Sum Prepayment Option for the employer portion of the City's CalPERS retirement benefit. The recommended prepayment, in the amount of \$52,063,000 should provide a budgetary savings of \$1,937,000 to the City. Of this amount, the General Fund should recoup a budgetary savings of \$1,225,000. (A-12)
13. Adopt the Ordinance amending the Departmental Organization Ordinance. (A-13)

List of Requested Fiscal Year 2011 Budget Adoption Actions

14. Adopt the Resolution adopting an appropriations limit (Gann) for FY11 pursuant to Article XIII (B) of the California Constitution. (A-14)
15. Adopt the Mayor's proposed funding recommendations, as amended, to the FY11 Proposed Budget. (A-15)
16. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended to the FY11 Proposed Budget. (A-16)
17. Adopt a motion amending the proposed budget. (A-17)
18. Declare an emergency to exist. (A-18)
19. Declare the Appropriations Ordinance for FY11, creating and establishing the funds of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year as an Emergency Ordinance, read and adopted as read. (A-19)

FISCAL YEAR 2011 APPROPRIATIONS ORDINANCE BY FUND

<u>FUND</u>	<u>FY 11 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 10 ESTIMATED CARRYOVER*</u>	<u>FY 11 APPROPRIATION</u>
GENERAL FUND	382,068,111	857,159	-	382,925,270
GENERAL GRANTS FUND	6,138,654	(150,398)	11,740,589	17,728,845
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,263,846	(69,963)	-	3,193,883
HEALTH FUND	40,190,799	(185,063)	25,699,608	65,705,344
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,002,510	(846,550)	-	6,155,960
SPECIAL ADVERTISING & PROMOTION FUND	5,011,271	110,894	-	5,122,165
UPLAND OIL FUND	14,907,730	-	-	14,907,730
HOUSING DEVELOPMENT FUND	25,098,124	2,028,007	64,077,094	91,203,224
BELMONT SHORE PARKING METER FUND	668,275	-	-	668,275
DEVELOPMENT SERVICES FUND	11,947,929	(600,081)	106,379	11,454,227
BUSINESS ASSISTANCE FUND	816,877	11,429	477,863	1,306,169
COMMUNITY DEVELOPMENT GRANTS FUND	29,608,685	5,464,732	44,613,046	79,686,463
PARK DEVELOPMENT FUND	310,691	(1,723)	-	308,968
GASOLINE TAX STREET IMPROVEMENT FUND	10,108,973	1,759	19,419,291	29,530,023
TRANSPORTATION FUND	15,626,761	(1,840,088)	22,849,890	36,636,564
CAPITAL PROJECTS FUND	4,272,078	(21,419)	45,088,339	49,338,998
CIVIC CENTER FUND	2,444,703	89,590	942,762	3,477,055
GENERAL SERVICES FUND	38,293,973	(653,553)	189,233	37,829,652
FLEET SERVICES FUND	33,519,962	(125,580)	696,825	34,091,207
INSURANCE FUND	40,274,631	(9,754)	254,985	40,519,863
EMPLOYEE BENEFITS FUND	220,426,998	524,594	-	220,951,592
TIDELANDS FUNDS	122,159,234	8,823,944	33,022,441	164,005,619
TIDELAND OIL REVENUE FUND	70,360,070	(22,355)	-	70,337,716
RESERVE FOR SUBSIDENCE	-	-	-	-
GAS FUND	110,804,633	6,634,800	14,704,408	132,143,841
GAS PREPAY FUND	42,771,641	(21,899,996)	-	20,871,645
AIRPORT FUND	36,756,192	486,613	68,583,244	105,826,050
REFUSE/RECYCLING FUND	42,056,512	253,751	(217,205)	42,093,058
SERRF FUND	53,885,209	11,170	-	53,896,378
SERRF JPA FUND	11,295,285	-	-	11,295,285
TOWING FUND	8,827,789	46,379	-	8,874,169
PARKING AUTHORITY FUND	-	-	-	-
HOUSING AUTHORITY FUND	72,951,411	3,117	796,504	73,751,032
REDEVELOPMENT FUND	161,771,656	34,722,980	44,809,983	241,304,619
CUPA FUND	1,279,830	(33,201)	-	1,246,629
TOTAL	1,626,921,046	33,611,191	397,855,279	2,058,387,516

*Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2011 APPROPRIATIONS ORDINANCE BY DEPARTMENT

<u>DEPARTMENT</u>	<u>FY 11 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 10 ESTIMATED CARRYOVER*</u>	<u>FY 11 APPROPRIATION</u>
MAYOR AND COUNCIL	4,925,850	(2,009)	-	4,923,840
CITY ATTORNEY	8,024,169	(58,712)	-	7,965,457
CITY AUDITOR	2,753,291	2,235	-	2,755,526
CITY CLERK	2,780,124	502,139	-	3,282,263
CITY MANAGER	8,289,504	(21,537)	(196)	8,267,770
CITY PROSECUTOR	4,758,192	(20,851)	91,946	4,829,287
CIVIL SERVICE	1,983,869	20,356	-	2,004,225
AIRPORT	36,360,628	299,230	67,453,711	104,113,570
COMMUNITY DEVELOPMENT	148,228,227	5,737,528	114,196,489	268,162,244
DEVELOPMENT SERVICES	178,453,127	34,118,265	44,881,606	257,452,999
FINANCIAL MANAGEMENT**	397,579,310	(25,517,420)	13,477,904	385,539,794
FIRE	94,157,149	(377,199)	1,906,804	95,686,754
HEALTH AND HUMAN SERVICES	44,988,420	688,125	26,962,884	72,639,429
HUMAN RESOURCES	7,948,995	(20,746)	-	7,928,249
LIBRARY SERVICES	12,839,212	(44,770)	-	12,794,442
LONG BEACH GAS AND OIL	240,637,024	6,401,845	14,704,408	261,743,276
PARKS, RECREATION AND MARINE	50,783,723	(90,696)	26,268,206	76,961,233
POLICE	200,781,028	(492,040)	5,501,594	205,790,582
PUBLIC WORKS	146,333,659	12,834,249	82,220,455	241,388,363
TECHNOLOGY SERVICES	36,475,127	(628,449)	189,468	36,036,146
TOTAL	1,629,080,628	33,329,542	397,855,279	2,060,265,449

*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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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. WD-1270, A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY ESTABLISHING THE RATES AND CHARGES TO BE CHARGED FOR WATER AND SEWER SERVICE AND DECLARING THE URGENCY THEREOF, AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AT 12:01 A.M. ON OCTOBER 1, 2010

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

Section 1. That Resolution No. WD-1270 of the Board of Water Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS FIXING RATES AND CHARGES FOR WATER AND SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE," adopted by said Board on June 24, 2010, and the rates fixed in the Resolution to be charged for water and sewer service be and the same are hereby approved subject to a public hearing to be held on September 2, 2010 to consider any public protest of the proposed increases to the City's water and sewer rates for Fiscal Year 2011.

Section 2. This is an emergency measure and is urgently required for the reason that in order to carry on the affairs, functions and business of Long Beach Water Department during the fiscal year which begins on October 1, 2010, it is necessary to authorize the rates and charges for water and sewer service and that this ordinance be passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2010.

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

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, 2010.

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 _____, 2010, the ordinance was
18 declared to be an emergency by the following vote:

19 Ayes: Councilmembers: _____

20 _____

21 _____

22 _____

23 Noes: Councilmembers: _____

24 _____

25 Absent: Councilmembers: _____

26 _____

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

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

1 Beach by the following vote:

2 Ayes: Councilmembers: _____

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6 Noes: Councilmembers: _____

7 _____

8 Absent: Councilmembers: _____

9 _____

10 I further certify that the foregoing ordinance was thereafter adopted on final
11 reading of the City Council of the City of Long Beach at its meeting of _____,
12 2010, by the following vote:

13 Ayes: Councilmembers: _____

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17 Noes: Councilmembers: _____

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19 Absent: Councilmembers: _____

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21 _____

22 _____
City Clerk

23 _____

24 _____

25 Approved: _____
(Date) Mayor

26 _____

27 _____

28 _____

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

1 RESOLUTION NO. WD-1270

2
3 A RESOLUTION OF THE BOARD OF WATER
4 COMMISSIONERS AMENDING RESOLUTION NO. WD-
5 1257 FIXING RATES AND CHARGES FOR WATER AND
6 SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO
7 THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE
8

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

11 Section 1. That the following rates and charges for potable
12 and reclaimed water service and for sewer service are hereby established,
13 and the Long Beach Water Department ("Water Department") of the City of
14 Long Beach ("City") is hereby authorized and directed to charge and collect
15 the same in accordance with the provisions of this resolution, subject to a
16 Public Hearing on September 2, 2010.

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

20 A. On October 1, 2010, the service charge shall be in
21 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, 2010, the quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. 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.

1 Section 3. A. Unmetered water service may be
2 rendered to unoccupied or occupied property where it is not practical
3 to meter the water, and on October 1, 2010, the rate for unmetered
4 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

10
11 B. The rates for unmetered water service shall begin on the date
12 of use of water by the customer, as determined by the General Manager of
13 the Water Department ("General Manager").

14 Section 4. By Resolution WD-1266 the Board of Water
15 Commissioners established a Water Conservation and Water Supply
16 Shortage Plan (the Plan). As stipulated in the Plan, the Board may declare
17 that a Stage 1, Stage 2 or Stage 3 Water Supply Shortage exists, in its sole
18 discretion. Upon such declaration, the Board may increase water rates,
19 other than Tier 1 or life-line rates and reclaimed water rates, by an amount
20 necessary, as determined by the Board but not to exceed the following
21 percentages:

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

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

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

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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 Conservation Plan" of the Water Department.

Section 6. A. On October 1, 2010, the service charge for private fire protection service shall be in accordance with the following table:

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

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. His determination shall be final. In addition, if water through a private fire protection service is used for

1 purposes other than fire extinguishing or testing the fire line, the Water
2 Department may discontinue the private fire protection service or may install
3 a domestic or fire flow meter, at either the customer's or its expense as the
4 General Manager may determine, and thereafter the service shall be
5 classified as regular service and billed at the rates applicable thereto.

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

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

18 B. The daily sewer rate shall be in accordance with the following
19 table:

<u>Size of Service</u>	<u>Daily Sewer Rate</u>
5/8 or 3/4 inch	\$0.238
1 inch	\$0.377
1-1/2 inch	\$0.687
2 inch	\$0.996
3 inch	\$2.061
4 inch	\$3.265
6 inch	\$6.014
8 inch	\$9.448

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<u>Size of Service</u>	<u>Daily Sewer Rate</u>
10 inch	\$15.456
12 inch	\$18.893
16 inch	\$30.916

C. The volumetric sewer rate shall be \$0.330 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.

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.

1 maintained by the Water Department, or where the sewer lateral is located
2 in the public right-of-way, the charge for sewer service shall consist of both
3 a daily sewer rate and a volumetric sewer rate. The daily sewer rate shall
4 be as provided in Subsection 8(B) of this Resolution. For these customers,
5 the volumetric sewer rate shall be based on the average volume for the
6 customer's water service size.

7 F. The City shall collect from all developments and all
8 developments shall be required to pay a capacity charge of Eighty Eight
9 Dollars and Fifty-Two Cents (\$88.52) per equivalent fixture unit at the time
10 application for sewer service is made, but in no event later than the time that
11 the City issues a sewer permit for connection to the City sewerage system,
12 as set forth in the Long Beach Municipal Code and the "Rules, Regulations
13 and Charges Governing Potable Water, Reclaimed Water, Sewer Service
14 and the Emergency Water Conservation Plan" of the Water Department.

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

25 H. The sewer capacity charge shall be subject to annual
26 adjustment, effective October 1 of each year, to reflect the increase of the
27 Construction Cost Index ("CCI") for Los Angeles as published in the
28 "Engineering News-Record". The increase shall be calculated each

1 September by dividing the CCI published in August of the current calendar
2 year by the CCI published in August of the preceding calendar year; that
3 figure multiplied by the sewer capacity charge in effect in October shall be
4 the new sewer capacity charge. No adjustment shall be made to reflect a
5 decrease in the CCI.

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

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

19 K. Anyone subject to a capacity charge who constructs, deposits
20 money into escrow with the City for the construction of, participates in an
21 assessment district for the construction of, or otherwise contributes money
22 or improvements to the City for the operation, construction, reconstruction,
23 acquisition, or maintenance of the City sewerage system shall be eligible for
24 a credit for such contribution against the capacity charge otherwise due.
25 The amount of the credit shall be the value of the contribution as determined
26 by the City provided, however, that the credit shall not exceed ninety
27 percent (90%) of the amount of the capacity charge. Applications for said
28 credit shall be made on forms provided by the City and shall be submitted at

1 or before the time of application for sewer service. The application shall
2 contain a declaration under oath of those facts, along with relevant
3 documentary evidence, which qualify the applicant for the credit.

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

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

27 Section 9. Any term not defined herein which is defined in
28 the Long Beach Municipal Code or in the "Rules, Regulations and Charges

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Governing Potable Water, Reclaimed Water, Sewer Service, and the Emergency Water Conservation Plan” of the Water Department shall have the meaning stated therein.

Section 10. A. 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.

B. 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 not need to file a separate application for exemption hereunder.

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

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

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

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

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

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

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

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

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

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

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

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1 I hereby certify that the foregoing resolution was adopted by the Board of
2 Water Commissioners of the City of Long Beach at its meeting held on June 24, 2010, by
3 the following vote:

4
5 Ayes: Commissioners: DALLMAN; CLARKE; TOWNSEND;
6 ALLEN; BLANCO

7
8 Noes: Commissioners: NONE

9 Absent: Commissioners: NONE
10
11

12 
13 Secretary
14 Board of Water Commissioners

15 CERTIFIED AS A TRUE AND CORRECT COPY
16
17 SECRETARY TO THE BOARD OF WATER COMMISSIONERS
18 CITY OF LONG BEACH, CALIFORNIA

19 BY: Frank Clarke.....

20 DATE: 6/24/10.....

21 OFFICE OF THE CITY ATTORNEY
22 ROBERT E. SHANNON, City Attorney
23 333 West Ocean Boulevard, 11th Floor
24 Long Beach, CA 90802-4664