

PROPOSITION 218 LEGAL NOTICE

REGARDING PROPOSED WATER, SEWER, RECYCLED WATER RATES AND RATE STRUCTURE CHANGES AND PUBLIC HEARING



WRITTEN PROTEST MUST BE RECEIVED BY THE PUBLIC HEARING

Long Beach Board of Water Commissioners
ATTN: BOARD SECRETARY
1800 East Wardlow Road
Long Beach, CA 90807

PUBLIC HEARING ON MAY 3, 2017, 7:00pm

Long Beach Groundwater Treatment Plant
Assembly Room
2950 Redondo Avenue
Long Beach, CA 90806

NOTICE is hereby given that on Wednesday, May 3, 2017 at 7:00 p.m., a public hearing will be held at the Long Beach Groundwater Treatment Plant Assembly Room to consider the proposed changes outlined in this Proposition 218 Legal Notice for rate structure and rate changes pertaining to water, sewer, and recycled water. Adopted changes would be effective July 1, 2017.

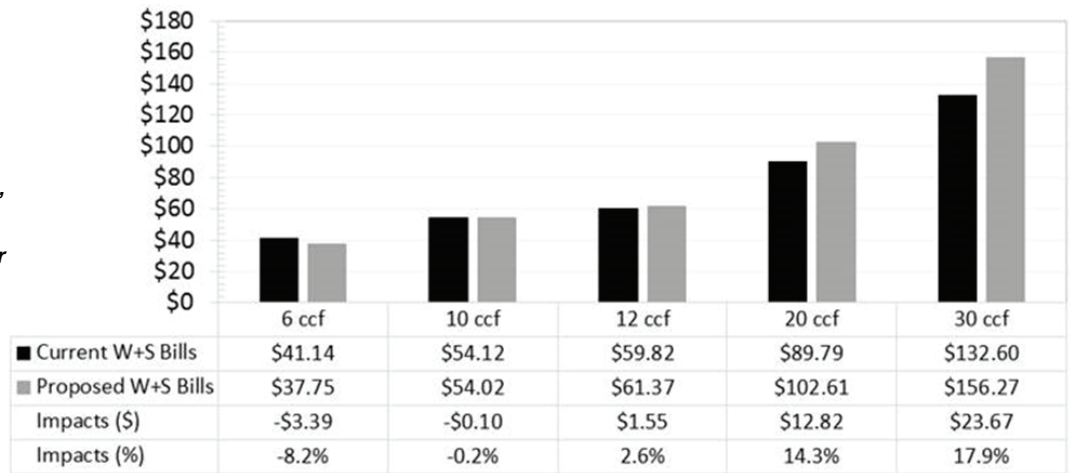
WHAT DOES THIS MEAN TO ME?

The careful consideration of impacts the proposed changes will have on our customers and their bills is a top priority for the Long Beach Water Department. Water use efficiency remains as important as ever; in fact – it’s integral to the quality of life we enjoy here in Long Beach. For all customers – residential and non-residential – the net impact of the proposed changes will vary based on your meter size and your actual usage.

The proposed structure reflects the higher cost of different source water and helps to send a stronger water use efficiency pricing signal. The three residential tiers have been revised, with more water allocated for indoor uses and at more affordable rates. As always, we take great pride in delivering our community both exceptional water and exceptional service while providing you with some of the most affordable water and sewer rates in the state.

GRAPH: Sample Residential Water and Sewer Bills

Volumetric charges are per 100 cubic feet (CCF) of water delivered or sewage collected. In Long Beach, the typical single family residence uses 10 billing units (CCFs) of water per month.



This graph compares five scenarios of combined water and sewer* (W+S) bills for a typical residential customer under both current and proposed rate structures and rates for a 30-day billing period.

*There is an assumed maximum of 10 CCF billed sewer flows for the billing cycle.

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Para solicitar este aviso en otro idioma, llame al 562-570-2300

Para hilingin ang abisong ito sa alternatibong wika, pakitawagan ang 562-570-2300

WHAT IS REFLECTED IN THE RATES AND RATE STRUCTURE?

State law requires water and wastewater agencies to periodically conduct “cost-of-service” studies to ensure that the rates charged to customers continue to be fair and equitable. Proposition 218, amongst other mandates, requires that water agencies do the math to publicly show the “nexus” between the rates paid by customers and the costs to the water and wastewater systems to ensure that customers pay only their fair share of the cost of providing service.

HOW ARE THE RATES AND RATE STRUCTURE CHANGING?

Consistent with the requirements of Proposition 218, costs are proportionally allocated to each level of use to calculate fair and equitable rates for our customers. The proposed rates changes and tier adjustments, overall, are revenue neutral to the Department. It is not the intent or the goal of the proposed changes to increase revenue to the Department.

POTABLE WATER AND SEWER VOLUMETRIC CHARGES

Cost allocation elements such as water supply and delivery are being refined across the customer classes of residential and nonresidential customers. Residential customers will continue to be billed in a volumetric 3-tier structure that reflects source water supply costs. Groundwater, the least expensive water supply source for the Long Beach Water Department, is used to calculate Tier I residential rates, except for qualified households which have been granted an exemption through the City of Long Beach Utility Users Tax Exemption Program. Costs of more expensive imported water are used to calculate Tier II and Tier III rates. All non-residential use for both potable and recycled water services will be billed at a uniform volumetric rate. There is no proposed change to the sewer volumetric charge.

*Tier IA applies to qualified residential customers enrolled in the City of Long Beach Utility Users Tax Exemption Program

TABLE 1: VOLUMETRIC POTABLE WATER RATE BY CUSTOMER TYPE				
Single Family Residential Customers				
	Current	Proposed	Current	Proposed
<u>Tier</u>	(CCF)	(CCF)	Rate (\$/CCF)	Rate (\$/CCF)
IA*	First 5	First 6	1.427	0.000
IB	First 5	First 6	2.569	1.921
II	Next 10	Next 7	2.854	3.678
III	Over 15	Over 13	4.281	5.366
Duplex Residential Customers				
	Current	Proposed	Current	Proposed
<u>Tier</u>	(CCF)	(CCF)	Rate (\$/CCF)	Rate (\$/CCF)
IA*	First 2.5	First 6	1.427	0.000
IB	First 2.5	First 6	2.569	1.921
II	Next 10.5	Next 7	2.854	3.678
III	Over 13	Over 13	4.281	5.366
Multi-family Residential Customer				
	Current	Proposed	Current	Proposed
<u>Tier</u>	(CCF)	(CCF)	Rate (\$/CCF)	Rate (\$/CCF)
IA*	First 2.5	First 6	1.427	0.000
IB	First 2.5	First 6	2.569	1.921
II	Next 6.5	Next 7	2.854	3.678
III	Over 9	Over 13	4.281	5.366
Non-Residential				
Uniform			Current	Proposed
			Rate (\$/CCF)	Rate (\$/CCF)
			2.854	2.858

TABLE 2: VOLUMETRIC SEWER CHARGE (\$/CCF)	
Current	Proposed
0.390	0.390

WATER AND SEWER DAILY SERVICE CHARGES BY METER SIZE

Customers will continue to pay daily water and sewer service charges; the proposed changes to the daily service charges by meter size are summarized below: Table 3 for water and recycled water and Table 4 for sewer. The proposed daily service charges for water, recycled water and sewer vary by meter size.

Size of Service	Current	Proposed
5/8 or 3/4 inch	\$0.489	\$0.550
1 inch	\$0.736	\$0.815
1-1/2inch	\$1.375	\$1.478
2 inch	\$2.037	\$2.273
3 inch	\$4.220	\$4.790
4 inch	\$6.677	\$8.102
6 inch	\$12.306	\$18.039
8 inch	\$19.315	\$37.251
10 inch	\$31.635	\$55.800
12 inch	\$38.662	\$70.374
16 inch	\$63.986	\$103.497

Size of Service	Current	Proposed
5/8 or 3/4 inch	\$0.281	\$0.246
1 inch	\$0.445	\$0.365
1-1/2inch	\$0.811	\$0.957
2 inch	\$1.177	\$1.649
3 inch	\$2.435	\$3.842
4 inch	\$3.856	\$5.558
6 inch	\$7.104	\$15.482
8 inch	\$11.159	\$16.412
10 inch	\$18.255	\$25.405
12 inch	\$22.315	\$32.042
16 inch	\$36.514	\$ 47.125

OTHER CHARGES

VOLUMETRIC RECYCLED WATER RATES

	Current	Proposed
Peaking	\$1.998	\$1.859
Non-peaking	\$1.427	\$1.578
Interruptible	\$1.427	\$1.578

FIRELINE CHARGES

Size	Current	Proposed
2 inch	\$1.020	\$0.325
3 inch	\$1.745	\$0.654
4 inch	\$2.577	\$1.221
6 inch	\$4.391	\$3.256
8 inch	\$6.438	\$6.767
10 inch	\$8.709	\$12.047
12 inch	\$10.976	\$19.365
16 inch	\$16.094	\$41.095