

17.9

September 10, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to receive supporting documentation into the record, conclude the public hearing, and take the actions necessary to adopt the Fiscal Year 2025 budget as listed in Attachment A. (Citywide)

DISCUSSION

On August 1, 2024, the City Manager's Proposed Budget for Fiscal Year 2025 (FY 25) was delivered by Mayor Richardson to the City Council and the community for consideration. The City Council budget hearings were held on January 16, March 19, August 6, August 13, August 27, September 3, and September 10, 2024. Additionally, Budget Oversight Committee (BOC) meetings were held on August 6, August 13, August 20, August 27, September 3, and September 10, and citywide community meetings were also held in the months of January and August 2024, at which the Proposed FY 25 Budget was discussed. As a result of these meetings, there were 23 scheduled opportunities for public feedback, deliberation, and input. Additionally, input was solicited through the Long Beach Budget Priority Survey in January and the Digital Budget Comment Card in August to obtain feedback on desired City priorities and input on the FY 25 Proposed Budget. Both the Budget Priority Survey and the Digital Comment Card were promoted on the City's website, Go Long Beach Newsletter, X, Instagram and Threads, Facebook, Reddit, Nextdoor, and at community meetings. In addition, physical copies of the Digital Comment Card were available in multiple languages at City Parks and in the City Council Chambers during Budget Oversight Committee meetings, Budget Hearings, and City Council meetings until Friday, August 23, 2024, and were available at any local library branch.

At the conclusion of the hearing on September 10, 2024, the City Council will amend the Proposed FY 25 Budget as deemed appropriate and adopt the proposed budget as amended.

As part of the FY 25 Budget Adoption, there are two Ordinances to be considered for approval in Attachment A. The first Ordinance amends the Departmental Organization of the City (A-6). The second is the Appropriations Ordinance (A-15), 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 Ordinance to become effective on October 1, 2024, the City Council must first declare an emergency to exist before adopting the Ordinance (A-14).

There are also six Resolutions to approve the Master Fees and Charges Schedule (A-4); amend the Salary Resolution (A-7); approve the budget for the Long Beach Harbor Department (A-8); fixing rates and charges for Water, Sewer, and Gas Services to all customers (A-9); approve the

budget for the Public Utilities Department (A-10); and establish the Gann Appropriations Limit (A-13). There are also the following motions: approve the Mayor's Recommendations (A-1); approve the BOC Proposed Funding Recommendations (A-2); amend the Proposed FY 25 Budget (A-3); approve the FY 25 One-Year Capital Improvement Program (A-5); approve the FY 25 Budget for the Long Beach Community Investment Company (A-11); and approve the Harbor Fund Group transfer (A-12).

This matter was reviewed by Deputy City Attorney Ashleigh Stone on August 22, 2024, and by Budget Manager Rebecca Bernstorff on August 13, 2024.

TIMING CONSIDERATIONS

In accordance with the City Charter, the Proposed FY 25 Budget must be adopted by September 15, 2024. Should the City Council fail to adopt the budget by that date, the City Manager's Proposed FY 25 Budget will be deemed the budget for the 2025 Fiscal Year. The Mayor has five calendar days from the City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2024, to override the 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 City departments, offices, and agencies during each fiscal year. The total Proposed FY 25 Budget for all departments and fund groups is \$4,746,872,363, which comprises of \$3,624,525,401 in new appropriation and \$1,122,346,962 in estimated carryover from FY 24 for multi-year grants and projects. Attachments B, C, and D provide the financial overview by Fund Group and Department, and Citywide revenue by Fund Group, respectively.

The Appropriations Ordinance, included as Attachment A-15, totals \$3,608,877,692 for all Fund Groups except Harbor, Sewer, Water, and Gas Fund Groups, and \$3,614,685,724 for all departments except Harbor and Public Utilities Departments. The \$5,808,032 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, Sewer, and Gas Fund Groups, which are not included in the Appropriations Ordinance by Fund Group.

The proposed Harbor, Water, Sewer, and Gas Fund Group budgets are in separate City Council Resolutions included as Attachment A-8 and A-10, respectively, and total \$1,137,994,671. This total figure reflects what is in the budget system, which may vary from the figures included in the resolutions, which allow for adjustments to be made to the adopted budget in an amount not exceeding 5 percent. The final budgets are \$761,058,651 for the Harbor Fund Group, \$180,028,243 for the Water Fund Group, \$32,947,356 for the Sewer Fund Group, and \$163,960,422 for the Gas Fund Group. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on June 10, 2024. The Board of Public Utilities Commissioners adopted the budget for the Public Utilities Department by Resolution on June 6, 2024.

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. For details regarding these proposed new fees and adjustments, please see the List of Proposed Fees Adjustments for FY 25 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 25 One-Year Capital Improvement Program (CIP) budget, included as Attachment A-5, which is contained in the Appropriations Ordinance.
- Amending the Departmental Organization Ordinance included as Attachment A-6. This amendment incorporates changes to departments, bureaus, and divisions for FY 25. These organizational changes are necessary to implement changes reflected in the Proposed FY 25 Budget. A redline version of the changes is also provided.
- Adopting the amended Salary Resolution for FY 25, which creates and establishes positions of employment while fixing and prescribing the compensation for officers and employees, is included as Attachment A-7. Historically, the Salary Schedule has been included alongside the Salary Resolution, for review by Council. Starting in FY 23, the Department of Human Resources will return to City Council at a later date for approval of the Salary Schedule to ensure accuracy and inclusion of new/updated classifications.
- Adopting the FY 25 Long Beach Community Investment Company (LBCIC) budget, included as Attachment A-11. 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 25 Budget on May 15, 2024.
- Adopting a Resolution, included as Attachment A-13, 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 49.71 percent of the 2024-2025 Appropriations Limit and, therefore, do not exceed the Limit. The City Auditor reviews this calculation for conformance to the law.

After the City Manager delivered the Proposed FY 25 Budget to the Mayor, minor technical adjustments were made to various funds and departments resulting in no bottom line changes at the fund level.

A new classification, Police Recruit Non-Career (PR-NC), is being requested to be created for use as needed with no budgetary impacts. The position will bolster Police Department's

recruitment and retention strategies by hiring and compensating police recruit applicants in advance of the next Police Academy session. This initiative addresses competition from local law enforcement agencies and aims to secure top candidates early, minimizing the risk of losing them to other agencies. PR-NC recruits will undergo pre-academy training and gain familiarity with department operations through administrative duties at the front desk, records management, and investigative support. This exposure, coupled with pre-academy training, will enhance the preparedness of police recruits for success in the Police Academy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Kevin Riper
Director
Financial Management

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS

List of Requested Fiscal Year 2025 Budget Adoption Actions

1. Adopt the Mayor's proposed budget recommendations, as amended, to the Proposed FY 25 Budget. (A-1)
2. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the Proposed FY 25 Budget. (A-2)
3. Adopt the expenditures and revenues as identified in the Proposed FY 25 Budget, 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 25 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 25. (A-7)
8. Adopt the Resolution approving the FY 25 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 10, 2024. (A-8)
9. Adopt resolution approving Resolution UT-1518, a resolution of the City of Long Beach Public Utilities Commissioners Amending Resolution No. UT-1482 fixing rates and charges for water, sewer, and gas services to all customers. (A-9)
10. Adopt the Resolution approving the FY 25 budget of the Long Beach Public Utilities Department as adopted by the Board of Public Utilities Commissioners on June 6, 2024. (A-10)
11. Adopt a motion approving the FY 25 budget for the Long Beach Community Investment Company in the amount of \$5,725,142. (A-11)
12. Adopt a motion approving the estimated transfer of \$25,758,181 from the Harbor Fund Group to the Tidelands Operations Fund Group. (A-12)
13. Adopt the Resolution establishing the Gann Appropriations Limit for FY 25 pursuant to Article XIII (B) of the California Constitution. (A-13)
14. Declare an emergency to exist pursuant to City Charter Section 211 for the Appropriations Ordinance for FY 25, 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. (A-14)
15. Declare the Appropriations Ordinance for FY 25, 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-15)

FISCAL YEAR 2025 APPROPRIATIONS ORDINANCE BY FUND GROUP
(Does not include Harbor, Water, Sewer, and Gas Fund Groups)

<u>FUND GROUP</u>	<u>FY 25 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 24 ESTIMATED CARRYOVER*</u>	<u>FY 25 APPROPRIATIONS**</u>
GENERAL FUND	752,915,603	-	-	752,915,603
UPLAND OIL FUND	5,636,609	-	-	5,636,609
GENERAL GRANTS FUND	11,218,746	-	28,537,290	39,756,036
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,238,619	-	-	2,238,619
HEALTH FUND	67,147,153	-	61,821,372	128,968,525
CUPA FUND	3,239,286	-	6,051	3,245,338
SPECIAL ADVERTISING & PROMOTION FUND	13,715,173	-	-	13,715,173
HOUSING DEVELOPMENT FUND	7,722,951	-	20,459,901	28,182,852
BELMONT SHORE PARKING METER FUND	849,990	-	-	849,990
BUSINESS ASSISTANCE FUND	773,229	-	5,011,075	5,784,304
COMMUNITY DEVELOPMENT GRANTS FUND	16,551,271	-	26,269,475	42,820,746
HOUSING AUTHORITY FUND	120,067,600	-	4,609,887	124,677,487
GASOLINE TAX STREET IMPROVEMENT FUND	12,939,365	-	16,482,234	29,421,600
CAPITAL PROJECTS FUND	207,482,326	-	723,384,908	930,867,234
SUCCESSOR AGENCY OPERATIONS	4,278,680	-	31,183,976	35,462,656
CIVIC CENTER FUND	24,652,920	-	2,091,446	26,744,366
GENERAL SERVICES FUND	93,655,943	-	18,243,984	111,899,926
FLEET SERVICES FUND	59,391,472	-	6,585,880	65,977,352
INSURANCE FUND	77,520,817	-	(630,841)	76,889,976
EMPLOYEE BENEFITS FUND	477,615,490	-	-	477,615,490
TIDELANDS OPERATIONS FUND	108,718,331	-	108,523,221	217,241,552
TIDELANDS AREA FUNDS	36,256,464	-	18,819,063	55,075,527
TIDELANDS OIL REVENUE FUND	87,748,865	-	-	87,748,865
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	40,349,217	-	(890,099)	39,459,119
GAS PREPAY	46,131,723	-	-	46,131,723
AIRPORT FUND	64,119,728	-	50,425,274	114,545,002
REFUSE/RECYCLING FUND	101,537,256	-	1,412,864	102,950,121
SERRF FUND	8,347,731	-	-	8,347,731
SERRF JPA FUND	-	-	-	-
TOWING FUND	8,093,427	-	-	8,093,427
DEBT SERVICE FUND	12,568,546	-	-	12,568,546
SUCCESSOR AGENCY - DEBT SERVICE	13,046,198	-	-	13,046,198
TOTAL	2,486,530,730	-	1,122,346,962	3,608,877,692

*Reflects estimated carryover for accounts with projects and grants as of 5/31/24.

**The total appropriations for all fund groups is \$4,746,872,363. This is derived from the total FY 25 Appropriations amount above, plus \$1,137,994,671 for the Harbor, Water, Sewer, and Gas Fund Groups not listed above. Note: figure may not account for rounding.

FISCAL YEAR 2025 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Utilities Departments)

<u>DEPARTMENT</u>	<u>FY 25 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 24 ESTIMATED CARRYOVER*</u>	<u>FY 25 APPROPRIATIONS***</u>
MAYOR AND COUNCIL	8,934,809	-	(468)	8,934,341
CITY ATTORNEY	11,022,356	-	(3,900)	11,018,456
CITY AUDITOR	3,842,386	-	-	3,842,386
CITY CLERK	5,070,251	-	-	5,070,251
CITY MANAGER	24,974,397	-	6,769,132	31,743,529
CITY PROSECUTOR	8,006,936	-	953,593	8,960,530
CIVIL SERVICE	4,352,226	-	-	4,352,226
AIRPORT	63,186,317	-	50,078,690	113,265,007
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	16,617,089	-	1,843,633	18,460,722
COMMUNITY DEVELOPMENT	77,170,619	-	74,126,239	151,296,857
ECONOMIC DEVELOPMENT	29,016,680	-	5,715,436	34,732,116
FINANCIAL MANAGEMENT**	786,483,029	-	156,852,199	943,335,228
FIRE	189,714,013	-	5,184,490	194,898,502
HEALTH AND HUMAN SERVICES	201,166,285	-	66,950,753	268,117,038
HUMAN RESOURCES	44,521,277	-	(680,530)	43,840,747
LIBRARY, ARTS, AND CULTURE	21,612,015	-	5,375,615	26,987,631
ENERGY RESOURCES	101,242,956	-	(7,785)	101,235,171
PARKS, RECREATION AND MARINE	85,334,857	-	36,598,787	121,933,644
POLICE	338,075,131	-	11,981,388	350,056,518
POLICE OVERSIGHT	1,798,512	-	-	1,798,512
PUBLIC WORKS	382,408,015	-	681,039,021	1,063,447,035
TECHNOLOGY & INNOVATION	87,788,608	-	19,570,669	107,359,278
TOTAL	2,492,338,763	-	1,122,346,962	3,614,685,724

*Reflects estimated carryover for accounts with projects and grants as of 5/31/24.

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

***The total appropriations for all fund groups is \$4,746,872,363. This is derived from the total FY 25 Appropriations amount above, plus \$1,132,186,639 for the Harbor and Utilities Departments not listed above. Note: figure may not account for rounding.

FISCAL YEAR 2025 REVENUES BY FUND GROUP
(Does not include Harbor, Water, Sewer, and Gas Fund Groups)

<u>FUND GROUP</u>	<u>FY 25 PROPOSED REVENUES</u>	<u>CHANGES</u>	<u>FY 25 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	723,223,326	-	723,223,326
UPLAND OIL FUND	9,898,351	-	9,898,351
GENERAL GRANTS FUND	10,757,006	-	10,757,006
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,265,348	-	2,265,348
HEALTH FUND	62,764,763	-	62,764,763
SPECIAL ADVERTISING & PROMOTION FUND	13,717,197	-	13,717,197
HOUSING DEVELOPMENT FUND	4,486,609	-	4,486,609
BELMONT SHORE PARKING METER FUND	893,794	-	893,794
BUSINESS ASSISTANCE FUND	728,199	-	728,199
COMMUNITY DEVELOPMENT GRANTS FUND	9,071,230	-	9,071,230
GASOLINE TAX STREET IMPROVEMENT FUND	12,628,624	-	12,628,624
CAPITAL PROJECTS FUND	209,008,929	-	209,008,929
CIVIC CENTER FUND	25,671,529	-	25,671,529
GENERAL SERVICES FUND	94,283,784	-	94,283,784
FLEET SERVICES FUND	78,268,670	-	78,268,670
INSURANCE FUND	85,388,496	-	85,388,496
EMPLOYEE BENEFITS FUND	478,273,017	-	478,273,017
TIDELANDS OPERATIONS FUND	105,398,036	-	105,398,036
TIDELANDS AREA FUNDS	32,764,952	-	32,764,952
TIDELANDS OIL REVENUE FUND	96,873,865	-	96,873,865
RESERVE FOR SUBSIDENCE	5,286,979	-	5,286,979
DEVELOPMENT SERVICES FUND	38,970,203	-	38,970,203
GAS PREPAY FUND	-	-	-
AIRPORT FUND	73,660,268	-	73,660,268
REFUSE/RECYCLING FUND	74,516,115	-	74,516,115
SERRF FUND	150,000	-	150,000
SERRF JPA FUND	-	-	-
TOWING FUND	7,323,379	-	7,323,379
HOUSING AUTHORITY FUND	125,902,164	-	125,902,164
SUCCESSOR AGENCY OPERATIONS	4,219,567	-	4,219,567
CUPA FUND	1,864,161	-	1,864,161
DEBT SERVICE FUND	10,974,916	-	10,974,916
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
TOTAL	2,429,395,519	-	2,429,395,519

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING RESOLUTION UT-
1518, A RESOLUTION OF THE CITY OF LONG BEACH
PUBLIC UTILITIES COMMISSIONERS AMENDING
RESOLUTION NO. UT-1482 FIXING RATES AND
CHARGES FOR WATER, SEWER, AND GAS SERVICES
TO ALL CUSTOMERS

WHEREAS, Section 1403 of the Charter of the City of Long Beach provides
the Board of Public Utilities Commissioners shall have the complete and exclusive power
and duty to fix rates to be charged for gas, water, and sewer services subject to the
approval of City Council by resolution; and

WHEREAS, the Board of Public Utilities Commissioners adopted Resolution
No. UT-1518 on June 6, 2024, and presents it to the City Council for its consideration and
approval;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as
follows:

Section 1. That Resolution No. UT-1518 of the Board of Public Utilities
Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE CITY OF
LONG BEACH BOARD OF PUBLIC UTILITIES COMMISSIONERS AMENDING
RESOLUTION NO. UT-1482, FIXING RATES AND CHARGES FOR WATER, SEWER,
AND GAS SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE
CITY COUNCIL BY ORDINANCE," adopted by said Board on June 6, 2024, a copy of
which is attached hereto and on file with the City Clerk, and the rates fixed in the Resolution
to be charged for water, sewer and gas service are hereby approved.

Section 2. If any section, subsection, subdivision, sentence, sum,

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

Section 3. This resolution shall take effect and be operative on and after 12:01 a.m. on October 1, 2024, and City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2024 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk

RESOLUTION NO. UT-1518

A RESOLUTION OF THE CITY OF LONG BEACH
BOARD OF PUBLIC UTILITIES COMMISSIONERS
AMENDING RESOLUTION NO. UT-1482 FIXING RATES
AND CHARGES FOR WATER, SEWER, AND GAS
SERVICE TO ALL CUSTOMERS, SUBJECT TO THE
APPROVAL OF THE CITY COUNCIL BY ORDINANCE

The Board of Public Utilities Commissioners of the City of Long Beach
resolves as follows:

Section 1. That the following rates and charges for potable and reclaimed
water service, sewer service, and gas service are hereby established, and the Long Beach
Public Utilities Department ("Public Utilities 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. The establishment of rates and charges for water service and
sewer service are subject to a public hearing as required by Article XIII of the California
Constitution. All of the following rates and charges shall be effective as of October 1, 2024.

Section 2. The schedules of gas rates, use priorities, and conditions, and
exhibits of gas fees, charges, incentives, and related services attached hereto as Exhibit
"A" are hereby adopted and approved.

Section 3. 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:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.887
1 inch	\$1.315
1-1/2 inch	\$2.385
2 inch	\$3.671
3 inch	\$7.736
4 inch	\$13.081
6 inch	\$29.131
8 inch	\$60.153
10 inch	\$90.106
12 inch	\$113.641
16 inch	\$167.127

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	\$0.887
1 inch	\$1.315
1-1/2 inch	\$2.385
2 inch	\$3.671
3 inch	\$7.736
4 inch	\$13.081
6 inch	\$29.131

<u>Size of Service</u>	<u>Daily Service Charge</u>
8 inch	\$60.153
10 inch	\$90.106
12 inch	\$113.641
16 inch	\$167.127

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)	\$5.939
Tier III	Over 13 Billing Units (or fraction thereof)	\$8.666

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)	\$3.102
Tier II	Next 7 Billing Units (or fraction thereof)	\$5.939
Tier III	Over 13 Billing Units (or fraction thereof)	\$8.666

3. For commercial customers of potable water, \$4.614 per billing unit, or fraction thereof.

4. For industrial customers of potable water, \$4.614 per billing unit, or fraction thereof.

5. For irrigation customers of potable water, \$4.614 per billing unit, or fraction thereof.

6. For City of Long Beach Departments using potable water, \$4.614 per billing unit, or fraction thereof.

7. For reclaimed water users whose use is "peaking" as defined herein, \$2.999 per billing unit, or fraction thereof.

8. For reclaimed water users whose use is "non-peaking" as defined herein, \$2.546 per billing unit, or fraction thereof.

9. For reclaimed water users whose use is "interruptible" as defined herein, \$2.546 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 4.

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	\$3.853
1 inch	\$6.518
1-1/2 inch	\$16.055
2 inch	\$25.258

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 Public Utilities Department ("General Manager").

Section 5. By Resolution the Board of Public Utilities Commissioners has established a Water Shortage Contingency Plan (the "Plan"). Pursuant to the Plan, the Board may declare that a Level 1, Level 2 or Level 3 Water Shortage exists, in its sole discretion. Upon such declaration, the Board may increase water rates, by an amount necessary, as determined by the Board but not to exceed the following percentages:

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

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

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

Section 6. Charges for water service through meters at temporary service connections from fire hydrants or otherwise shall be at the applicable quantitative charge plus the meter rental fee, together with a charge for installing, relocating, and removing the meter and fittings in accordance with the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service and the Water Shortage Contingency Plan" of the Public Utilities Department.

Section 7.

A. 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	\$0.525
3 inch	\$1.055
4 inch	\$1.974
6 inch	\$5.258
8 inch	\$10.927
10 inch	\$19.454
12 inch	\$31.271

Size of Service

Daily Rate

16 inch

\$66.361

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 Public Utilities 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 Public Utilities 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 8. The primary purpose of fire hydrants is extinguishing fires and they shall be opened and used only by the Public Utilities 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 Public Utilities Department, there shall be no standby charge made to the Fire Department.

Section 9.

A. Water capacity fees are one-time charges paid by new customers connecting to the Department's water system or current customers requesting an increase in the size of their existing connection. The

1 Department shall charge water capacity fees based on the size of the water
2 meter. These fees are in addition to the installation cost of new or upsized
3 service connections.

4 B. The water capacity fees shall be in accordance with the
5 following table:

<u>Meter Size</u>	<u>Capacity Fee Charge</u>
3/4 inch	\$2,578
1 inch	\$4,296
1-1/2 inch	\$8,592
2 inch	\$13,748
3 inch	\$30,073
4 inch	\$51,554
6 inch	\$115,997
8 inch	\$240,586
10 inch	\$360,880
12 inch	\$455,396
13 inch	\$670,205

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

Section 10.

A. For all sewer service where the sewer lateral connects to a main line maintained by the Public Utilities 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:

<u>Size of Service</u>	<u>Daily Sewer Rate</u>
5/8 or 3/4 inch	\$0.268
1 inch	\$0.395
1-1/2 inch	\$1.038
2 inch	\$1.791
3 inch	\$4.171
4 inch	\$6.034
6 inch	\$16.810
8 inch	\$17.819
10 inch	\$27.583
12 inch	\$34.789
16 inch	\$51.166

C. The volumetric sewer rate shall be \$0.424 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 Shortage Contingency Plan" of the Public Utilities Department.

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

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

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

27 F. The City shall collect from all developments and all
28 developments shall be required to pay a capacity charge of One Hundred

1 and Thirty-Seven Dollars and Fifty-Three Cents (\$137.53) per equivalent
2 fixture unit at the time application for sewer service is made, but in no event
3 later than the time that the City issues a sewer permit for connection to the
4 City sewage system, as set forth in the Long Beach Municipal Code and the
5 "Rules, Regulations and Charges Governing Potable Water, Reclaimed
6 Water, Sewer Service and the Water Shortage Contingency Plan" of the
7 Public Utilities Department.

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

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

27 I. Funds derived from capacity charges shall be placed in the
28 Sewer Fund and shall be used only for the operation, construction,

1 reconstruction, acquisition, or maintenance of the City sewage system.

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

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

25 L. The capacity charge and requirements pertaining thereto shall
26 not affect in any way the permissible use of property, density of development,
27 design and improvement standards, public improvement requirements, or
28 any other aspect of the development of land or construction of buildings

1 which may be imposed by the City pursuant to the Long Beach Municipal
2 Code, Subdivision Regulations, or other state or local laws, ordinances or
3 regulations which shall be in effect with respect to all developments.

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

19 Section 11. Any term not defined herein which is defined in the Long Beach
20 Municipal Code or in the "Rules, Regulations and Charges Governing Potable Water,
21 Reclaimed Water, Sewer Service, and the Water Shortage Contingency Plan" of the Public
22 Utilities Department shall have the meaning stated therein.

23 Section 12.

24 A. Regular bills for water service and sewer service shall be
25 issued at intervals of approximately one month (commonly called "monthly")
26 except in those cases where the General Manager or the Board of Public
27 Utilities Commissioners shall prescribe another billing interval. Insofar as
28 practical, meters shall be read at regular intervals for the preparation of

1 regular bills, and meters shall be read as required for the preparation of
2 opening, closing, and special bills.

3 B. Every water customer and every sewer customer shall be liable
4 for payment of bills for water service and sewer service. Charges for water
5 service and sewer service shall be included in municipal utility bills.

6 C. Anyone who has been granted an exemption under Chapter
7 3.68 of the Long Beach Municipal Code as of the date of this resolution does
8 not need to file a separate application for exemption hereunder.

9 Section 13. Whenever the correctness of any bill for water or sewer service
10 is questioned by a customer, the procedures established in the "Rules, Regulations and
11 Charges Governing Potable Water, Reclaimed Water, Sewer Service, and the Water
12 Shortage Contingency Plan" of the Public Utilities Department shall be followed.

13 Section 14. The following words shall have the meanings defined as
14 follows:

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

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

19 C. "Industrial" refers to activities devoted primarily to
20 manufacturing or processing;

21 D. "Interruptible" refers to reclaimed water service that can be
22 suspended at any time at the Board's discretion, without liability and
23 dependent upon the Public Utilities Department's reclaimed water system
24 needs for such service.

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

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

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

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

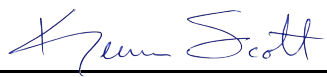
Section 16. The Secretary of the Board of Public Utilities Commissioners shall certify to the passage of this resolution and it shall take effect by operation of law following its approval by the City Council by ordinance.

I hereby certify that the foregoing resolution was adopted by the Board of Public Utilities Commissioners of the City of Long Beach at its meeting held on June 6, 2024, by the following vote:

Ayes: Commissioners: GINA MAGUIRE, KEVIN SCOTT,
ROBERT SHANNON, GLORIA CORDERO

Noes: Commissioners: _____

Absent: Commissioners: NAOMI RAINEY



Secretary
Board of Public Utilities Commissioners

CERTIFIED AS A TRUE AND CORRECT COPY
EXECUTIVE ASSISTANT TO THE BOARD OF UTILITIES COMMISSIONERS
CITY OF LONG BEACH, CALIFORNIA

BY: 
DATE: 6/6/2024

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EXHIBIT "A"

SCHEDULE 1

R E S I D E N T I A L

Applicable to residential service of natural gas for cooking, water heating, space heating and other residential uses, as set forth in Section 15.36.020 of the Municipal Code.

<u>RATES:</u>	<u>Residential</u>
• Daily Service Charge per Meter	\$0.1644
• Tier I Rate (per therm) Applicable to all usage at or below daily baseline therm allowances under Special Condition (1)	\$0.7519
• Tier II Rate (per therm) Applicable to all usage above daily baseline therm allowances under Special Condition (1)	\$1.1785
• Cost of Gas (per therm) Applicable to all usage	Core Commodity Charge

USE PRIORITY:

Service under this schedule shall be limited to residential customers who have priority in the use of gas over customers served under any of the other rate schedules at times when there is insufficient gas to supply the demands of all customers.

SPECIAL CONDITIONS:

- (1) Applicable only to specific volumes of residential cooking, water heating, space heating and other residential uses. Based on the end use for (A) single-family and individually metered dwelling units and (B) master metered multi-family dwelling units, a Daily Baseline Therm Allowance (Baseline Allowance), will be applied. Usage falling at or below the Baseline Allowance will be charged at the Tier I Rate. Usage in excess of the Baseline Allowance will be billed at the Tier II Rate.

Billing Codes	End Use for Residence	Daily Baseline Therm Allowance	
		(A) Single Family and Individually- Metered Dwelling Units (Per Unit)	(B) Master- Metered Multi-Family Dwelling Units (Per Unit)
1	Space Heating Only		
	• Summer (5/1 through 10/31)	0.424	0.000
	• Winter Off-Peak (Nov., Mar., and Apr.)	0.874	0.450
	• Winter On-Peak (Dec., Jan., and Feb.)	1.600	1.176
2	Cooking & Water Heating		
	• Summer (5/1 through 10/31)	0.424	0.424
	• Winter Off-Peak (Nov., Mar., and Apr.)	0.874	0.424
	• Winter On-Peak (Dec., Jan., and Feb.)	1.600	0.424
3	Basic Plus Space Heating		
	• Summer (5/1 through 10/31)	0.424	0.424
	• Winter Off-Peak (Nov., Mar., and Apr.)	0.874	0.874
	• Winter On-Peak (Dec., Jan., and Feb.)	1.600	1.600
4	Cooking & Space Heating		
	• Summer (5/1 through 10/31)	0.424	0.080
	• Winter Off-Peak (Nov., Mar., and Apr.)	0.874	0.530
	• Winter On-Peak (Dec., Jan., and Feb.)	1.600	1.256
5	Cooking Only		
	• Summer (5/1 through 10/31)	0.424	0.080
	• Winter Off-Peak (Nov., Mar., and Apr.)	0.874	0.080
	• Winter On-Peak (Dec., Jan., and Feb.)	1.600	0.080
6	Water Heating		
	• Summer (5/1 through 10/31)	0.424	0.344
	• Winter Off-Peak (Nov., Mar., and Apr.)	0.874	0.344
	• Winter On-Peak (Dec., Jan., and Feb.)	1.600	0.344
7	Water & Space Heating		
	• Summer (5/1 through 10/31)	0.424	0.344
	• Winter Off-Peak (Nov., Mar., and Apr.)	0.874	0.794
	• Winter On-Peak (Dec., Jan., and Feb.)	1.600	1.520
8	Medical Condition per Exhibit "A"		

• Summer (5/1 through 10/31)	1.246	N/A
• Winter Off-Peak (Nov., Mar., and Apr.)	1.696	N/A
• Winter On-Peak (Dec., Jan., and Feb.)	2.422	N/A

9	Non-Essential Uses	0.000	0.000
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Monthly allowance is expressed in therms as determined by the system average
one therm equals 100,000 Btu.

- (2) Residential customers using gas for non-essential uses only, will pay the Tier II Rate for all usage. These non-essential uses include, but are not limited to decorative fireplaces, gas lamps and clothes dryers.
- (3) Long Beach Utilities' (LBU) cost of gas is defined as an amount equal to LBU's weighted average cost per therm of gas supply purchased, necessary to meet the forecasted Core and Non-Core demand for the month. In addition, the cost of gas shall include the cost to administer the transportation, purchasing, remarketing, balancing, etc., of LBU's natural gas requirements, as well as the cost for any financial transactions implemented to reduce market exposure for the cost of gas. The gas purchased will be comprised of any one or combination of three increments of supply as follows:
 - (a) Interstate supplies delivered into the Southern California Gas Company (SoCalGas) intrastate pipeline system without consideration of SoCalGas (or any other intrastate pipeline company providing similar services) pipeline transportation and other system costs associated with intrastate delivery to the City of Long Beach (City);
 - (b) Gas storage withdrawals; and
 - (c) Any local gas delivered directly into LBU's pipeline system.
- (4) The Core Commodity Charge under this Schedule will be determined on a monthly basis and shall be equal to LBU's projected cost of gas. There will be no markup to the customer above LBU's actual cost of gas as determined by actual expenditures, but not including any discounts or rebates.
- (5) The cost of all gas purchased by LBU shall be assigned to either the Core or Non-Core Commodity Charge, according to the price of each increment. The Core demand (Rate Schedules 1, 2, 3, and 5) shall be met with sufficient volumes of the lowest cost increment(s) of gas.
- (6) The monthly Commodity Charge will be made available to customers by calling LBU at (562) 570-2066 and will also be posted on the City's internet website. The actual cost of gas charged to the customer may differ from the posted rate as the customer's billing period may overlap over more than one month and therefore the billed commodity charge will reflect the weighted average commodity charge based on the number of days in each month under the customer's billing cycle.
- (7) The Commodity Charge shall be subject to adjustment as the result of tariff, pricing changes, or regulatory action that may be imposed by governmental entities having jurisdiction therein.
- (8) These rates do not apply to services provided by SoCalGas operating under franchise with the City.

SCHEDULE 2

SMALL COMMERCIAL AND INDUSTRIAL

Applicable to non-residential service of natural gas to commercial and industrial customers whose annual consumption does not exceed 12,000 therms based on the customer’s prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.030 of the Municipal Code.

RATES:

- **Daily Service Charge per Meter** \$0.4932

- **Transmission Charge (per therm)**
 - Tier I: All usage not to exceed 100 therms \$0.9505
per summer month (April – November) or 250 therms
per winter month (December – March)
(prorated on a daily basis)

 - Tier II: All usage exceeding Tier I volumes \$0.4851
but not exceeding 4,167 therms monthly
(prorated on a daily basis)

 - Tier III: All usage exceeding 4,167 therms monthly \$0.1731
(prorated on a daily basis)

- **Cost of Gas (per therm)**
Applicable to all usage Core Commodity Charge

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules, except Schedule 1 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedule 1. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 1 and the Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 1.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 3

COMMERCIAL AND INDUSTRIAL

Applicable to commercial and industrial service of natural gas to customers with annual consumption in excess of 12,000 therms or less than 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.040 of the Municipal Code.

RATES:

- **Daily Service Charge per Meter** \$0.4932

- **Transmission Charge (per therm)**
 - Tier I: All usage not to exceed 100 therms \$0.9505
per summer month (April – November) or 250 therms
per winter month (December – March)
(prorated on a daily basis)

 - Tier II: All usage exceeding Tier I volumes \$0.4851
but not exceeding 4,167 therms monthly
(prorated on a daily basis)

 - Tier III: All usage exceeding 4,167 therms monthly \$0.1731
(prorated on a daily basis)

- **Cost of Gas (per therm)**
Applicable to all usage Core Commodity Charge

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules, except Schedules 1 and 2 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1 and 2. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 1 and the Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 1.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 4

LARGE COMMERCIAL AND INDUSTRIAL

Applicable to commercial and industrial service to customers with annual consumption in excess of 250,000 therms based on the customer’s prior calendar year consumption, or estimated annual consumption for new customers, as set forth in Section 15.36.050 of the Municipal Code.

RATES:

- **Daily Service Charge per Meter** \$11.5069

- **Transmission Charge (per therm)**
 - Tier I: 0 – 20,833 therms \$0.4012
 - Tier II: 20,834 – 83,333 therms \$0.2874
 - Tier III: 83,334 – 166,667 therms \$0.2146
 - Tier IV: Over 166,667 therms \$0.1626

- **Cost of Gas (per therm)**
 - Applicable to all usage Non-Core Commodity Charge

USE PRIORITY:

Service under this schedule shall have priority in the use of gas over customers served under other rate schedules, except Schedules 1, 2, 3, and 5 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, and 5. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) Gas supplied under this schedule shall be subject to shutoff of service without notice to the customer in the event of nonpayment exceeding fifteen (15) days from the date of mailing of a statement to the customer.
- (3) Long Beach Utilities' (LBU) cost of gas is defined as an amount equal to LBU's weighted average cost per therm of gas supply purchased, necessary to meet the forecasted Core and Non-Core demand for the month. In addition, the cost of gas shall include the cost to administer the transportation, purchasing, remarketing, balancing, etc. of LBU's natural gas requirements, as well as the cost for any financial transactions implemented to reduce market exposure for the cost of gas. The gas purchased will be comprised of any one or combination of three increments of supply as follows:
 - (a) Interstate supplies delivered into the Southern California Gas (SoCalGas) intrastate pipeline system without consideration of SoCalGas (or any other intrastate pipeline company providing similar services) pipeline transportation and other system costs associated with intrastate delivery to the City of Long Beach (City);
 - (b) Gas storage withdrawals; and
 - (c) Any local gas delivered directly into LBU's pipeline system.
- (4) The Non-Core Commodity Charge under this Schedule will be determined on a monthly basis and shall equal LBU's projected cost of gas. There will be no markup to the customer above LBU's actual cost of gas as determined by actual expenditures, but not including any discounts or rebates.
- (5) The cost of all gas purchased by LBU shall be assigned to either the Core or Non-Core Commodity Charge according to the price of each increment. The Non-Core demand (Rates Schedules 4 and 7) shall be met with sufficient volumes of the highest cost increment(s) of gas.
- (6) All Customers eligible for service under this Schedule, may at any time elect to switch to Schedule 9 in order to procure their own gas at a possible savings by entering into a written Transportation/Service Agreement with the City.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 5

COMPRESSED NATURAL GAS

Applicable to the sale of natural gas to customers who use Compressed Natural Gas (CNG) as a motor vehicle fuel, as set forth in Section 15.36.060 of the Municipal Code.

RATES:

CNG Service through a Dedicated Meter

- Daily Service Charge \$0.4274
- Transmission Charge (per therm)
 - Compressed: All usage when compression is performed by utility \$1.3104
 - Uncompressed: All usage when compression is performed by customer \$0.2683

Residential and CNG Service through a Single Common Meter

- Daily Service Charge \$0.3288
- Transmission Charge (per therm)
 - Uncompressed: All usage when compression is performed by customer \$0.2871

Cost of Gas (per therm)

Applicable to all usage Core Commodity Charge

Upon recommendation by the General Manager of Long Beach Utilities (LBU), Long Beach Utilities may adjust the amount of the Cost of Gas a maximum of 10% above or below the stated Cost of Gas to reflect current changes in market conditions.

The customer's Cost of Gas is subject to adjustment for the payment of any local, state, or federal taxes, fees, or other charges, which may be imposed on such sales or services.

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas over customers served under other rate schedules except Schedules 1, 2, and 3 when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, and 3. Customers receiving CNG and Residential service through a single common meter shall retain the priority established under Schedule 1. The City shall not be liable for damages, which may be occasioned by the curtailment, discontinuance shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules, except that customer may elect to receive both Residential and CNG service through a single meter at the rates set in this schedule.
- (2) If customer elects to receive both Residential and CNG service through a single meter the specific amounts of gas supplied for each service will be indeterminable, and customer therefore agrees to pay the Utility Users Tax on the full amount of gas supplied through the single common meter and applicable charges.
- (3) Establishment of service under this schedule is subject to initial and periodic verification of an installed natural gas vehicle (NGV) home refueling appliance at customer's address, and proof of a current NGV registration or lease listing customer's address.
- (4) The owner of any vehicle obtaining or attempting to obtain CNG fuel from a fueling station on City property shall be liable for any and all damages to CNG pumps or adjacent City property while refueling or attempting to refuel. Customers shall pay all damages within 30 days from the time billed by the City. If any damage amount is disputed within 15 days from the billing date, Customer shall provide a request in writing setting out the disputed amount and request for an adjustment, including any proof substantiating same, and shall deliver this to the General Manager of LBU for a determination, which shall be made in writing. Thereafter, the Customer may appeal the General Manager's determination to the Board of Utilities Commissioners within 30 days of receipt of determination.
- (5) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 1 and the Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 1.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 7

ELECTRIC GENERATION

Applicable to service of customer's gas used for the production of electrical energy.

RATES:

- **Daily Service Charge per Customer**

For Customers using less than 3 million therms per year	\$1.6438
For Customers using 3 million therms or more per year	No Charge

- **Transmission Charge (per therm)**

For Customers using less than 3 million therms per year	\$0.2505
For Customers using 3 million therms or more per year	\$0.1598

- **Cost of Gas (per therm)** Non-Core Commodity Charge Plus a Surcharge of \$0.0500

Upon recommendation by the General Manager of Long Beach Utilities (LBU), LBU, subject to approval, may adjust on a case-by-case basis the amount of the surcharge in the Cost of Gas per therm a maximum of \$0.05 above or below the stated surcharge rate to reflect current changes in market conditions. Notice of the upcoming monthly surcharge amount will be posted at LBU at least 15 days before the beginning of each month and will also be available from LBU by telephone or facsimile upon request. The Non-Core Commodity Charge will be posted at LBU within 10 days after the end of each month and will also be available from the LBU website <http://www.lbutilities.org> as well as by telephone or facsimile upon request.

USE PRIORITY:

Customers receiving service under this schedule shall have priority in the use of gas equal to customers served under Rate Schedule 9 and lower than Rate Schedules 1, 2, 3, 4, and 5, when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, 4, and 5. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules.
- (2) Gas supplied under this schedule shall be subject to shutoff of service without notice to the customer in the event of nonpayment exceeding 15 days from the date of mailing of a statement to the customer.
- (3) Gas transported and delivered under this schedule shall be used only by the customer.
- (4) Gas transported and delivered under this schedule shall be supplied at standard delivery pressure. Additional costs to serve a customer at higher than standard delivery pressure shall be borne by the customer.
- (5) Gas supplied under this schedule is only available for the electric generation portion of the customer's gas purchases.
- (6) As a condition precedent to service under this schedule when customer elects to procure its own gas supply, a separate Transportation/Service Agreement with the City must be executed. The Transportation/Service Agreement shall specify the terms and conditions applicable to service under this schedule. Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid for in advance by the customer.
- (7) Any additional transmission costs, surcharges or penalties incurred by LBU on behalf of these customers will be passed through to the customer at cost.
- (8) Customer may elect to purchase all of its gas commodity from LBU if customer does the following: a) maintains a deposit with LBU for the remaining term of the Agreement in an amount equal to the average of two months of gas commodity and transportation charges, b) customer advises LBU 10 days before the initial month that the customer elects to purchase all of its gas from LBU for the remaining term of the Agreement, and c) customer pays as agreed upon receipt of the monthly bill and is not delinquent in any prior month's billing.
- (9) The Cost of Gas is defined in Special Condition 3 under Gas Rate Schedule 4 and the Non-Core Commodity Charge is determined as set forth in Special Conditions 4 and 5 of Gas Rate Schedule 4.

For other applicable Special Conditions, refer to Special Conditions 6, 7, and 8 of Rate Schedule 1.

SCHEDULE 9

TRANSPORTATION AND EXCHANGE OF NATURAL GAS SERVICE

Applicable to natural gas procured by commercial/industrial customers with annual consumption in excess of 250,000 therms based on the customer's prior calendar year consumption, or estimated annual consumption for new customer, transported or exchanged by LBGO for the customer under Section 15.36.080 of the Municipal Code.

RATES:

• Daily Service Charge per Customer	\$11.5069
• Transmission Charge (per therm)	
Tier I: 0 – 20,833 therms	\$0.3512
Tier II: 20,834 – 83,333 therms	\$0.2374
Tier III: 83,334 – 166,667 therms	\$0.1646
Tier IV: Over 166,667 therms	\$0.1126

USE PRIORITY:

Service under this schedule provides transportation and delivery of customer-procured compatible pipeline quality gas from designated receipt points to customer premises.

Customers receiving service under this schedule shall have priority in the use of gas equal to customers served under Rate Schedule 7, and lower than Rate Schedules 1, 2, 3, 4, and 5, when there is curtailment or insufficient gas to supply the demands of all customers, and such customers shall be subject to discontinuance of service without notice in case of curtailment or threatened or actual shortage of gas in favor of customers under Schedules 1, 2, 3, 4, and 5. The City shall not be liable for damages which may be occasioned by the curtailment, discontinuance or shut off of such gas supply or service.

SPECIAL CONDITIONS:

- (1) As a condition precedent to service under this schedule, a separate Transportation/Service Agreement must be executed. The Transportation/Service Agreement shall specify the terms and conditions applicable to service under this schedule. Also, customer may be required to pay a deposit equivalent to two times the customer's estimated average monthly billing.
- (2) Any costs including modifications or new facilities that may be required to provide the transportation service shall be paid in advance by the customer.
- (3) Gas transported under this schedule shall be used only by the customer and such gas may not be sold, transported, assigned, distributed, exchanged, or otherwise transferred to benefit another customer or provide non-municipal natural gas to any natural gas user, transporter or consumer within the City.
- (4) At all locations where gas is furnished or used under this schedule, the customer must install separate meters to measure gas subject to a different schedule or schedules. The customer will be required to pay for the installation and cost of electronic meter reading equipment and monthly charges associated with such equipment.
- (5) These rates do not apply to services provided by the Southern California Gas Company operating under franchise with the City.
- (6) Any additional transmission costs or surcharges incurred by the City on behalf of these customers will be passed through to the customer at cost.

EXHIBIT "A"

SCHEDULE 1 – RESIDENTIAL

SPECIAL CONDITIONS: ADDITIONAL DAILY BASELINE THERM ALLOWANCE FOR
PERSONS WITH CERTAIN MEDICAL CONDITIONS –
EFFECTIVE JULY 1, 1997

As required by City of Long Beach Municipal Code, Chapter 15.36.020 Section D.3, Schedule 1 – Residential Customers, an additional daily baseline allowance of .822 therms shall be allowed to a residential customer using gas for space heating and/or daily use of natural gas-operated life support equipment under the following definitions and conditions:

1. Definitions:

"Hemiplegic" means paralysis of one lateral half of the body or part of it.

"Life support equipment" means that equipment which utilizes mechanical or artificial means to sustain, restore, or supplant a vital function. It is life support equipment that requires daily use of natural gas for functioning of the medical equipment. Life support equipment does not include apparatus or appliances used in a hospital or medical clinic, nor does it include therapeutic devices such as pool or tank heaters, saunas, or hot tubs.

"Life threatening illness" means a severe medical condition that requires additional space heating which is medically necessary to sustain the life of the person or prevent deterioration of the person's medical condition.

"Paraplegic" means paralysis of the lower half of the body.

"Quadriplegic" means paralysis of both arms and both legs.

"Residential customer" means a customer or person residing with a customer receiving gas service under Schedule 1 including service to residential dwelling units and mobile home units; but excluding industrial, commercial and every other category of customer (including rooming or boarding houses, rest homes, dormitories, convalescent or care facilities, military barracks, hospitals, stores, restaurants, and other similar establishments; or central heating plants serving a combination of residential and commercial uses).

2. A person who is permanently residing at the service address is or has one or more the following medical conditions: (i) has emphysema and requires positive pressure breathing apparatus, (ii) has had pneumonia three (3) or more times in twelve (12) months as a result of a chronic illness, (iii) has paralysis of two (2) or more limb extremities, or has multiple sclerosis, (viii) scleroderma, or (xi) is being treated for a life-threatening illness, or (x) has a compromised system.
3. To qualify for the additional baseline therm allowance, a person with one or more of the medical conditions in paragraph 2, shall file an application with the Commercial Services Bureau (the “Bureau”), upon a form supplied by the Bureau. The applicant shall recite facts under oath on the form which qualify the applicant for the additional baseline therm allowance. The application shall also require a licensed physician or osteopath to certify under oath on the form, the existence of one or more of the medical conditions described in paragraph 2 above.
4. The Bureau shall review all such applications and certify those applicants determined to qualify for the additional therm allowance. The additional therm allowance shall not be retroactive prior to the date of certification of the application by the Bureau. All eligible applications shall continue and be renewed automatically by the Bureau so long as the prerequisite facts supporting the initial qualification for medical conditions shall continue, provided, however, that the Bureau shall have the discretion to review and request additional certification of a medical condition annually or as determined necessary by the Bureau. A customer’s additional baseline therm allowance shall terminate automatically with any change in customer, service address or residence. Any individual qualifying for the additional baseline therm allowance, or the customer in whose name service is billed, if different from the applicant, shall notify the Commercial Services Bureau within ten (10) days of any change in fact or circumstances which might disqualify the residential customer from receiving such additional baseline therm allowance.
5. It shall be a misdemeanor for any person to knowingly provide false information in an application or to knowingly receive the benefits of the additional baseline therm allowance for a medical condition provided herein when the basis for such benefit either does not exist or ceases to exist.

EXHIBIT “B”

GAS EQUIPMENT INCENTIVES

Applicable to gas equipment incentives pursuant to Section 15.36.095 of the Municipal Code:

In order to assist customers in determining the feasibility of natural gas energy and the potential benefits of natural gas equipment, Long Beach Utilities (LBU) will offer to all qualifying customers, subject to the availability of funds, incentives for the cost of feasibility studies and/or the purchase of new or replacement commercial or industrial gas equipment to be installed and used by customers for energy-efficiency purposes.

A. Program Objectives:

1. Persuade existing nonresidential customers to install new gas equipment to reduce their overall energy costs and thereby increase their productivity and profitability.
2. Encourage the placement of new businesses into the Long Beach area by offering incentives comparable to incentives offered by other utilities in the Southern California area.
3. Demonstrate that nonresidential gas equipment is a cost competitive alternative to electric technologies.
4. Increase the amount of nonresidential gas usage during the off-peak summer to reduce average operating costs by balancing the system load.
5. Improve LBUs long-term revenue by offering incentives only to customers with projects, which contribute a positive cash flow to the City with a reasonable payback period balanced against the actual amount of the incentive.

B. Customer Application

Customers shall file a written application with the General Manager of Long Beach Utilities on forms provided by the City. The application shall include:

1. The name and address of the applicant,
2. The type of gas equipment being considered for purchase/replacement,

3. The size or capacity of the equipment and the volume of expected natural gas consumption,
4. The applicant's forecasted payback period,
5. The applicant's forecast of time for implementation of studies or gas equipment purchases,
6. Estimates of cost of feasibility studies,
7. Estimates of cost of natural gas equipment,
8. Profit/loss statements or other relevant financial data as requested.

C. Customer Selection

The customer's application will be evaluated by the General Manager of Long Beach Utilities based upon the following criteria:

1. The information provided by the customer on the application,
2. The applicant's willingness to share relevant data and provide access to the facility,
3. The applicant's forecasted time requirements,
4. Any prior equipment incentives provided by Long Beach Utilities to the applicant,
5. Public policy considerations,
6. The availability of funds,
7. The balance of the cost of the incentive against the long-term benefits provided by related incremental gas sales.

SPECIAL CONDITIONS:

- (1) As a condition precedent to granting an incentive, a separate Equipment Incentive/Feasibility Study Agreement must be executed and approved by the General Manager. The Equipment Incentive/Feasibility Study Agreement shall specify the terms and conditions applicable to incentives under this program.
- (2) These incentives do not apply to services provided by the Southern California Gas Company operating under franchise with the City.