



CITY OF LONG BEACH

BH-1

DEPARTMENT OF FINANCIAL MANAGEMENT

411 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6425 • Fax (562) 570-5836

September 3, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and discuss an overview of the Proposed Fiscal Year 2020 budgets for the following Departments: Technology and Innovation and Civil Service; and,

Receive supporting documentation into the record, conclude the public hearing, and take the actions necessary to adopt the Fiscal Year 2020 budget as listed in Attachment A. (Citywide)

DISCUSSION

On July 31, 2019, the City Manager's Proposed Budget for Fiscal Year 2020 (FY 20) was delivered by Mayor Garcia to the City Council and community for consideration. Budget meetings were held on December 18, 2018, August 6, August 13, August 20, and September 3, 2019, along with Budget Oversight Committee (BOC) meetings, and community meetings throughout August at which the Proposed FY 20 Budget was discussed. As a result of these meetings, there were 22 scheduled opportunities for public feedback, deliberation, and input. Additionally, input was solicited through the Long Beach Budget Priority Survey to obtain feedback on what the City's priorities should be. The survey was promoted on the City's website, along with OpenLB, which shows the budget visually, through Twitter and Facebook, and at the community meetings.

At the conclusion of the hearing, the City Council will amend the proposed budget as it deems appropriate, and adopt the proposed budget as amended. Since the publication of the Proposed FY 20 Budget, updated estimates of FY 20 revenues and expenses, which primarily address technical corrections, are listed by fund group and department in Attachments B, C, and D. The reasons for the adjustments are discussed at the end of this letter.

There are three Ordinances to be considered for approval in Attachment A. The first amends the Departmental Organization of the City (A-6). The second is the Resolution No. WD-1413 (A-10), which establishes the rates and charges for the water and sewer service. The third Ordinance is the Appropriations Ordinance (A-16), which officially appropriates the funding for the Adopted Budget (approved in A-3) and authorizes expenditures in conformance with the Adopted Budget. For the second and third Ordinances to become effective on October 1, 2019, the City Council must first declare an emergency to exist before adopting each Ordinance (A-9 and A-15).

There are also five Resolutions that provide for approval for the Master Fees and Charges Schedule (A-4), amend the Salary Resolution (A-7), approve the budget for the Harbor Department (A-8), the budget for the Water Department (A-11), and establish the Gann Appropriations Limit (A-14). There are also motions that request approvals for the following: the Mayor's Recommendations (A-1); the BOC Recommendations (A-2); a motion amending the Proposed FY 20 Budget (A-3); the FY 20 One-Year Capital Improvement Program (A-5); the FY 20 Budget for the Long Beach Community Investment Company (A-12); and, the Harbor Revenue Fund Transfer (A-13).

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 15, 2019 and by Budget Manager Grace H. Yoon on August 15, 2019.

TIMING CONSIDERATIONS

In accordance with the City Charter, the FY 20 budget must be adopted by September 15, 2019. Should the City Council fail to adopt the budget by that date, the City Manager's Proposed FY 20 Budget will be deemed the budget for the 2020 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, 2019, to override veto action by the Mayor with a two-thirds supermajority vote (six Councilmembers).

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance govern and control the expenditure and commitment amounts stated therein relating to the City's departments, offices, and agencies during each fiscal year. The total Proposed FY 20 budget for all departments and fund groups is \$3,218,767,141, which comprises of \$2,799,187,891 in new appropriation and \$419,579,250 in estimated carry-over from FY 19 for multi-year grants and projects. Attachments B, C, and D provide the financial overview by Fund Group, by Department, and Citywide revenue by Fund Group, respectively.

The Appropriations Ordinance, included as Attachment A-16, totals \$2,385,050,997 for all fund groups except Harbor, Sewer, and Water, and \$2,389,190,470 for all departments except Harbor and Water. The \$4,139,473 difference between fund groups and departments is due to general City indirect costs budgeted in the Financial Management Department, but charged to the Harbor, Water and Sewer Funds, which are not included in the Appropriations Ordinance by fund groups.

The proposed Harbor, Water and Sewer Fund Group budgets are in separate City Council Resolutions included as Attachment A-8 and A-11, respectively, and total \$833,716,144. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on May 28, 2019. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 13, 2019.

User fees and charges in the Master Fees and Charges Schedule, included as Attachment A-4, have been adjusted due to changes in service and other factors, including the City Cost Index (CCI) adjustment unless there are exceptions. For more

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September 3, 2019

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details regarding the CCI adjustment, please see Exhibit D to the Master Fees and Charges Schedule. For details regarding these proposed new fees, deletions and adjustments, please see the List of Proposed Fees Adjustments for FY 20 that has been incorporated as Exhibits B and C to the Master Fees and Charges Resolution.

Other requested City Council actions include:

- Approving the FY 20 One-Year Capital Improvement Program (CIP) budget, included as Attachment A-5, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 1, 2019, approved the CIP for FY 20 as conforming to the General Plan.
- Amending the Departmental Organization Ordinance, included as Attachment A-6. This amendment incorporates changes to departments, bureaus, and divisions for FY 20. These organizational changes are necessary to implement changes reflected in the Proposed FY 20 budget. A redline version of the changes is also provided.
- Adopting the Salary Resolution, which creates and establishes positions of employment while fixing and prescribing the compensation for officers and employees, is included as Attachment A-7.
- Adopting the FY 20 Long Beach Community Investment Company (LBCIC) budget, included as Attachment A-12. The LBCIC budget is prepared annually for City Council approval and is a subset of the Housing Development Fund. The LBCIC oversees the delivery of housing and neighborhood revitalization services. The LBCIC approved its FY 20 budget on April 17, 2019.
- Adopting a Resolution, included as Attachment A-14, establishing the Gann Appropriations Limit (Limit) for general purpose expenditures. In November 1979, the voters of the State of California (State) approved Proposition 4, also known as the Gann Initiative (Initiative). The Initiative places certain limits on the amount of tax revenue that can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79 and prevents overspending proceeds of taxes. Only those revenues that are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The Proposed Budget includes tax revenue estimates that are at 45.18 percent of the 2019-2020 Appropriations Limit and, therefore, do not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

After the City Manager delivered the Proposed FY 20 Budget to the Mayor, technical adjustments were made to the budget. These changes are generally not substantive and are shown in Attachments B, C, and D. Changes include the following:

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September 3, 2019

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1. An appropriation increase in the Public Works Department and revenue budget increase in the Citywide Allocations Department, both in the Civic Center Fund Group by \$461,000 to reflect additional operations and maintenance costs and lifecycle costs that were requested as a second amendment to the Plenary Properties Long Beach, LLC, contract and approved by the City Council on July 16, 2019. The \$461,000 increase will be funded through the Civic Center MOU.
2. A revenue budget increase in the Refuse/Recycling Fund Group in the Public Works Department by \$1,500,000, to more accurately align budget with revenue anticipated from rate increases approved by the City Council on February 5, 2019.
3. An addition of an Assistant Chief of Police in the General Fund Group in the Police Department, offset by an elimination of a Police Commander and reduction of the Department's Financial Bureau's overtime budget for a net zero fund impact, to provide additional management and policy oversight of the Department.

The remaining changes were minor, technical adjustments made to various funds and departments to align budget with grants and/or revenues.

SUGGESTED ACTION:

Approve recommendation

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:GY:RAG:ads:jt
K:\FM-ADMIN\CITY COUNCIL LETTERS\BUDGET\2018\PROPOSED FY 19 BUDGET FOR HARBOR AND WATER AND ADOPTION OF FY19 BUDGET.DOCX

ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2020 Budget Adoption Actions

1. Adopt the Mayor's proposed budget recommendations, as amended, to the Proposed FY 20 Budget. (A-1)
2. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the Proposed FY 20 Budget. (A-2)
3. Adopt the expenditures and revenues as identified in the Proposed FY 20 Budget Book, as amended. (A-3)
4. Adopt the Resolution amending the Master Fees and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-4)
5. Approve the FY 20 One-Year Capital Improvement Program. (A-5)
6. Declare the Ordinance amending the Departmental Organization Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading. (A-6)
7. Adopt the amended Salary Resolution for FY 20. (A-7)
8. Adopt the Resolution approving the FY 20 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 28, 2019. (A-8)
9. Declare an emergency to exist. (A-9)
10. Declare the Ordinance approving the Resolution No. WD-1413 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 13, 2019, as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-10)
11. Adopt the Resolution approving the FY 20 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 13, 2019. (A-11)
12. Adopt a motion approving the FY 20 budget for the Long Beach Community Investment Company in the amount of \$2,724,263. (A-12)
13. Adopt a motion approving the estimated transfer of \$20,135,600 from the Harbor Revenue Fund to the Tidelands Operations Fund. (A-13)
14. Adopt the Resolution establishing the Gann Appropriations Limit (Limit) for FY 20 pursuant to Article XIII (B) of the California Constitution. (A-14)
15. Declare an emergency to exist. (A-15)
16. Declare the Appropriations Ordinance for FY 20, creating and establishing the fund groups of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-16)

FISCAL YEAR 2020 APPROPRIATIONS ORDINANCE BY FUND GROUP
(Does not include Harbor, Water and Sewer Fund Groups)

<u>FUND GROUP</u>	<u>FY 20 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 19 ESTIMATED CARRYOVER**</u>	<u>FY 20 APPROPRIATIONS</u>
GENERAL FUND	553,699,963	-	-	553,699,963
UPLAND OIL FUND	12,046,161	-	-	12,046,161
GENERAL GRANTS FUND	8,270,350	-	16,340,320	24,610,670
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,154,508	-	-	3,154,508
HEALTH FUND	55,694,692	-	40,672,444	96,367,137
CUPA FUND	2,257,390	-	-	2,257,390
SPECIAL ADVERTISING & PROMOTION FUND	12,522,340	-	-	12,522,340
HOUSING DEVELOPMENT FUND	4,340,782	-	10,260,857	14,601,638
BELMONT SHORE PARKING METER FUND	783,243	-	-	783,243
BUSINESS ASSISTANCE FUND	728,199	-	1,672,760	2,400,958
COMMUNITY DEVELOPMENT GRANTS FUND	21,557,862	-	20,292,446	41,850,308
HOUSING AUTHORITY FUND	93,816,773	-	(845,540)	92,971,233
GASOLINE TAX STREET IMPROVEMENT FUND	10,139,365	-	9,726,672	19,866,037
CAPITAL PROJECTS FUND	124,512,022	-	186,885,916	311,397,938
SUCCESSOR AGENCY OPERATIONS	4,177,861	-	(6,713,207)	(2,535,346)
CIVIC CENTER FUND	20,968,122	461,000	2,730,457	24,159,579
GENERAL SERVICES FUND	58,999,828	-	12,044,736	71,044,563
FLEET SERVICES FUND	45,115,340	-	2,523,598	47,638,937
INSURANCE FUND	49,375,529	-	1,445,419	50,820,948
EMPLOYEE BENEFITS FUND	328,018,493	-	-	328,018,493
TIDELANDS OPERATIONS FUND	92,592,947	-	83,802,331	176,395,278
TIDELANDS AREA FUNDS	25,910,746	-	8,156,469	34,067,215
TIDELANDS OIL REVENUE FUND	88,789,241	-	-	88,789,241
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	27,969,984	-	2,246,095	30,216,079
GAS FUND	133,322,074	-	6,615,311	139,937,385
AIRPORT FUND	50,810,689	-	21,542,589	72,353,277
REFUSE/RECYCLING FUND	51,670,749	-	179,579	51,850,328
SERRF FUND	42,895,016	-	-	42,895,016
SERRF JPA FUND	-	-	-	-
TOWING FUND	6,341,727	-	-	6,341,727
DEBT SERVICE FUND	8,159,695	-	-	8,159,695
SUCCESSOR AGENCY - DEBT SERVICE	26,369,058	-	-	26,369,058
TOTAL	1,965,010,747	461,000	419,579,250	2,385,050,997

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

**Carryover of unexpended appropriations for multi-year grants and CIP fund groups.

FISCAL YEAR 2020 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water Departments)

<u>DEPARTMENT</u>	<u>FY 20 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 19 ESTIMATED CARRYOVER**</u>	<u>FY 20 APPROPRIATIONS</u>
MAYOR AND COUNCIL	5,813,629	-	-	5,813,629
CITY ATTORNEY	11,783,573	-	-	11,783,573
CITY AUDITOR	3,298,864	-	-	3,298,864
CITY CLERK	3,894,851	-	-	3,894,851
CITY MANAGER	16,573,968	-	1,967,164	18,541,132
CITY PROSECUTOR	6,104,872	-	667,961	6,772,833
CIVIL SERVICE	3,094,635	-	-	3,094,635
AIRPORT	50,082,631	-	21,542,589	71,625,220
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	12,739,724	-	2,250,258	14,989,982
DEVELOPMENT SERVICES	76,017,157	-	14,321,801	90,338,958
ECONOMIC DEVELOPMENT	22,809,791	-	13,150,722	35,960,513
FINANCIAL MANAGEMENT***	588,363,104	-	3,300,469	591,663,573
FIRE	130,790,192	-	1,934,360	132,724,551
HEALTH AND HUMAN SERVICES	152,679,513	-	40,092,252	192,771,764
HUMAN RESOURCES	12,301,295	-	-	12,301,295
LIBRARY SERVICES	15,125,558	-	1,922,708	17,048,266
ENERGY RESOURCES	233,785,093	-	6,615,311	240,400,404
PARKS, RECREATION AND MARINE	60,028,321	-	14,934,475	74,962,796
POLICE	264,582,442	-	6,599,307	271,181,749
PUBLIC WORKS	242,114,403	461,000	277,942,994	520,518,397
TECHNOLOGY & INNOVATION	57,166,605	-	12,336,881	69,503,486
TOTAL	1,969,150,220	461,000	419,579,250	2,389,190,470

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

**Carryover of unexpended appropriations for multi-year grants and CIP fund groups.

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

FISCAL YEAR 2020 REVENUES BY FUND GROUP
(Does not include Harbor, Water and Sewer Fund Groups)

<u>FUND GROUP</u>	<u>FY 20 PROPOSED REVENUES</u>	<u>CHANGES*</u>	<u>FY 20 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	551,569,449	-	551,569,449
UPLAND OIL FUND	12,239,561	-	12,239,561
GENERAL GRANTS FUND	8,270,350	-	8,270,350
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,154,508	-	3,154,508
HEALTH FUND	55,818,966	-	55,818,966
SPECIAL ADVERTISING & PROMOTION FUND	11,822,139	-	11,822,139
HOUSING DEVELOPMENT FUND	4,199,212	-	4,199,212
BELMONT SHORE PARKING METER FUND	783,243	-	783,243
BUSINESS ASSISTANCE FUND	728,199	-	728,199
COMMUNITY DEVELOPMENT GRANTS FUND	20,868,489	-	20,868,489
GASOLINE TAX STREET IMPROVEMENT FUND	12,406,345	-	12,406,345
CAPITAL PROJECTS FUND	124,400,477	-	124,400,477
CIVIC CENTER FUND	20,820,180	461,000	21,281,180
GENERAL SERVICES FUND	55,356,557	-	55,356,557
FLEET SERVICES FUND	46,139,112	-	46,139,112
INSURANCE FUND	49,527,973	-	49,527,973
EMPLOYEE BENEFITS FUND	328,470,018	-	328,470,018
TIDELANDS OPERATIONS FUND	92,156,849	-	92,156,849
TIDELANDS AREA FUNDS	24,882,139	-	24,882,139
TIDELANDS OIL REVENUE FUND	89,209,421	-	89,209,421
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	26,263,271	-	26,263,271
GAS FUND	126,257,629	-	126,257,629
GAS PREPAY FUND	5,898,597	-	5,898,597
AIRPORT FUND	55,650,394	-	55,650,394
REFUSE/RECYCLING FUND	48,484,236	1,500,000	49,984,236
SERRF FUND	35,950,000	-	35,950,000
SERRF JPA FUND	-	-	-
TOWING FUND	6,210,000	-	6,210,000
HOUSING AUTHORITY FUND	92,215,718	-	92,215,718
SUCCESSOR AGENCY OPERATIONS	4,219,567	-	4,219,567
CUPA FUND	1,840,440	-	1,840,440
DEBT SERVICE FUND	6,900,861	-	6,900,861
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
TOTAL	1,954,355,940	1,961,000	1,956,316,940

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

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-1413, A RESOLUTION OF THE CITY OF LONG BEACH
6 BOARD OF WATER COMMISSIONERS ESTABLISHING
7 THE RATES AND CHARGES TO BE CHARGED FOR
8 WATER AND SEWER SERVICE AND DECLARING THE
9 URGENCY THEREOF, AND PROVIDING THAT THIS
10 ORDINANCE SHALL TAKE EFFECT AT 12:01 A.M. ON
11 OCTOBER 1, 2019

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

14
15 Section 1. That Resolution No. WD-1413 of the Board of Water
16 Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE CITY OF
17 LONG BEACH BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO.
18 WD-1392 FIXING RATES AND CHARGES FOR WATER AND SEWER SERVICE TO
19 ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY
20 ORDINANCE," adopted by said Board on June 13, 2019, and the rates fixed in the
21 Resolution to be charged for water and sewer service are hereby approved.

22 Section 2. This is an emergency measure and is urgently required for the
23 reason that in order to carry on the affairs, functions and business of the Long Beach
24 Water Department during the fiscal year which begins on October 1, 2019, it is necessary
25 to authorize the rates and charges for water and sewer service and that this ordinance be
26 passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2019.

27 Section 3. If any section, subsection, subdivision, sentence, sum,
28 percentage, clause or phrase of this ordinance is for any reason held to be

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

7 Section 4. This ordinance is an emergency ordinance duly adopted by
8 the City Council by a vote of five of its members and shall take effect immediately. The
9 City Clerk shall certify to a separate roll call and vote on the question of the emergency of
10 this ordinance and to its passage by the vote of five members of the City Council of the
11 City of Long Beach, and cause the same to be posted in three conspicuous places in the
12 City of Long Beach, and it shall thereupon take effect and shall be operative on and after
13 12:01 a.m. on October 1, 2019.

14 I hereby certify that on a separate roll call and vote which was taken by the
15 City Council of the City of Long Beach upon the questions of the emergency of this
16 ordinance at its meeting of _____, 2019, the ordinance was declared
17 to be an emergency by the following vote:

18 Ayes: Councilmembers: _____
19 _____
20 _____
21 _____
22 Noes: Councilmembers: _____
23 _____
24 Absent: Councilmembers: _____
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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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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 _____, 2019, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____
(Date)

Mayor

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RESOLUTION NO. WD-1413

A RESOLUTION OF THE CITY OF LONG BEACH
BOARD OF WATER COMMISSIONERS AMENDING
RESOLUTION NO. WD-1392 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. All of the following rates and charges shall be effective as of October 1, 2019.

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. The service charge shall be as follows:

1. Single family residential, duplex residential, and multi-family residential customers of potable water who have been granted an exemption from the City's Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code shall receive a monthly service charge bill credit of approximately Five Dollars (\$5.00) and the service charge rates shall be as follows:

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<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.657
1 inch	\$0.974
1-1/2 inch	\$1.767
2 inch	\$2.719
3 inch	\$5.731
4 inch	\$9.691
6 inch	\$21.579
8 inch	\$44.560
10 inch	\$66.750
12 inch	\$84.183
16 inch	\$123.805

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

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.657
1 inch	\$0.974
1-1/2 inch	\$1.767
2 inch	\$2.719
3 inch	\$5.731
4 inch	\$9.691
6 inch	\$21.579
8 inch	\$44.560
10 inch	\$66.750

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<u>Size of Service</u>	<u>Daily Service Charge</u>
12 inch	\$84.183
16 inch	\$123.805

B. The quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

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

Tier IA	First 6 Billing Units (or fraction thereof)	\$0.000
Tier II	Next 7 Billing Units (or fraction thereof)	\$4.399
Tier III	Over 13 Billing Units (or fraction thereof)	\$6.420

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

Tier IB	First 6 Billing Units (or fraction thereof)	\$2.298
Tier II	Next 7 Billing Units (or fraction thereof)	\$4.399
Tier III	Over 13 Billing Units (or fraction thereof)	\$6.420

3. For commercial customers of potable water, \$3.418 per billing unit, or fraction thereof.

4. For industrial customers of potable water, \$3.418 per billing unit, or fraction thereof.

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Long Beach, CA 90802-4664

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5. For irrigation customers of potable water, \$3.418 per billing unit, or fraction thereof.

6. For City of Long Beach Departments using potable water, \$3.418 per billing unit, or fraction thereof.

7. For reclaimed water users whose use is "peaking" as defined herein, \$2.223 per billing unit, or fraction thereof.

8. For reclaimed water users whose use is "non-peaking" as defined herein, \$1.887 per billing unit, or fraction thereof.

9. For reclaimed water users whose use is "interruptible" as defined herein, \$1.887 per billing unit or fraction thereof.

10. These quantitative charges shall be subject to adjustment as provided in Section 4 of this Section.

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

Section 3.

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

<u>Size of Service</u>	<u>Daily Rate</u>
5/8 or 3/4 inch	\$2.854
1 inch	\$4.828
1-1/2 inch	\$11.893
2 inch	\$18.710

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

1 to the Plan, the Board may declare that a Stage 1, Stage 2 or Stage 3 Water Supply
2 Shortage exists, in its sole discretion. Upon such declaration, the Board may increase
3 water rates, by an amount necessary, as determined by the Board but not to exceed the
4 following percentages:

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

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

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

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

17 Section 6.

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

20 <u>Size of Service</u>	21 <u>Daily Rate</u>
22 2 inch	\$0.389
23 3 inch	\$0.782
24 4 inch	\$1.462
25 6 inch	\$3.895
26 8 inch	\$8.094
27 10 inch	\$14.411
28 12 inch	\$23.165
	\$49.159

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

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

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

Section 8.

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

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

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<u>Size of Service</u>	<u>Daily Sewer Rate</u>
5/8 or 3/4 inch	\$0.225
1 inch	\$0.333
1-1/2 inch	\$0.874
2 inch	\$1.507
3 inch	\$3.511
4 inch	\$5.079
6 inch	\$14.150
8 inch	\$14.999
10 inch	\$23.218
12 inch	\$29.284
16 inch	\$43.069

C. The volumetric sewer rate shall be \$0.357 per 100 cubic feet of water furnished where water service size is 5/8 inches or larger. The volumetric sewer rate shall not be applicable to fire services.

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

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

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

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

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

20 F. The City shall collect from all developments and all
21 developments shall be required to pay a capacity charge of One Hundred
22 and Eight Dollars and Seventy Two Cents (\$108.72) per equivalent fixture
23 unit at the time application for sewer service is made, but in no event later
24 than the time that the City issues a sewer permit for connection to the City
25 sewage system, as set forth in the Long Beach Municipal Code and the
26 "Rules, Regulations and Charges Governing Potable Water, Reclaimed
27 Water, Sewer Service and the Emergency Water Conservation Plan" of the
28 Water Department.

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

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

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

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

1 be made on forms provided by the City and shall contain a declaration under
2 oath of those facts, along with relevant documentary evidence, which qualify
3 the applicant for the refund. In no event shall a refund exceed ninety percent
4 (90%) of the amount of the capacity charge actually paid.

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

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

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

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

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

16 Section 10.

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

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

27 C. Anyone who has been granted an exemption under Chapter
28 3.68 of the Long Beach Municipal Code as of the date of this resolution does

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

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

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

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

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

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

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

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

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

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

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

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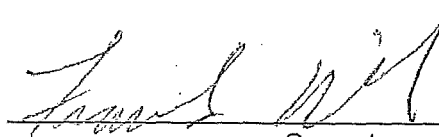
1 Section 14. The Secretary of the Board of Water Commissioners shall
2 certify to the passage of this resolution and it shall take effect by operation of law following
3 its approval by the City Council by ordinance.


4 I hereby certify that the foregoing resolution was adopted by the Board of
5 Water Commissioners of the City of Long Beach at its meeting held on June 13, 2019, by
6 the following vote:

7
8 Ayes: Commissioners: HARRY SALTZGAVER; FRANK MARTINEZ;
9 ART LEVINE; ROBERT SHANNON;
10 GLORIA CORDERO

11 Noes: Commissioners: NONE

12 Absent: Commissioners: NONE
13 _____
14 _____

15 
16 _____
17 Secretary
18 Board of Water Commissioners

19
20 **CERTIFIED AS A TRUE AND CORRECT COPY**
21 **SECRETARY TO THE BOARD OF WATER COMMISSIONERS**
22 **CITY OF LONG BEACH, CALIFORNIA**
23 BY: 
24 DATE: 6/13/2019
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