



Utility Consolidation

Water • Sewer • Natural Gas



Long Beach Water

Exceptional Water • Exceptional Service

Long Beach City Charter

The Long Beach City Charter separates governance of the City's utilities:

- Article XIV, governing the Long Beach Water Department
- Article XV, governing municipal natural gas service

ARTICLE XIV. - WATER DEPARTMENT

Section 1400. - ESTABLISHMENT OF WATER DEPARTMENT.

There is hereby created a Water Department which shall be under the exclusive control of five commissioners who shall be known as the Board of Water Commissioners. The Board of Water Commissioners shall have full and complete jurisdiction over all water works necessary and in the distribution of water.

(Amended by Proposition 5, 1992)

Sec. 1401. - RULES AND REGULATIONS

ARTICLE XV. - DEPARTMENT OF PUBLIC UTILITIES

Section 1500. - (Deleted by Prop. G, 5-1-2007, eff. 5-22-2007)

Sec. 1501. - UTILITY REVENUES.

All revenues received from the operation of each public utility owned by the City shall be deposited and kept in a separate revenue fund in the name of the utility and shall be disbursed therefrom on behalf of each such utility operation as follows:

- (a) Payment of interest and principal coming due on any bonded debt which generates the revenue in each such specified fund;
- (b) Payment of the annual operating and maintenance expenses and extensions of the respective utility system;

Resulting Differences

Water and Sewer Utilities

- Since the 1930's, overseen by an independent Board of Water Commissioners
- The Board is focused solely on the utilities and consists of five Long Beach residents
- The General Manager reports directly to the Board
- Rate setting process is conducted over the course of several weeks, at open public meetings with opportunity for public participation and input

Natural Gas Utility

- Has no independent oversight by a Board of Commissioners
- The Director of the gas utility reports to the City Manager, who is, rightfully, much more focused on overseeing police, fire, public works, parks, libraries, health, finance, development and the airport
- No public meetings are held to specifically discuss the proposed natural gas budget and rates, as included within the context of the overall City budget where Council/public attention is naturally drawn to other budgetary matters

Mutual Responsibilities

Pipeline installation	Customer Service Call	Welding	Conservation	Engineering	Call Center	Leak Detection
Industry Organizations	SCADA Systems	Inspection Services	Accounting	Executive Administration	GIS	Equipment Purchases
Electrical	Personnel	Construction Crews	24/7 Dispatch	Quality Control	Payroll	Purchasing
Emergency Response	24/7 Systems Control	Meter Installs	Utility Rate Setting	Safety	Pipeline Repair	Commodity Procurement
Meter Testing	Regulatory Compliance	Security	Customer Turn-Ons	Meter Reading/AMI	Pipeline Maintenance	Training
Marketing	Customer Turn-Offs	Utility Billing	Budgeting	Temporary Paving	Legislative Affairs	Equipment Maintenance
Regulatory Affairs	Accounts Payable	Permanent Paving	Cathodic Protection	Warehouse	Planning	Fleet Services

Water, Sewer and Gas Utilities



- Our utilities serve the same base of Long Beach residents and businesses
- Our combined 4,000 miles of underground water, sewer and gas pipelines are mostly located together in the very same streets

Water, Sewer and Gas Utilities

- Water delivers water through 946 miles of water main pipelines and 464 miles of water service lines
- Sewer employees at the Water Department manage, operate and maintain 700 miles of sewer pipelines
- Gas delivers natural gas through 916 miles of gas main pipelines, and another 1,019 of gas service lines



Consolidation Feasibility Study

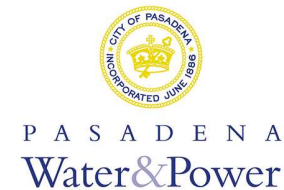
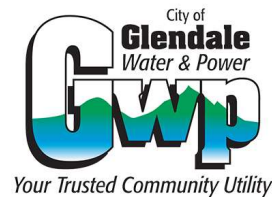
In 2020, Bell Burnett and Edwards (BB&E) evaluated the potential consolidation of Water, Sewer and Gas utilities in Long Beach.

- Benefit customers through improved customer service
- Improve the operation and management of utilities
- Provide for more efficient, and better utilization of staffing
- Provide for more transparent and focused governance

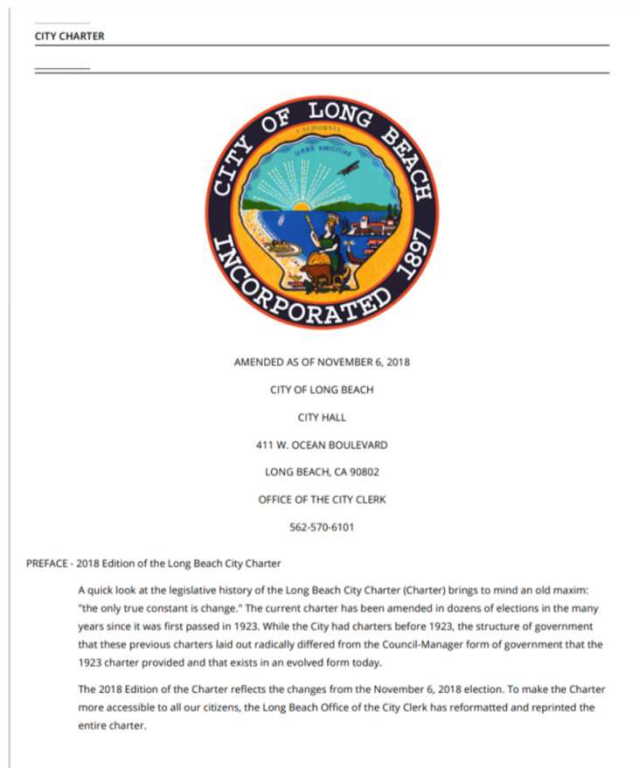


Public Utilities

- Long Beach is the **only** large California city with two municipally-run utilities
- Other cities operate and manage city-owned utilities under one department



Charter Changes



- The proposed ballot measure, if approved by voters, would:
 - Create a single Long Beach City Charter article governing water, sewer and gas
 - Move the gas portions of City Charter Article XV into City Charter Article XIV, which governs the Water Department/Public Utilities
 - Provide the utilities would be overseen by the existing five-member Board of Water/Public Utilities Commission

Goals

- Improve customer service
- Reduce impacts to streets through better coordination of utility pipeline street repairs
- Eliminate duplicative costs and operations
- Achieve costs savings through economies of scale
- Maximize flexibility in staffing and equipment



Board Action Request

- Request the Mayor and Long Beach City Council consider amending the Long Beach City Charter to consolidate water, sewer and gas utilities

5/12/2022



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Board of Water Commissioners
May 12, 2022

CHRISTOPHER J. GARNER, General Manager

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Subject

Request the Mayor and Long Beach City Council consider the following amendment to the Long Beach City Charter: City of Long Beach Water and Gas Consolidation Measure. A charter amendment to merge the existing water, sewer, and gas utilities into a single publicly-owned utility, governed by the existing independent Water/Utility Commission, for the purposes of improving customer service through better coordination of street pipeline and infrastructure repairs.

Executive Summary

Over the nearly 100 years of their mutual existence, periodic consideration has been given to the concept of consolidating the City's Gas and Water utilities into one department, under one regulatory oversight body with common management.

Both Gas and Water utilities serve the same base of Long Beach residents and businesses, with the Gas utility also providing services to Signal Hill residents and businesses. Gas serves approximately 150,000 metered customers and Water serves approximately 90,000 metered customers; the primary difference in the number of metered accounts is due to Gas having a greater number of individually metered customers than Water. Gas delivers its commodity through 916 miles of gas main pipelines, and another 1,019 of gas service lines. Water similarly delivers its commodity through 946 miles of water main pipelines and 464 miles of water service lines. In addition, Water oversees the maintenance and operation of about 700 miles of sewer pipelines. These combined 4,000 miles of underground gas, water, and sewer pipelines are predominately located together in the same streets. However, because the City Charter currently prescribes Water and Gas be managed separately, oversight of the two utilities is bifurcated, street excavations for pipeline maintenance and repairs are conducted separately, and in some cases duplicative work occurs, causing increased disruptions and impacts to our local streets and roads.

Long Beach is the only large California city with two municipally-run utilities – the Gas and Water departments – separately operated, managed, and regulated. Other cities such as Los Angeles, Glendale, Burbank, Anaheim, Pasadena, and Riverside operate and manage city-owned utilities under one department overseen by an independent board of commissioners.

In April 2020, Bell Burnett and Edwards (BB&E), a management and consulting firm with extensive experience in combined utility management, financial management, and municipal governance, evaluated the potential consolidation of Gas and Water utilities in Long Beach. BB&E found a consolidation of Gas and Water would benefit customers through improved customer service, improved operation, and management of the utilities, provide for more efficient and better utilization of staffing, and bring more transparency and focused governance to the City's utilities.



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Charter Amendment Timeline

Action	Deadlines (2022)
City Council refers item to Charter Amendment Committee	May 23
Public notice of first Charter Amendment Committee meeting	May 24
First Public Hearing	June 14
Public notice of second Charter Amendment Committee meeting	June 28
Second Public Hearing	July 18
City Council consideration of Charter Amendments for Nov 2022 ballot	August 9
Election Date	November 8



Long Beach Water

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