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# Los Angeles

# Water Rates

**June 1, 1995**

Amended July 28, 1997,  
February 4, 2000, June 20, 2004,  
November 27, 2006, June 19, 2008, and March 19, 2012

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Los Angeles Department of Water and Power

**Ordinance No. 170435**

As Amended by Ordinance No. 171639, Ordinance No. 173017,  
Ordinance No. 175964, Ordinance No. 177968, Ordinance No. 179802,  
and Ordinance No. 182047

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**ORDINANCE NO. 170435**  
**as amended by Ordinance No. 171639, Ordinance No. 173017,**  
**Ordinance No. 175964, Ordinance No. 177968, and Ordinance No. 179802**

AN ORDINANCE APPROVING THE RATES FIXED BY THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES AND TO BE CHARGED FOR WATER AND WATER SERVICE SUPPLIED BY SAID DEPARTMENT TO ITS CUSTOMERS WITHIN THE LOS ANGELES METROPOLITAN AREA, AND APPROVING THE TIME AND MANNER OF PAYMENT OF THE SAME, AS PRESCRIBED BY SAID DEPARTMENT.

The People of the City of Los Angeles do ordain as follows:

**Section 1**

That the rates to be charged and collected and the terms, provisions and conditions to be effective respecting such rates for water and water service supplied by the Department of Water and Power (hereinafter referred to as the "Department") of the City of Los Angeles (hereinafter referred to as the "City") to its customers for use within the Los Angeles Metropolitan Area, heretofore fixed by resolution adopted by the Board of Water and Power Commissioners on November 15, 1994, are hereby approved. Such rates and conditions so fixed are as set forth in the following sections:

**Section 2**

That such service supplied to customers shall be in accordance with rate schedules prescribed as follows:

**A. SCHEDULE A - SINGLE-DWELLING UNIT RESIDENTIAL CUSTOMERS**

**1. APPLICABILITY**

Applicable to Single-Dwelling Unit Residential Customers.

**2. TERRITORY**

City of Los Angeles.

**3. COMMODITY CHARGES**

a. First Tier usage block shall be billed as follows:

	<u>Rate Per Hundred Cubic Feet</u>
Low Season	
November 1 through May 31	\$1.159 and General Provision F, G, H, I, K, and L adjustments
Effective July 1, 2008	\$1.237 and General Provision F, G, H, I, K, and L adjustments

Effective July 1, 2009

\$1.321 and  
General Provision F, G, H,  
I, K, and L adjustments

First Tier Usage Blocks Hundred Cubic Feet Per Month			
Lot Size Group	Temperature Zone		
	Low	Medium	High
1 - 7,499 sq. ft.	0 - 13	0 - 14	0 - 14
7,500 - 10,999 sq. ft.	0 - 16	0 - 17	0 - 17
11,000 - 17,499 sq. ft.	0 - 24	0 - 25	0 - 25
17,500 - 43,559 sq. ft.	0 - 28	0 - 29	0 - 29
43,560 sq. ft. and above	0 - 36	0 - 38	0 - 38

Rate Per  
Hundred Cubic Feet

High Season

June 1 through October 31

\$1.159 and  
General Provision F, G, H,  
I, K, and L adjustments

Effective July 1, 2008

\$1.237 and  
General Provision F, G, H,  
I, K, and L adjustments

Effective July 1, 2009

\$1.321 and  
General Provision F, G, H,  
I, K, and L adjustments

First Tier Usage Blocks Hundred Cubic Feet Per Month			
Lot Size Group	Temperature Zone		
	Low	Medium	High
1 - 7,499 sq. ft.	0 - 16	0 - 18	0 - 19
7,500 - 10,999 sq. ft.	0 - 23	0 - 26	0 - 27
11,000 - 17,499 sq. ft.	0 - 36	0 - 40	0 - 42
17,500 - 43,559 sq. ft.	0 - 45	0 - 51	0 - 53
43,560 sq. ft. and above	0 - 55	0 - 62	0 - 65

b. Second Tier Usage

Usage above the first tier usage block as prescribed in Section 2.A.3.a above shall be billed as follows:

Low Season

November 1 through May 31

\$2.690 and  
General Provision H,  
I, K, and L adjustments

High Season

June 1 through October 31

\$ 3.523 and  
General Provision H,  
I, K, and L adjustments

**4. BILLING**

The bill shall be the sum of the charges for first tier usage, adjustments to first tier usage pursuant to General Provisions F, G, H, I, K, and L and charges for any second tier usage, less applicable subsidies as described in General Provisions O and P, but the bill shall not be less than zero.

**5. SPECIAL CONDITIONS**

a. Service Inside the City of Los Angeles

Charges for water service to premises of which ninety percent (90%) or more of the area is inside the City shall be the amount computed at the rates set forth above.

b. Service Outside the City of Los Angeles

Charges for water service to premises of which less than 90% of the area is inside the City shall include a surcharge equal to the differential cost of treated Tier II water delivered to the City purchased from the Metropolitan Water District and the average cost of water delivered to the City through the Los Angeles Aqueducts for the previous five years. However, at no time shall the rates be less than those charged for service inside the City..

c. Applicability of Rules and Regulations

Application of this schedule shall be subject to rules and regulations adopted by the Board of Water and Power Commissioners.

**B. SCHEDULE B - MULTI-DWELLING UNIT RESIDENTIAL CUSTOMERS**

**1. APPLICABILITY**

Applicable to Multi-Dwelling Unit Residential Customers.

**2. TERRITORY**

City of Los Angeles.

**3. COMMODITY CHARGES**

Rate Per  
Hundred Cubic Feet

a. First Tier Usage Block

\$1.169 and  
General Provision F, G, H,  
I, K, and L adjustments

Effective July 1, 2008

\$1.247 and  
General Provision F, G, H,  
I, K, and L adjustments

Effective July 1, 2009

\$1.331 and  
General Provision F, G, H,  
I, K, and L adjustments

First tier usage block shall be 125 percent (125%) of the average consumption for the preceding December through March except that the minimum shall be not less than twenty-eight (28) hundred cubic feet per month.

b. Second Tier Usage

Usage above the first tier usage block as prescribed in Section 2.B.3.a above shall be billed as follows:

Low Season

November 1 through May 31

\$1.331 and  
General Provision F, G, H,  
I, K, and L adjustments

High Season

June 1 through October 31

\$ 3.523 and  
General Provision H, I, K,  
and L adjustments

In the event a customer has not established a first tier usage block, the customer's first tier usage shall be the customer's individual monthly consumption until the customer's first tier usage block is established pursuant to the preceding paragraph.

**4. BILLING**

The bill shall be the sum of the charges for first tier usage, adjustments to first tier usage pursuant to General Provisions F, G, H, I, K, and L and any charges for billing units above the first tier usage block per month, less applicable subsidies as described in General Provisions O and P, but the bill shall not be less than zero.

**5. SPECIAL CONDITIONS**

a. Service Inside the City of Los Angeles

Charges for water service to premises of which ninety percent (90%) or more of the area is inside the City shall be the amount computed at the rates set forth above.

b. Service Outside the City of Los Angeles

Charges for water service to premises of which less than 90% of the area is inside the City shall include a surcharge equal to the differential cost of treated Tier II water delivered to the City purchased from the Metropolitan Water District and the average cost of water delivered to the City through the Los Angeles Aqueducts for the previous five years. However, at no time shall the rates be less than those charged for service inside the City.

c. Applicability of Rules and Regulations

Application of this schedule shall be subject to rules and regulations adopted by the Board of Water and Power Commissioners.

**C. SCHEDULE C – COMMERCIAL, INDUSTRIAL, AND GOVERNMENTAL CUSTOMERS AND TEMPORARY CONSTRUCTION**

**1. APPLICABILITY**

Applicable to Commercial, Industrial, Governmental, Temporary Construction and any other water service for which no rate Schedule is specified.

**2. TERRITORY**

City of Los Angeles.

**3. COMMODITY CHARGES**

Rate Per  
Hundred Cubic Feet

a. First Tier Usage Block

Effective upon publication of  
this Ordinance

\$1.247 and  
General Provision F, G, H,  
I, K, and L adjustments

Effective July 1, 2008

\$1.331 and  
General Provision F, G, H,  
I, K, and L adjustments

Effective July 1, 2009

\$1.421 and  
General Provision F, G, H,  
I, K, and L adjustments

First tier usage block shall be 125 percent (125%) of the average consumption for the preceding December through March.

b. Second Tier Usage

Usage above the first tier usage block as prescribed in Section 2.C.3.a. above shall be billed as follows:

Low Season

November 1 through May 31

\$1.421 and  
General Provision F, G, H,  
I, K, and L adjustments

High Season

June 1 through October 31

\$3.523 and  
General Provision H, I, K,  
and L adjustments



In the event a customer has not established a first tier usage block, the customer's first tier usage shall be the customer's individual monthly consumption until the customer's first tier usage block is established pursuant to the preceding paragraph.

**4. BILLING**

The bill shall be the sum of the charges for first tier usage, adjustments to first tier usage pursuant to General Provisions F, G, H, I, K, and L and any charges for billing units above the first tier usage block per month.

**5. SPECIAL CONDITIONS**

a. Service Inside the City of Los Angeles

Charges for water service to premises of which ninety percent (90%) or more of the area is inside the City shall be the amount computed at the rates set forth above.

b. Service Outside the City of Los Angeles

Charges for water service to premises of which less than 90% of the area is inside the City shall include a surcharge equal to the differential cost of treated Tier II water delivered to the City purchased from the Metropolitan Water District and the average cost of water delivered to the City through the Los Angeles Aqueducts for the previous five years. However, at no time shall the rates be less than those charged for service inside the City.

c. Two-Inch and Larger Meters

The commodity charges during low season months specified in Section 2.C.3.a and Section 2.C.3.b above, without General Provision F, G, H, I, K, and L adjustments, as applied to bills for consumption for customers that have two-inch or larger meters shall be reduced by the following percentage amounts:

Low Season 2006	22 percent
Effective November 1, 2007	13 percent
Effective November 1, 2008	7 percent
Effective November 1, 2009	0 percent

d. Applicability of Rules and Regulations

Application of this schedule shall be subject to rules and regulations adopted by the Board of Water and Power Commissioners.

**D. SCHEDULE D - RECLAIMED WATER SERVICE**

**1. APPLICABILITY**

Applicable to all retail reclaimed water service and to wholesale reclaimed water service when specifically authorized by the Board of Water and Power Commissioners.

**2. TERRITORY**

City of Los Angeles.

**3. COMMODITY CHARGES**

Commodity Charges for Reclaimed Water Service shall be set by contract approved by the Board of Water and Power Commissioners.

The Board of Water and Power Commissioners has entered into contracts for delivery of reclaimed water wherein the commodity charge for reclaimed water was set at a rate equal to 80 percent of the commodity charge of the general applicable in-city potable water rate. (Schedule G in Ordinance No. 167554.) For purposes of the commodity charge for reclaimed water in existing contracts for the sale of reclaimed water, the commodity charge in Schedule A.3.a. shall be the general applicable in-city potable water rate.

**4. ADJUSTMENTS AND SUBSIDIES**

Adjustments provided in General Provisions F, G, H, I, K, and L, and subsidies as set forth in the General Provisions O and P shall not apply to this schedule.

**5. BILLING**

The bill shall be the sum of the Commodity Charges and the Treatment Surcharge.

**6. SPECIAL CONDITIONS**

a. Service Inside the City of Los Angeles

Charges for water service to premises of which ninety percent (90%) or more of the area is inside the City shall be set by separate contract approved by the Board of Water and Power Commissioners.

b. Service Outside the City of Los Angeles

Charges for water service to premises of which less than ninety percent (90%) of the area is inside the City shall be set by separate contract approved by the Board of Water and Power Commissioners.

c. Treatment Surcharge

The cost of treatment of reclaimed water prior to delivery beyond that required to discharge the wastewater to the ocean or a stream may be determined by the Department and added to the Commodity Charge as a Treatment Surcharge. However, the sum of such Surcharge and the Commodity Charge shall not exceed the Commodity Charge in effect under Schedule A.3.a, excluding adjustments pursuant to the General Provisions F, G, H, I, K, and L.

d. Obligation to Supply Reclaimed Water

The Department will provide reclaimed water service under this schedule only when and where such water is available and can be supplied at a reasonable cost. In determining reasonable cost, the Department may consider all relevant factors, including but not limited to, the present and projected costs of supplying potable domestic water to affected greenbelt areas and the present and projected costs of supplying reclaimed water. Grants or subsidies may be used to reduce total development costs.

e. Continuity of Service and Water Quality

There is no implication of continuous service nor uniform quality of reclaimed water; therefore, the customer must have a separate service connection for potable water.

f. Wholesale Reclaimed Water Service

Wholesale Service may be provided to other water agencies consistent with the City Charter, but only under this schedule, or a separate contract, when approved by the Board of Water and Power Commissioners.

g. Special Uses

The Board of Water and Power Commissioners may establish special charges by contract under particular conditions for temporary, demonstrative, recreational or research uses.

h. Applicability of Rules and Regulations

Application of this schedule shall be subject to rules and regulations adopted by the Board of Water and Power Commissioners.

**E. SCHEDULE E - PRIVATE FIRE SERVICE**

**1. APPLICABILITY**

Applicable to water service solely for private fire suppression purposes.

**2. TERRITORY**

City of Los Angeles.

**3. MONTHLY CHARGES**

a. Service Availability Charge

<u>Size of Service</u>	<u>Charge Per Service</u>		
	<u>2007</u>	<u>Effective July 1, 2008</u>	<u>2009</u>
1-inch and smaller .....	\$ 2.87	\$ 2.98	\$ 3.10
1-1/2 inch .....	10.17	10.58	11.00
2-inch .....	14.45	15.03	15.63
3-inch .....	35.59	37.01	38.49
4-inch .....	56.72	58.99	61.35
6-inch .....	100.30	104.31	108.48
8-inch .....	196.37	204.22	212.39
10-inch .....	236.49	245.95	255.79
12-inch .....	304.06	316.22	328.87
14-inch .....	472.98	491.90	511.58
16-inch .....	565.89	588.53	612.07
20-inch .....	759.09	789.45	821.03

<u>b. Commodity Charge</u>	<u>Rate Per Hundred Cubic Feet</u>
Usage	
Effective upon publication of this Ordinance	\$1.247 and General Provision F, G, H, I, K, and L adjustments
Effective July 1, 2008	\$1.331 and General Provision F, G, H, I, K, and L adjustments
Effective July 1, 2009	\$1.421 and General Provision F, G, H, I, K, and L adjustments
<u>c. Minimum Charge</u>	
Service Availability Charge	

**4. BILLING**

The bill shall be the sum of the Service Availability Charge, the Commodity Charge, and adjustments pursuant to General Provisions F, G, H, I, K, and L.

**5. SPECIAL CONDITIONS**

a. Partial Metering

Service under this schedule shall not be fully metered, but shall be equipped with a meter in a bypass and weighted valve mechanism for diverting small flows through the bypass meter.

b. Termination and Restoration of Service

Service under this schedule shall be terminated by the Department if water supplied under this schedule is used for any purpose other than fire extinguishing and for filling or refilling the customers' fire-related facilities which have been drained during tests and repairs. Service shall thereafter be restored only after a meter has been installed, after which service shall be supplied at applicable metered rates.

c. Service Availability Charges for Fire Services

For the purpose of computing service availability charges, the size of service shall be determined by the Department.

d. Applicability of Rules and Regulations

Application of this schedule shall be subject to rules and regulations adopted by the Board of Water and Power Commissioners.

F. **SCHEDULE F - PUBLICLY-SPONSORED IRRIGATION; RECREATIONAL; AGRICULTURAL, HORTICULTURAL, AND FLORICULTURAL USES; COMMUNITY GARDENS AND YOUTH SPORTS**

1. **APPLICABILITY**

Applicable to water service provided exclusively for the following uses:

a. Group A Uses

- (1) Agricultural, horticultural, and floricultural uses on property that is dedicated for public use, operated on a nonprofit basis and open to the general public.
- (2) Landscaping on grounds contiguous to buildings that are dedicated exclusively for public use and are operated on a nonprofit basis.
- (3) Irrigation on grounds used exclusively by nonprofit educational institutions that are open to the general public.

To qualify, all Group A uses must be on areas that are not less than three (3) acres in size, exclusive of streets, sidewalks, alleys, and lands occupied by buildings.

b. Group B Uses

- (1) Irrigating parcels of land used exclusively for commercial production of agricultural, horticultural or floricultural products in conformance with recognized practices of husbandry.
- (2) Irrigating playing fields used for youth sports, including any sport recognized by the Amateur Athletic Union that requires a playing field, that are operated by nonprofit organizations solely for the purpose of providing youth sports for children in grades K through 12 who are residents of the City of Los Angeles, and participation in the sport is open to the general public.

To qualify, all Group B uses must be on areas that are not less than five (5) acres in size.

c. Group C Uses

Irrigating parcels of land used exclusively for community gardens growing agricultural products for human consumption, operated by community garden organizations that solely serve

residents of the City of Los Angeles, on publicly-owned land or land donated for public use, in accordance with rules and regulations adopted by the Board of Water and Power Commissioners.

d. Group D Uses

Uses in parks, playgrounds, golf courses and lakes that are dedicated exclusively for public recreational uses, open to the general public, and operated on a nonprofit basis.

e. Group E Uses

Irrigation in medians in public streets that have complied with best management practices for medians as approved by the Board of Water and Power Commissioners.

**2. TERRITORY**

City of Los Angeles.

**3. COMMODITY CHARGES**

	<u>Rate Per Hundred Cubic Feet</u>
a. First Tier Usage Block	
Effective upon publication of this Ordinance	\$0.989 and General Provisions K and L
Effective July 1, 2008	\$1.028 and General Provisions K and L
Effective July 1, 2009	\$1.069 and General Provisions K and L

Monthly first tier usage blocks shall be established by the Department for domestic water use, landscape and large area irrigation after an audit has been completed, considering site conditions and based upon best management practices approved by the Board of Water and Power Commissioners, and shall be subject to periodic review and revision by the Department.

c. Second Tier Usage

Rate Per  
Hundred Cubic Feet

Usage above the first tier usage block as prescribed in 2.F.3.a. above shall be billed as follows:

Low Season

November 1 through May 31

\$2.49 and  
General Provisions K and L

Effective July 1, 2008

\$2.590 and  
General Provision K and L

Effective July 1, 2009

\$2.690 and  
General Provision K and L

High Season

June 1 through October 31

\$3.08 and  
General Provisions K and L

Effective July 1, 2008

\$3.18 and  
General Provision K and L

Effective July 1, 2009

\$3.28 and  
General Provision K and L

**4. ADJUSTMENTS AND SUBSIDIES**

Adjustments provided for in General Provisions F, G, H, and I, and subsidies as set forth in General Provisions O and P shall not apply to this schedule. General Provisions K and L shall apply to first and second tier rates.

**5. BILLING**

a. Service Inside the City of Los Angeles

Charges for water service to premises of which 90 percent or more of the area is inside the City, shall be the amount computed at the rates set forth above.

b. Service Outside the City of Los Angeles

Charges for water service to premises of which less than 90% of the area is inside the City shall include a surcharge equal to the differential cost of treated Tier II water delivered to the City purchased from the Metropolitan Water District and the average cost of water delivered to the City through the Los Angeles Aqueducts for the previous five years. However, at no time shall the rates be less than those charged for service inside the City.



**6. SPECIAL CONDITIONS**

a. Application

A written application shall be required for each location at which water is delivered under this schedule.

b. Separate Service for Buildings

Service under this schedule shall be provided for irrigation and landscaping purposes; however, service to buildings shall be provided separately at rates specified in Schedule C, except Group D uses provided in Section 2.F.1.d above.

c. Reclaimed Water

Customers receiving service under Schedule F shall be required to utilize reclaimed water, when available. If the reclaimed water is available to a customer but not utilized, such customers shall be billed under Schedule C.

d. Applicability of Rules and Regulations

- (1) Application of this schedule shall be subject to rules and regulations adopted by the Board of Water and Power Commissioners.
- (2) A community garden organization applying for Group C use must satisfy the Department that it is capable of paying the charges for its water service, that it is an organization primarily formed to operate a community garden solely serving residents of the City, and that it has appropriate permission to use public land or land donated for public use.
- (3) Customers applying for Group B(1) use must satisfy the Department that they are a bona fide business as defined by the Internal Revenue Code, and that the area served is used exclusively for commercial production of agricultural, floricultural or horticultural products. This schedule is not applicable to "hobby" businesses.
- (4) Customers applying for Group D uses that include domestic water service must comply with best management practices for water using appliances and fixtures approved by the Board of Water and Power Commissioners.

## **Section 3**

### **GENERAL PROVISIONS**

That the general provisions relating to water and water service supplied under schedules prescribed herein are as follows:

#### **A. RATE APPLICABILITY AND RULES**

The application, interpretation and administration of the provisions herein shall be subject to such rules as may from time to time be promulgated by the Board of Water and Power Commissioners pursuant to its power and duty to administer the affairs of the Department of Water and Power, and the application, interpretation and administration of said provisions and rules by said Board shall be final. Such rules as prescribed for application within the City of Los Angeles shall be considered applicable for service outside the City, except as may otherwise be provided by specific rules herein or hereafter prescribed by the Board.

#### **B. SURPLUS WATER - PARAMOUNT RIGHT OF THE CITY OF LOS ANGELES**

Only surplus water, owned or controlled by the City of Los Angeles and not required for use of customers served by the City within its limits, may be supplied or distributed outside the City. The supplying or distribution of such surplus water shall, in all cases, be subject to the paramount right of the City to discontinue it, in whole or in part, and to hold or distribute such surplus water for the use of the City and its inhabitants.

#### **C. METERING**

For the purpose of computing charges, each meter serving the customer's premises shall be considered separately, and readings of two or more meters will not be combined as equivalent to a measurement through one meter except when such combination is for the convenience of the Department.

#### **D. MINIMUM CHARGE**

For the purpose of customer accounting, meter reading and billing expense, a minimum charge of \$5.00 per month shall be applied per service to accounts which have no recorded consumption for a period of more than two months.

**E. TIME AND MANNER OF PAYMENT OF BILLS**

All bills for water service hereunder are due and payable upon presentation; bills shall become delinquent nineteen (19) days after date of presentation. If bills become delinquent, the Department may impose a Late Payment Charge and terminate the water service in accordance with applicable law or Department rules. Payment shall be made in person or by mail at offices of the Department, or at the option of the Department, to its authorized collectors.

**F. WATER PROCUREMENT ADJUSTMENT**

1. A Water Procurement Adjustment (WPA) shall be added to the first tier rate as set forth in Schedules A, B, C, and E, and shall be included in bills under each service schedule and any contract, where it is so specified. The WPA recovers purchased water, demand side management and reclaimed water expenditures through application of the Water Procurement Adjustment Factor.

2. The Water Procurement Adjustment Factor (WPAF) shall be calculated four times each year and shall take effect January 1, April 1, July 1, and October 1, respectively. The formula is:

$$\text{WPAF} = \frac{(a) + (b) + (c) + (d) + (e) + (f)}{(g)}$$

(expressed to the nearest \$0.001 per hundred cubic feet)

(a) The estimated purchased water expense for 12 months commencing with the effective date of the WPAF. This expense shall include the total cost to the Department of all water delivered to the Department's system including but not limited to the cost of other services provided by water supply agencies, including the Metropolitan Water District, replenishment districts, and other independent water suppliers; the cost for operation and maintenance for in-City groundwater and booster pumping, and the cost for operation and maintenance of water transfer facilities, including but not limited to pumping stations, necessary to convey purchased water into the Los Angeles Aqueduct.

(b) The estimated demand side management expenditures for 12 months commencing with the effective date of the WPAF. Demand side management expenditures are those incurred for customer technical assistance, customer financial incentives and the acquisition and installation of devices and systems, including low-flush toilets and low-flow shower heads, which are part of those programs or projects designed to reduce the use of water and which expenditures have been approved in advance by the Board of Water and Power Commissioners to be included in the demand side management component of the WPAF.

- (c) The estimated reclaimed water expenditures for 12 months commencing with the effective date of the WPAF. Reclaimed water expenditures are those expenditures incurred for construction, operation, maintenance, equipment, supplies and debt service for facilities and systems, including pipelines, pumping and treatment stations, which are part of those Water Reclamation Projects and Programs designed to reduce the use of potable water, and which expenditures have been approved in advance by the Board of Water and Power Commissioners to be included in the reclaimed water component of the WPAF.
- (d) An amount equal to five percent of (a), (b), and (c) immediately above.
- (e) Purchased Water Adjustment Account ending balance.
- (f) Demand Side Management and Reclaimed Water Adjustment Account ending balance.
- (g) The total estimated water sales for 12 months commencing with the effective date of the WPAF, excluding Schedules D and F sales.

3. Cost Adjustment Accounts

3.1. A Purchased Water Adjustment Account shall be maintained by the Department. Entries to this account at the end of each month shall include:

- (a) An amount equal to the purchased water expense and 50 percent of the Department's operation and maintenance expenditures for in-City groundwater and booster pumping for the 2003-2004 and 2004-2005 fiscal years, effective July 1, 2003, and 100 percent of the Department's operation and maintenance expenditures for in-City groundwater and booster pumping effective July 1, 2005, as recorded during the month.
- (b) Less: An amount equal to refunds received by the Department from its suppliers of purchased water.
- (c) An amount equal to five percent of (a) and (b) immediately above.
- (d) Less: An amount equal to revenue billed during the month at the first and second tier rates that is attributable to the WPAF.

3.2. A Demand Side Management and Reclaimed Water Cost Adjustment Account shall be maintained by the Department. Entries to this account at the end of each month shall include:

- (a) An amount equal to the demand side management expenditures as recorded during the month.
- (b) An amount equal to the reclaimed water expenditures as recorded during the month.
- (c) An amount equal to five percent of (a) and (b) above.
- (d) Less: An amount equal to revenue billed during the month at the first and second tier rates that is attributable to the demand side management and reclaimed water components of the WPAF.

4. Special Conditions

The demand side management and reclaimed water component of the WPAF shall be calculated four times each year as provided in Section 3.F.2 and this adjustment shall not exceed the prior period adjustment by more than \$0.06 per billing unit.

**G. WATER QUALITY IMPROVEMENT ADJUSTMENT**

1. A Water Quality Improvement Adjustment (WQIA) shall be added to the first tier rate as set forth in Schedules A, B, C, and E, and shall be included in bills under each service schedule and contract where it is specified. The WQIA recovers water quality related expenditures in order to equalize water quality throughout the City and for facilities approved in order to meet State and Federal water quality standards through application of the Water Quality Improvement Adjustment Factor.
2. The Water Quality Improvement Adjustment Factor (WQIAF) shall be calculated four times each year and shall take effect January 1, April 1, July 1, and October 1, respectively.

The formula is:

$$WQIAF = \frac{(a) + (b) + (c)}{(d)}$$

(expressed to the nearest \$0.001 per hundred cubic feet)

- (a) The estimated water quality related expenditures for 12 months commencing with the effective date of the WQIAF. Water quality related expenditures are those incurred for construction, operation, maintenance, equipment, supplies and debt service incurred for facilities and systems, including filtration and water treatment, cement lining, disinfection, reservoir improvements, monitoring equipment, pipelines and conduits, which are part of those programs and projects designed to equalize the quality of water throughout the City or to meet State and Federal mandated water quality standards, which expenditures have been approved in advance by the Board of Water and Power Commissioners to be included in the WQIAF.
- (b) An amount equal to five percent of (a) immediately above.
- (c) Water Quality Improvement Adjustment Account ending balance.
- (d) The total estimated water sales for 12 months commencing with the effective date of the WQIAF, excluding Schedules D and F sales.

3. A Water Quality Improvement Adjustment Account shall be maintained by the Department. Entries to this account at the end of each month shall include:
  - (a) An amount equal to water quality expenditures as recorded during the month less the qualified Water Quality operation and maintenance expenses included under the Owens Valley Regulatory Adjustment Factor as directed by the Chief Financial Officer (Section 3.K.3.b).
  - (b) An amount equal to five percent of (a) immediately above.
  - (c) Less: An amount equal to revenue billed during the month at the first and second tier rates that is attributable to the WQIAF.
4. Special Conditions
 

The estimated expenditures for water quality improvements under Section 3.G.2. shall be included in the WQIAF upon the effective date of the ordinance; provided, however, that this inclusion shall not exceed the limitation set forth in Section 3.J. below.

**H. WATER REVENUE ADJUSTMENT**

1. A Water Revenue Adjustment (WRA) recovers any shortage in revenue due to variation in water sales through application of the Water Revenue Adjustment Factor.
2. The Water Revenue Adjustment Factor (WRAF) shall be calculated annually on January 1 of each year. The formula is:

$$\text{WRAF} = \frac{(a)}{(b)}$$

(expressed to the nearest \$0.001 per hundred cubic feet)

- (a) Water Revenue Adjustment Account ending balance.
  - (b) The total estimated water sales for 12 months commencing with the effective date of the WRAF, excluding Schedules D and F sales.
3. A Water Revenue Adjustment Account shall be maintained by the Department. Entries to this account shall include:
  - (a) Following the end of each fiscal year, the revenue target set for the prior fiscal year ended June 30, pursuant to the minimum revenue target determination set forth in Subsection 4 below minus the base rate revenue recorded in the general ledger for water consumed by the Department's retail customers for the prior fiscal year ended June 30. The resulting amount in no event shall be less than zero.

(b) Less: At the end of each month, an amount equal to the revenue collected that is attributable to the WRAF.

4. An annual minimum revenue target of \$294 million is hereby established for each fiscal year since June 30, 2002 and shall be adjusted effective July 1 of each year thereafter to include any yearly increases in interest expense and shall not exceed \$325 million per fiscal year; provided, however, the annual revenue target limit of \$325 million shall be increased in proportion to any increases in the commodity charge under Section 2.A.3.a excluding General Provision adjustments.

5. Special conditions

(a) The WRAF shall not exceed \$0.18 per billing unit. However, this amount may exceed the limit of \$0.18 per billing unit when the Board of Water and Power Commissioners adopts a resolution finding that an increased factor is financially required, and the City Council, by resolution, approves the change. These increases shall become operative on the date of the Council's approval.

(b) In the event that the revenue from the water sales falls under the minimum revenue target, the Chief Financial Officer has the authority to direct that the factor be invoked if deemed necessary.

(c) Whenever the WRAF is determined by the Board of Water and Power Commissioners, as provided in Subsection 2 above, the determination shall become final at the expiration of the next five meeting days of the City Council during which the Council has convened in regular session unless the City Council acts within that time by a two-thirds vote to bring the Board's determination before it for consideration. If the Council asserts jurisdiction over the WRAF determination, it may act to accept or reject the determination before the expiration of the next 21 calendar days from the Council vote to bring the Board's determination before it, or the action of the Board in setting the WRAF shall be final.

(d) The WRAF as provided above shall be added to all first tier and second tier rates set forth in this ordinance, excluding Schedules D and F, notwithstanding any language in any prior ordinance to the contrary.

## **I. WATER SECURITY ADJUSTMENT**

1. The Water Security Adjustment (WSA) recovers expenditures to secure and protect the water supply, storage, and conveyance infrastructure and related facilities through application of the Water Security Adjustment Factor.
2. The Water Security Adjustment Factor (WSAF) shall be calculated four times each year and shall take effect January 1, April 1, July 1, and October 1, respectively.

The formula is:

$$\text{WSAF} = \frac{(a) + (b) + (c)}{(d)}$$

(expressed to the nearest \$0.001 per hundred cubic feet)

- (a) The estimated expenditures for Water Security for 12 months commencing with the effective date of the WSAF. Water security related expenditures are those incurred for construction, operation, maintenance, equipment, supplies and debt service to secure and protect the water supply, storage, and conveyance infrastructure and related facilities, which expenditures have been approved in advance by the Board of Water and Power Commissioners to be included in the WSAF.
  - (b) An amount equal to five percent of (a) immediately above.
  - (c) Water Security Adjustment Account ending balance.
  - (d) The total estimated water sales for 12 months commencing with the effective date of the WSAF, excluding Schedules D and F sales.
3. A Water Security Adjustment Account shall be maintained by the Department. Entries to this account at the end of each month shall include:
    - (a) An amount equal to water security expenditures as recorded during the month.
    - (b) An amount equal to five percent of (a) immediately above.
    - (c) Less: An amount equal to revenue billed during the month at the first and second tier rates that is attributable to the WSAF.
  4. Special Condition
    - (a) The WSAF as provided above shall be added to all first and second tier rates set forth in this ordinance, excluding Schedules D and F, notwithstanding any language in any prior ordinance to the contrary.
    - (b) The estimated expenditures for water security under Section 3.I.2 shall be included in the WSAF upon the effective date of the ordinance; provided, however, that this inclusion shall not exceed the limitation set forth in Section 3.J below.



**J. ADJUSTMENT FACTOR LIMITATIONS**

The sum of the Water Quality Improvement Adjustment Factor, the Water Security Adjustment Factor, and the lesser of \$0.088 per billing unit or the components of the Water Procurement Adjustment Factor for Demand Side Management and Reclaimed Water determined by the calculations provided in Sections 3.F, 3.G and 3.I, excluding Sections 3.F.2.d, 3.F.3.1.c, 3.F.3.2.c, 3.G.2.b, 3.G.3.b, 3.I.2.b, and 3.I.3.b, shall not jointly exceed \$0.85 per billing unit.

However, the limit of \$0.85 per billing unit may be exceeded when the Board of Water and Power Commissioners adopts a resolution finding that a factor exceeding this limit is financially required, and the City Council, by resolution, approves the change. Any such increase shall become operative on the date of the City Council's approval. Substituting only the increased level of limitation, the Department may recalculate the existing Water Quality Improvement Adjustment Factor, Water Security Adjustment Factor, and Water Procurement Adjustment Factor to take effect on the date of the City Council's approval even if that results in any of these factors being calculated and taking effect more than four times in a year.

Upon the effective date of any ordinance approving a change to the level of limitation described in this provision, substituting only the increased level of limitation, the Department may recalculate the existing Water Quality Improvement Adjustment Factor, Water Security Adjustment Factor, and Water Procurement Adjustment Factor to take effect on the effective date of said ordinance even if that results in any of these factors being calculated and taking effect more than four times in a year.

**K. OWENS VALLEY REGULATORY ADJUSTMENT**

1. The Owens Valley Regulatory Adjustment (OVRA) recovers expenditures to operate and maintain infrastructure and related facilities for the Owens Lake Dust Mitigation Project and the Lower Owens River Project through application of the Owens Valley Regulatory Adjustment Factor.
2. The Owens Valley Regulatory Adjustment Factor (OVRAF) shall be calculated four times each year and shall take effect January 1, April 1, July 1, and October 1, respectively.

The formula is:

$$OVRAF = \frac{(a)+(b)+(c)+(d)}{(e)}$$

(expressed to the nearest \$0.001 per hundred cubic feet)

(a) The estimated Owens Valley Regulatory related operation and maintenance (O&M) expenditures for 12 months commencing with the effective date of the OVRAF.

(b) An amount equal to five percent of (a) immediately above.

- (c) Owens Valley Regulatory Adjustment Account ending balance.
  - (d) Rate stabilization account target.
  - (e) The total estimated water sales for 12 months commencing with the effective date of the OVRAF, excluding Schedule D sales.
3. An OVRA Account shall be maintained by the Department. Entries to this account at the end of each month shall include:
- (a) An amount equal to the actual O&M for Owens Lake Dust Mitigation Project and the Lower Owens River Project as recorded during the month.
  - (b) At the end of each fiscal year, an amount of qualified Water Quality Improvement O&M expenses as described in Section 3.G.3.a., as directed by the Chief Financial Officer. Such amount shall not exceed the fiscal year to date total of Water Quality O&M expense as recorded and 95% of the Department liability to the customers as of June 30 of the prior fiscal year ended.
  - (c) An amount equal to five percent of (a) and (b) immediately above.
  - (d) Less: An amount equal to revenue billed during the month at the first and second tier rates that is attributable to the OVRAF.
  - (e) Less: At the end of each fiscal year, an amount equal to the sale of kinetic energy (falling water) to the Power System for the effective period of the fiscal year ended less \$10 million. The resulting amount shall in no event be less than zero.
4. Special Condition
- (a) Effective October 1, 2006, the OVRAF as provided above shall be added to all first and second tier rates set forth in this ordinance, excluding Schedule D, notwithstanding any language in any prior ordinance to the contrary.
  - (b) The rate stabilization account target referenced in K.2.c. shall be established by the Board of Water and Power Commissioners.
  - (c) The change in the quarterly OVRAF may not exceed \$0.015 per billing unit.

**L. LOW-INCOME SUBSIDY ADJUSTMENT**

- 1. The Low-Income Subsidy Adjustment (LISA) recovers the cost of credits provided to lifeline and low-income customers as provided in General Provisions O and P through application of the Low-Income Subsidy Adjustment Factor.
- 2. The Low Income Subsidy Adjustment Factor (LISAF) shall be calculated four times each year and shall take effect January 1, April 1, July 1, and October 1, respectively.

The formula is:

$$\underline{\text{LISAF}} = \frac{\text{(a)} + \text{(b)} + \text{(c)} + \text{(d)}}{\text{(e)}}$$

(expressed to the nearest \$0.001 per hundred cubic feet)

- (a) The estimated cost of lifeline and low-income credit as provided in General Provisions O and P for 12 months commencing with the effective date of the LISAF. The estimated cost shall include 60.5 percent of the estimated lifeline and low-income credits for the months remaining in fiscal year 2006-2007 and 100 percent of the expenditures in fiscal year 2007-2008 and thereafter.
  - (b) The estimated administrative cost related to water Low-Income and Lifeline programs for twelve (12) months commencing with the effective date of the LISAF.
  - (c) An amount equal to five percent of (a) and (b) immediately above.
  - (d) LISA Account ending balance.
  - (e) The total estimated water sales for 12 months commencing with the effective date of the LISAF, excluding sales from Schedule D and lifeline and low-income customers.
3. A LISA Account shall be maintained by the Department. Entries to this account at the end of each month shall include:
- (a) An amount equal to the cost of credits for low-income and lifeline customers provided in General Provisions O and P as recorded during the month.
  - (b) An amount equal to the administrative cost for the lifeline and low income program as recorded during the month.
  - (c) An amount equal to five percent of (a) and (b) immediately above.
  - (d) Less: An amount equal to revenue billed during the month at the first and second tier rates that is attributable to the LISAF.
4. Special Condition
- (a) The LISAF as provided above shall be added to all first and second tier rates set forth in this ordinance, excluding Schedule D and customers qualified for lifeline and low-income subsidy credits, notwithstanding any language in any prior ordinance to the contrary.
  - (b) The change in the quarterly LISAF may not exceed \$0.015 per billing unit.

**M. LARGE IRRIGATED TURF**

Those customers with 3 acres or more of turf on a single premises that are served from services providing water exclusively for landscape, except those customers receiving water under Schedule A or Schedule F, shall be entitled to receive 95 percent (95%) of their water usage at their first tier rate provided they have first completed an audit of their water use in their premises in accordance with a Department approved manual on large turf water audits and have implemented the "Best Management Practices for Turf Irrigation" as approved by the Board of Water and Power Commissioners to the satisfaction of the Department.

**N. SEASONAL VARIATION ADJUSTMENTS**

Customers other than Schedule A residential customers that have 26 or more billing units of consumption above their first tier usage block and who also have a consumption above 200 percent (200%) of their average consumption for the months of December through March for each of two consecutive billing periods during the high season shall upon a showing by a customer that the customer has achieved the maximum practical reduction in water consumption by installation and use of generally acceptable water conserving devices and methods and in the customer's use of water be entitled to have their first tier usage block increased to a level that causes 5 percent (5%) of the customer's consumption to be considered above their first tier usage block for that year's high season.

**O. LIFELINE CUSTOMER SUBSIDY**

Applicable to Schedule A residential water customers who are eligible for exemption from the City Utility User's Tax under provisions of Section 21.1.12 (a) of the Los Angeles Municipal Code.

Eligible customers shall receive a fixed \$10.00 per month subsidy credit, except that such credit shall not exceed the customer's bill for water service.

**P. LOW-INCOME SUBSIDY**

Applicable to Schedule A residential water customers and residential customers submetered in accordance with General Provision Q whose total household income does not exceed the limits established by the Board of Water and Power Commissioners. The customer must not be listed as a dependent on another person's income tax return and must use this service in the customer's primary residence only.

A qualified customer shall receive a base subsidy credit of \$5.00 per month which shall be increased by \$1.00 per month for each occupant of the dwelling unit in excess of 3 occupants. The credit shall not exceed a maximum of \$10.00 per month, and shall not exceed the customer's bill for water service.

A person who is a residential customer of record of the Power System or receives Schedule R-3 submetered residential electric service, but who is not a Schedule A residential customer of the Water System, is eligible for the Low-

Income Subsidy if such customer's income does not exceed the income limits established by the Board of Water and Power Commissioners for eligibility for such subsidy. The amount of the Low-Income Subsidy credit shall be as set forth above, and shall be applied against the customer's electric bill after first applying any credit adjustments or subsidy pursuant to the electric rate ordinance; provided, however, the Low-Income Credit shall not exceed the amount of the customer's bill for electric service.

To make the Power Revenue Fund whole, the Board shall cause transfers of funds from the Water Revenue Fund to the Power Revenue Fund equal in amounts to the Low-Income Subsidy credits that have been allowed to customers on their electric service bills according to the terms of this provision. The Board of Water and Power Commissioners shall make such transfers at such times as it deems financially prudent so as to make the Power Revenue Fund whole.

**Q. HOUSEHOLD SIZE**

The first tier usage blocks for Schedule A residential customers only shall be increased in accordance with the quantity shown in the table below as follows:

1. Upon approval by the Department of a customer's verified application setting forth the customer's household size; or,
2. Those customers residing in the 24 ZIP codes identified below from 1990 census tract data as having a resident population of 10% or greater who meet the criteria for the household size rate adjustment shall be initially and conditionally classified by the Department as 8-person households; provided, that the Department shall take all reasonable steps to reclassify said customers in order to assure that only those customers entitled to the household size rate adjustment are so classified. The steps to be taken shall include, but are not limited to verification of customer status upon any customer contact involving the customer's bill or classification; upon any change of or request for service; by customer verification; by individual contact with each customer in the identified ZIP codes at such time as the customer's consumption first enters any of the household size usage blocks set forth below. Those customers whom the Department determines do not qualify shall be re-classified by the Department.

Table

<u>Household Size</u>	<u>Extra Billing Units In the First Tier Usage Block</u>
6 persons or less	Included in the First Tier Usage Block
7 persons	2
8 persons	4
9 persons	6
10 persons	7
11 persons	8
12 persons	9
13 persons or more	10

ZIP Codes

90001	90007	90022	90033	90059	90744
90002	90011	90023	90037	90061	91331
90003	90015	90031	90044	90063	91340
90006	90017	90032	90058	90065	91352

Application of this schedule shall be subject to rules and regulations adopted by the Board of Water and Power Commissioners.

**R. SHORTAGE YEAR RATES**

When the Board of Water and Power Commissioners, by resolution, finds and determines that the water supply available to the City of Los Angeles is insufficient to meet the City's normal water demand, it shall determine the degree of shortage and apply the corresponding commodity charges stated below, instead of the otherwise applicable commodity charges.

Certified copies of such resolution shall be transmitted to the offices of the Mayor, City Clerk, and the Council. At any time within such period as may be specified by resolution, which shall not be less than fifteen days after delivery of such certified copies to said offices, the Mayor, in writing, or the Council, by majority vote, may disapprove such resolution. If neither the Mayor nor the Council disapprove on said resolution within the period so specified, the same shall take effect upon the expiration of said period and shall be applicable to charges commencing on the first day of the billing cycle after the expiration of the period prescribed in the resolution. If the Mayor shall disapprove said resolution within said period, he shall forthwith advise the Council and the Board, in writing, of such disapproval. The Council shall thereupon consider such disapproval in the same manner as upon the reconsideration of an ordinance notwithstanding the veto of the Mayor, and if upon such consideration the Council shall, by the votes of two-thirds of the whole Council, determine that the Mayor's disapproval should be overruled, such disapproval by the Mayor shall be of no effect, and the said resolution of the Board shall forthwith take effect and shall be applicable to charges commencing on the first day of the billing cycle after the action by the Council overruling the Mayor's disapproval and the expiration of the period prescribed in the resolution.

The following commodity rates shall be substituted into the appropriate corresponding schedule and shall continue during the time that a water shortage determined by the Board of Water and Power Commissioners remains in effect.

1. Schedule A - Single-Dwelling Unit Residential Customers
  - a. The first tier usage block shall be reduced by the degree of the shortage and shall be billed at the rate specified in Section 2.A.3.a.
  - b. Second Tier Usage

Usage above the first tier usage block as prescribed in Section 3.R.1.a above shall be billed as follows:

Commodity Charge	Rate Per <u>Hundred Cubic Feet</u>
------------------	---------------------------------------

10% Shortage

Low Season - November 1 through May 31

1.201 times the High Season rate specified in Section 2.A.3.b, rounded to the nearest penny

High Season - June 1 through October 31

1.201 times the High Season rate specified in Section 2.A.3.b, rounded to the nearest penny

15% Shortage

Low Season - November 1 through May 31

1.442 times the High Season rate specified in Section 2.A.3.b, rounded to the nearest penny

High Season - June 1 through October 31

1.442 times the High Season rate specified in Section 2.A.3.b, rounded to the nearest penny

20% Shortage

Low Season - November 1 through May 31

1.682 times the High Season rate specified in Section 2.A.3.b, rounded to the nearest penny

High Season - June 1 through October 31

1.682 times the High Season rate specified in Section 2.A.3.b, rounded to the nearest penny

25% Shortage

Low Season - November 1 through May 31

1.964 times the High Season rate specified in Section 2.A.3.b, rounded to the nearest penny

High Season - June 1 through May 31

1.964 times the High Season rate specified in Section 2.A.3.b, rounded to the nearest penny

2. Schedule B - Multi-Dwelling Unit Residential Customers

Commodity Charge Rate Per  
Hundred Cubic Feet

10% Shortage

- a. Up to 115% of Adjusted First Tier Usage Block shall be billed at the rate specified in Section 2.B.3.a.
- b. Usage above 115% of Adjusted First Tier Usage Block shall be billed at 1.201 times the High Season rate specified in Section 2.B.3.b, rounded to the nearest penny.

15% Shortage

- c. Up to 115% of Adjusted First Tier Usage Block shall be billed at the rate specified in Section 2.B.3.a.
- d. Usage above 115% of First Tier Usage Block shall be billed at 1.442 times the High Season rate specified in Section 2.B.3.b, rounded to the nearest penny.

20% Shortage

- e. Up to 110% of Adjusted First Tier Usage Block shall be billed at the rate specified in Section 2.B.3.a.
- f. Usage above 110% of Adjusted First Tier Usage Block shall be billed at 1.682 times the High Season rate specified in Section 2.B.3.b, rounded to the nearest penny.

25% Shortage

- g. Up to 110% of Adjusted First Tier Usage Block shall be billed at the rate specified in Section 2.B.3.a.
- h. Usage above 110% of Adjusted First Tier Usage Block shall be billed at 1.964 times the High Season rate specified in Section 2.B.3.b, rounded to the nearest penny.



3. Schedule C – Commercial and Industrial Customers

Commodity Charge	Rate Per <u>Hundred Cubic Feet</u>
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10% Shortage

- a. Up to 115% of Adjusted First Tier Usage Block shall be billed at the rate specified in Section 2.C.3.a.
- b. Usage above 115% of Adjusted First Tier Usage Block shall be billed at 1.201 times the High Season rate specified in Section 2.C.3.b, rounded to the nearest penny.

15% Shortage

- c. Up to 115% of Adjusted First Tier Usage Block shall be billed at the rate specified Section 2.C.3.a.
- d. Usage above 115% of Adjusted First Tier Usage Block shall be billed at 1.442 times the High Season rate specified in Section 2.C.3.b, rounded to the nearest penny.

20% Shortage

- e. Up to 110% of Adjusted First Tier Usage Block shall be billed at the rate specified Section 2.C.3.a.
- f. Usage above 110% of Adjusted First Tier Usage Block shall be billed at 1.682 times the High Season rate specified in Section 2.C.3.b, rounded to the nearest penny.

25% Shortage

- g. Up to 110% of Adjusted First Tier Usage Block shall be billed at the rate specified Section 2.C.3.a.

- h. Usage above 110% of Adjusted First Tier Usage Block shall be billed at 1.964 times the High Season rate specified in Section 2.C.3.b, rounded to the nearest penny.
4. Schedule F - Publicly-Sponsored Irrigation; Recreational; Agricultural, Horticultural, and Floricultural Uses; Community Gardens and Youth Sports

<u>Commodity Charges</u>	<u>Rate Per Hundred Cubic Feet</u>
<u>10% Shortage</u>	

- a. First Tier Usage Block shall be billed at the rate specified in Section 2.F.3.a.

Monthly first tier usage blocks shall be established by the Department for domestic water use, landscape and large area irrigation after an audit has been completed, considering site conditions and based upon best management practices approved by the Board of Water and Power Commissioners, and shall be subject to periodic review and revision by the Department.

- b. Second Tier Usage

Usage above the first tier usage block as prescribed in Section 3.R.4.a above shall be billed at 1.201 times the High Season rate specified in Section 2.F.3.c, rounded to the nearest penny.

15% Shortage

- c. First Tier Usage Block shall be billed at the rate specified in Section 2.F.3.a.

Monthly first tier usage blocks shall be established by the Department for domestic water use, landscape and large area irrigation after an audit has been completed, considering site conditions and based upon best management practices approved by the Board of Water and Power Commissioners, and shall be subject to periodic review and revision by the Department.

d. Second Tier Usage

Usage above the first tier usage block as prescribed in Section 3.R.4.c above shall be billed at 1.442 times the High Season rate specified in Section 2.F.3.c, rounded to the nearest penny.

20% Shortage

e. First Tier Usage Block shall be billed at the rate specified in Section 2.F.3.a.

Monthly first tier usage blocks shall be established by the Department for domestic water use, landscape and large area irrigation after an audit has been completed, considering site conditions and based upon best management practices approved by the Board of Water and Power Commissioners, and shall be subject to periodic review and revision by the Department.

f. Second Tier Usage

Usage above the first tier usage block as prescribed in Section 3.R.4.e above shall be billed at 1.682 times the High Season rate specified in Section 2.F.3.c, rounded to the nearest penny.

25% Shortage

g. First Tier Usage Block shall be billed at the rate specified in Section 2.F.3.a.

Monthly first tier usage blocks shall be established by the Department for domestic water use, landscape and large area irrigation after an audit has been completed, considering site conditions and based upon best management practices approved by the Board of Water and Power Commissioners, and shall be subject to periodic review and revision by the Department.

h. Second Tier Usage

Usage above the first tier usage block as prescribed in Section 3.R.4.g above shall be billed at 1.964 times the High Season rate specified in Section 2.F.3.c, rounded to the nearest penny.

5. Adjustments and credits pursuant to General Provisions F, G, H, I, K, L, O and P shall be applied to the commodity charges set forth in this General Provision R in the same manner that they apply to the commodity charge set forth in Rate Schedules A, B, C, D, E, and F, inclusive.
6. The Adjusted First Tier Usage Block shall be each customer's maximum December through March average consumption for the three winter periods preceding the declared water shortage event reduced by the degree of water shortage, except that the minimum adjusted first tier usage for Schedule B customers only shall be twenty-eight (28) hundred cubic feet per month reduced by the degree of water shortage and the minimum adjusted first tier usage for Schedule C customers shall be one one-hundred cubic feet per month.

Each customer's December through March average consumption that is applied at the beginning of each declared water shortage event shall continue to be applied during the time that a water shortage determined by the Board of Water and Power Commissioners remains in effect.

7. Those Schedules B and C customers that are found to not have established an Adjusted First Tier Usage Block based on prior usage may have an adjusted first tier usage block computation made by the Department that is based on the customer's water use characteristics, site conditions, and all applicable best management practices for conservation approved by the Board of Water and Power Commissioners.
8. Application of this General Provision R shall be subject to rules and regulations adopted by the Board of Water and Power Commissioners.
9. When the Board of Water and Power Commissioners determines that the water supply available to the City of Los Angeles is either sufficient, or if not sufficient, is better able to meet the City's normal water supply, it shall, by resolution, either terminate the implementation of these shortage year rates or determine the lesser degree of shortage and apply the applicable commodity charges stated above instead of the commodity charges theretofore implemented pursuant to this Provision R. Such determination shall become effective upon publication of the resolution.

**S. RESALE OF WATER AND SUBMETERED CUSTOMERS**

1. The resale of water by Department customers is prohibited. Any resale of water will be cause for termination of service.
2. Notwithstanding the foregoing prohibition, master-metered residential facilities and mobile home parks where individual single dwelling units are submetered, and commercial facilities where individual commercial units are submetered, may pass through their costs for water service subject to the following billing conditions:
  - (a) The rates charged the individual submetered units shall not be more than those prescribed under Schedule B for Multi-Dwelling Unit Residential Customers, including any applicable credits under General Provisions K and L, and in the case of commercial facilities shall not be more than those prescribed under Schedule C.
  - (b) The owner shall post in a conspicuous place the prevailing water rate schedule published by the Department that is used to bill the facility.
  - (c) The owner shall provide a separate written water bill for each submetered unit. The bill shall include the amount of water metered for the period, open and closing meter readings, and the amount of the bill. End users may not be required to pay more than if the Department provided the water directly to the end user.
3. In the event the water is not submetered and a cost/use allocation methodology is employed by the Department's customer to divide the cost among users of the water, the method used must fairly and equitably allocate to each end user of water the amount actually used by each end user and determine costs based on the actual use, all subject to the following requirements:
  - (a) The end users pay no more than if the Department provided the water directly.
  - (b) No additional costs, fees, services charges or expenses of any nature are added to the end users' bills by the Department's customer or the customer's agents, directly or indirectly, related to the allocation methodology including but not limited to charges for establishing new accounts, meter reading charges, equipment charges, account charges or any charge related to maintaining or operating the allocation system.

- (c) The Department's customer shall provide the Department and all end users the cost allocation methodology and results of that methodology as applied to each end user. In no event can the Department's customer use a calculation or methodology that results in the end user being charged for an amount greater than the actual consumption at the Department's actual rates charged to the Department's customer.
- (d) The Board of Water and Power Commissioners may adopt rules consistent with the foregoing provisions.

**T. DEFINITIONS**

For purposes of each service schedule in this section, the following definitions shall apply:

**Billing Unit** - One hundred cubic feet of water, equal to 748 gallons.

**Commercial** - Activities devoted primarily to business, property management or professional purposes.

**Commodity Charge** - A charge based upon the amount of water used by the customer.

**Customer** - Any person, public or private association or corporation, partnership, unincorporated association, or governmental agency supplied or entitled to be supplied by the Department.

**Date of Presentation** - The date on which a bill or notice is mailed or delivered by the Department to the customer.

**First Tier Rates** - Rates for usage within the first tier usage blocks as specified in Rate Schedules A, B, C, and F and in General Provision R, and for usage specified in Rate Schedule E, plus General Provision F, G, H, I, K, and L adjustments where applicable.

**Governmental** - The United States or any of its agencies, the state or any of its agencies, the Regents of the University of California, a county, a city, a district, a public authority, or any other political subdivision.

**High Season** - June 1 through October 31.

**Industrial** - Activities devoted primarily to manufacturing or processing.

**Lifeline Customer Subsidy** - Credit provided for qualified residential customers who are eligible for exemption from the City Utility User's Tax under provisions of the Los Angeles Municipal Code or the Revenue and Taxation Code of the State of California.

**Low-Income Subsidy** - Credit provided for qualified customers whose total household income does not exceed limits established by the Board of Water and Power Commissioners.

**Low Income Subsidy Adjustment** – Recovers the cost of credits given to lifeline and low-income customers as provided in General Provisions O and P.

**Low Season** - November 1 through May 31.

**Minimum Charge** - An amount charged to accounts with no recorded consumption for more than two months except Schedule E where it is the service availability charge.

**Multi-Dwelling Units** - Two or more family dwelling units served by one meter.

**Owens Valley Regulatory Adjustment** – Recovers expenditures to operate and maintain infrastructure and related facilities for the Owens Lake Dust Mitigation Project, Lower Owens River Project, and conditionally a portion of the water quality O&M as defined in 3.K.3.b.

**Premises** - An integrated land area, including improvements on the land, undivided by public thoroughfares or water distribution mains and where all parts of the area are operated under the same management for the same purpose.

**Rate** - An amount fixed by the Board of Water and Power Commissioners by resolution and approved by the City Council by ordinance to be charged for water service supplied by the Department to its customers.

**Reclaimed Water** – Treated wastewater that is suitable for use by industrial or other users rather than being discharged to the ocean or a stream.

**Residential** - Activities devoted primarily to residential or household purposes in single-dwelling units and multi-dwelling units.

**Second Tier Rates** - Rates for usage above first tier usage blocks specified in Rate Schedules A, B, C, and F, and in General Provision R, which include General Provision F and G adjustments where applicable, plus General Provision H, I, K, and L adjustments where applicable.

**Service Availability Charge** - A fixed charge per month for fire service based upon service connection size.

**Service Connection** - The pipe or tubing, fittings, and valves necessary to conduct water from the distribution main through the meter or shutoff valve on an unmetered service connection.

**Shortage Year** - A period in which the Board of Water and Power Commissioners determines that the available water supply is insufficient to meet the City's normal water demand.

**Submeter** - A meter internal to the customer's distribution line, used to monitor water consumption, but not for Department billing purposes.

**Temperature Zones** - Three geographical groupings of areas as set forth in the table below based on generally common average temperatures.

ZIP CODE		TEMPERATURE ZONE		ZIP CODE		TEMPERATURE ZONE	
90001 - 90044		Medium		90401 - 90405	Low		
90045	Low			90501 - 90506		Medium	
90046 - 90048		Medium		90510	Low		
90049	Low			90710 - 90717		Medium	
90056-90065		Medium		90731 - 90732	Low		
90066	Low			90744		Medium	
90067 - 90071		Medium		90810 - 90844		Medium	
90073 - 90077	Low			91040 - 91367			High
90089		Medium		91393			High
90094	Low			91401		Medium	
90210 - 90232		Medium		91402			High
90245	Low			91403		Medium	
90247 - 90250		Medium		91405 - 91411			High
90254	Low			91423		Medium	
90260 - 90261		Medium		91436			High
90266 - 90277	Low			91502		Medium	
90278		Medium		91504 - 91505		Medium	
90291 - 90293	Low			91600 - 91607		Medium	
90301 - 90305		Medium					

**Water Procurement Adjustment** - An adjustment of the amount of the bill reflecting variation in the costs of purchased water, in-City pumping, demand side management, and reclaimed water.

**Water Quality Improvement Adjustment** - Recovers expenditures to upgrade water quality in order to equalize it throughout the City and expenditures for facilities approved in order to meet State and Federal water quality standards.

**Water Revenue Adjustment** - Recovers shortage in revenue due to variation in water sales.

**Water Security Adjustment** - Recovers expenditures to secure and protect the water supply, storage, and conveyance infrastructure and related facilities.

**Water Service** - Includes availability of water to a premises through Department facilities and any water supplied through the facilities.



#### **Section 4**

This Ordinance shall become effective on **June 1, 1995**, or upon expiration of thirty (30) days from the publication of this Ordinance, whichever is later.

#### **Section 5**

Upon the effective date of this Ordinance, the rate schedules and all other terms and conditions of this ordinance shall become operative and the rate schedules and all other terms and conditions established by Ordinance No. 168437 and 169771 shall be suspended; provided that the rate schedules, conditions, and provisions which were approved by said ordinances pertaining to service in the City of Los Angeles and contiguous areas shall remain in effect until the rate schedules, conditions, and provisions as provided for herein shall become effective.

Provided, further however, in the event that the imposition of the rates provided for in this ordinance is enjoined, temporarily or permanently, by a court of competent jurisdiction which order materially affects the implementation of this ordinance then upon such determination by the Board of Water and Power Commissioners, the rate schedules, conditions, and provisions provided in Ordinance No. 168437 and 169771 shall be in full force and effect from the effective date of such injunction until said injunction is dissolved or a new rate ordinance is approved by this Council.

#### **Section 6**

The City Council finds that the foregoing amendment of water rates and those rates previously fixed by the Department of Water and Power are for those purposes consistent with the authority established by the Charter and other applicable law.

The approval of said water rates by this Council is exempt from the requirements of the California Environmental Quality Act under the provisions of the Public Resources Code, Section 21080 (b)(8), and this Council makes this claim of exemption pursuant to said section and authorizes claim of exemption to be filed with the appropriate agencies.

#### **Section 7**

That if any section, subsection, sentence, clause, or phrase in this ordinance or the application thereof to any person or circumstance is for any reason held invalid, the validity of the remainder of the ordinance or the application of such provision to other persons or circumstances shall not be affected thereby. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

**Section 8**

That the City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles March 8, 1995, and was passed at the meeting of March 15, 1995.

ELIAS MARTINEZ, City Clerk

Approved March 22, 1995

RICHARD RIORDAN, Mayor

Approved as to Form and Legality

JAMES K. HAHN, City Attorney