



Long Beach Water

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Board of Water Commissioners

May 12, 2022

CHRISTOPHER J. GARNER, General Manager

Subject

Approve a one-time utility rebate to all current water customers of the Long Beach Water Department, to be applied pro-rata based on customer account meter size in a total amount not to exceed \$21,832,202 and direct the General Manager to take such actions as necessary to provide the rebate upon receipt of the funds from the City's General Fund.

Executive Summary

In December 2021, an appellate court ruled against the City of Long Beach in a lawsuit challenging the legality of the City's Measure M charter amendment. On March 23, 2022 the California State Supreme Court announced that it denied a petition to review the Measure M appellate court decision. As a result, the City is required to transfer \$9 million to the Water Fund within 30 days after the issuance of the remittitur by the Supreme Court, transfer another \$21,832,202 to the Water Fund within 180 days after the issuance of the remittitur, and the Water Department must terminate the Measure M transfer of funds to the City General Fund.

In accordance with the court's decision, the City has returned the initial \$9 million to the Water Fund. On March 31, 2022, the Board of Water Commissioners approved returning this \$9 million via a one-time \$100 credit to the water accounts of all current water customers. Such credits will appear on customers' utility bills beginning this month.

On May 4, 2022, the Board of Water Commissioners approved a rate resolution to reduce water rates by 2.54% to reflect the immediate cessation of the Water Fund's collecting rate revenues for the purpose of a Measure M transfer to the General Fund.

The final action related to the Measure M lawsuit to be considered is the coming transfer of \$21,832,202 from the City to the Water Fund, required to occur before September 20, 2022. If it is the decision of the Board of Water Commissioners to credit this amount (less court-approved attorney fees) to the water customers, staff recommends crediting this amount on a pro-rata basis based on the customer account's water meter size. As the water meter size roughly reflects the volume of water that a customer uses, this methodology will allocate differences in credit amounts, with customers that have historically paid larger water bills receiving larger credit amounts.

Recommendation

Approve a one-time utility rebate to all current water customers of the Long Beach Water Department, to be applied pro-rata based on customer account meter size in a total amount not to exceed \$21,832,202 and direct the General Manager to take such actions as necessary to provide the rebate upon receipt of the funds from the City's General Fund.

Fiscal Impact: The Department will receive a \$21,832,202 payment within approximately 180 days to fund a one-time water customer credit and will be applied pro-rata to customer accounts once the funds are received.



B. Anatole Falagan
Assistant General Manager



Christopher J. Garner
General Manager