

ORDINANCE NO. 184130

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 the Department to its customers, and approving the time and manner of payment for such water and water services.

**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 (Department) of the City of Los Angeles (City) to its customers, heretofore fixed by Resolution No. 016-130, adopted by the Board of Water and Power Commissioners on December 15, 2015, are hereby approved. Such rates and conditions so fixed are as set forth in the following sections.

Sec. 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**

Rate Per  
Hundred Cubic Feet

- a. First Tier Usage Block  
Usage in first tier usage block shall be billed as follows:

Effective Effective Date	\$1.422 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2016	\$1.792 and General Provision F, G, H, K, L, R, and S adjustments

Effective July 1, 2017	\$1.999 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2018	\$2.016 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2019	\$2.095 and General Provision F, G, H, K, L, R, and S adjustments

Monthly First Tier Usage Block In Hundred Cubic Feet
0 – 8

b. Second Tier Usage Block  
 Usage in second tier usage block shall be billed as follows:

Effective Effective Date	\$1.422 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2016	\$1.792 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2017	\$1.999 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2018	\$2.016 and General Provision F, G, H, K, L, R, and S adjustments



Effective July 1, 2017 \$2.746 and  
General Provision F, G,  
H, K, L, R, and S  
adjustments

Effective July 1, 2018 \$2.762 and  
General Provision F, G,  
H, K, L, R, and S  
adjustments

Effective July 1, 2019 \$2.841 and  
General Provision F, G,  
H, K, L, R, and S  
adjustments

Low Season (October 1 through May 31)

Monthly Third Tier Usage Blocks In Hundred Cubic Feet			
Lot Size Group	Temperature Zone		
	Low	Medium	High
1 – 7,499 sq. ft.	12 – 17	12 – 17	12 – 17
7,500 – 10,999 sq. ft.	13 – 20	13 – 20	13 – 20
11,000 – 17,499 sq. ft.	17 – 32	17 – 32	17 – 32
17,500 – 43,559 sq. ft.	19 – 38	19 – 38	19 – 38
43,560 sq. ft. and above	19 – 38	19 – 38	19 – 38

High Season (June 1 through September 30)

Monthly Third Tier Usage Blocks In Hundred Cubic Feet			
Lot Size Group	Temperature Zone		
	Low	Medium	High
1 – 7,499 sq. ft.	15 – 26	16 – 29	18 – 35
7,500 – 10,999 sq. ft.	18 – 35	19 – 38	21 – 44
11,000 – 17,499 sq. ft.	26 – 59	28 – 65	34 – 83
17,500 – 43,559 sq. ft.	30 – 71	33 – 80	40 – 101
43,560 sq. ft. and above	30 – 71	33 – 80	40 – 101

- d. Fourth Tier Usage  
Usage above third tier usage block shall be billed as follows:

Effective Effective Date \$2.168 and  
General Provision F, G,  
H, K, L, R, and S  
adjustments

Effective July 1, 2016	\$2.538 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2017	\$2.746 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2018	\$2.762 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2019	\$2.841 and General Provision F, G, H, K, L, R, and S adjustments

**4. BILLING**

The bill shall be the sum of the charges for first tier usage, including adjustments to first tier usage pursuant to General Provisions F, G, H, K, L, R, and S, charges for any second tier usage, including adjustments to second tier usage pursuant to General Provisions F, G, H, K, L, R, and S, charges for any third tier usage, including adjustments to third tier usage pursuant to General Provisions F, G, H, K, L, R, and S, and charges for any fourth tier usage, including adjustments to fourth tier usage pursuant to General Provisions F, G, H, K, L, R, and S, less one of the 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 ninety percent (90%) of the area is inside the City shall also 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

Usage in first tier usage block shall be billed as follows:

Effective Effective Date	\$1.422 and General Provision F, G, H, K, L, R, and S adjustments
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The first tier usage block shall be the higher of one hundred percent (100%) of the customer's adjusted first tier usage block as of the day prior to the Effective Date or one hundred percent (100%) of the customer's average consumption for the period of December 2014 through March 2015, except that the minimum shall not be less than twenty-four (24) hundred cubic feet per month.

Effective July 1, 2016	\$1.792 and General Provision F, G, H, K, L, R, and S adjustments
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The first tier usage block shall be the higher of ninety-three percent (93%) of the customer's adjusted first tier usage block as of the day prior to the Effective Date or ninety-three percent (93%) of the customer's average consumption for the period of December 2014 through March 2015, except that the minimum shall not be less than twenty-four (24) hundred cubic feet per month.

Effective July 1, 2017	\$1.999 and General Provision F, G, H, K, L, R, and S adjustments
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Effective July 1, 2017	\$3.409 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2018	\$3.425 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2019	\$3.504 and General Provision F, G, H, K, L, R, and S adjustments

**4. BILLING**

The bill shall be the sum of the charges for first tier usage, including adjustments to first tier usage pursuant to General Provisions F, G, H, K, L, R, and S, and charges for any second tier usage, including adjustments to second tier usage pursuant to General Provisions F, G, H, K, L, R, and S.

**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 ninety percent (90%) of the area is inside the City shall also 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.
- d. Special First Tier Usage Block Conditions  
(1) If a customer has not established a first tier usage block as prescribed above, the customer shall pay the first tier

Commodity Charges in effect, including adjustments pursuant to the General Provisions, as prescribed in Section 2.B.3.a., until the end of the subsequent Winter period, December through March. At that time, the average consumption of such Winter period multiplied by the same percentages as prescribed in Section 2.B.3.a. shall be used as the customer's first tier usage block. If, however, the Department is still not able to establish a first tier usage block with such Winter period, first tier usage block computations will be made by the Department in its sole discretion that are based on the customer's Winter use characteristics, site conditions, and all applicable best management practices for conservation approved by the Board of Water and Power Commissioners.

In no event shall the minimum first tier usage block be less than twenty-four (24) hundred cubic feet per month.

- (2) If a customer's average consumption for the prior twelve (12) months is twenty-five percent (25%) or more above the established first tier usage block and the nature of use of the premises has or customer operations at the premises have significantly changed since the establishment of the first tier usage block, first tier usage block computations will be made by the Department in its sole discretion that are based on the customer's Winter use characteristics, site conditions, and all applicable best management practices for conservation approved by the Board of Water and Power Commissioners.

However, the minimum first tier usage block shall not be less than twenty-four (24) hundred cubic feet per month.

- (3) If the Department certifies, after reviewing audit report findings regarding a customer's water conservation measures and results, that such customer has demonstrated implementation of key water conservation measures as established by the Board of Water and Power Commissioners to such a degree that opportunities to further reduce first tier consumption levels have already been exhausted, then, notwithstanding the first tier usage block reductions prescribed in Section 2.B.3.a., such customer's first tier usage block shall remain fixed at the level established upon the date of said certification without further first tier usage block reductions required.

C. SCHEDULE C - COMMERCIAL, INDUSTRIAL, AND GOVERNMENTAL CUSTOMERS AND TEMPORARY CONSTRUCTION

1. APPLICABILITY

Applicable to Commercial, Industrial, Governmental, and Temporary Construction water service 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

Usage in first tier usage block shall be billed as follows:

Effective Effective Date	\$1.422 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2016	\$1.792 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2017	\$1.999 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2018	\$2.016 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2019	\$2.095 and General Provision F, G, H, K, L, R, and S adjustments

The Low Season first tier usage block shall be the higher of one hundred percent (100%) of the customer's adjusted first tier usage block as of the day prior to the Effective Date or one hundred percent (100%) of the average consumption for the period of December 2014 through March 2015.

The High Season first tier usage block shall be the higher of one hundred five percent (105%) of the customer's adjusted first tier usage block as of the day prior to the Effective Date or one hundred five percent (105%) of the average consumption for the period of December 2014 through March 2015.

b. Second Tier Usage

Usage above the first tier usage block shall be billed as follows:

Effective Effective Date	\$2.923 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2016	\$3.292 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2017	\$3.500 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2018	\$3.516 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2019	\$3.595 and General Provision F, G, H, K, L, R, and S adjustments

**4. BILLING**

The bill shall be the sum of the charges for first tier usage, including adjustments to first tier usage pursuant to General Provisions F, G, H, K, L, R, and S, and charges for any second tier usage, including adjustments to second tier usage pursuant to General Provisions F, G, H, K, L, R, and S.

**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 ninety percent (90%) of the area is inside the City shall also 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.
- d. Special First Tier Usage Block Conditions
  - (1) If a customer has not established a first tier usage block as prescribed above, the customer shall pay the first tier Commodity Charges in effect, including adjustments pursuant to the General Provisions, as prescribed in Section 2.C.3.a., until the end of the subsequent Winter period, December through March. At that time, the average consumption of such Winter period multiplied by the same percentages as prescribed in Section 2.C.3.a. shall be used as the customer's first tier usage block for the Low Season and High Season, respectively. If, however, the Department is still not able to establish a first tier usage block with such Winter period, first tier usage block computations for the Low Season and High Season will be made by the Department in its sole discretion that are based on the customer's Winter use characteristics, site conditions, and all applicable best

management practices for conservation approved by the Board of Water and Power Commissioners.

- (2) If a customer's average Low Season consumption is twenty-five percent (25%) or more above the established Low Season first tier usage block and the nature of use of the premises has or customer operations at the premises have significantly changed since the establishment of the Low Season first tier usage block, first tier usage block computations for Low Season and High Season will be made by the Department in its sole discretion that are based on the customer's Winter use characteristics, site conditions, and all applicable best management practices for conservation approved by the Board of Water and Power Commissioners.

**D. SCHEDULE D - RECYCLED WATER SERVICE**

**1. APPLICABILITY**

Applicable to all retail recycled water service and to wholesale recycled 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 Recycled 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 recycled water wherein the commodity charge for recycled water was set at a rate equal to eighty percent (80%) 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 recycled water in existing contracts for the sale of recycled water, the commodity charge in Section 2.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, K, L, R, and S 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 recycled 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 Charges as a Treatment Surcharge. However, except for Advanced Treated Recycled Water, the sum of such Surcharge and the Commodity Charges shall not exceed the Commodity Charges in effect under Section 2.A.3.a., excluding adjustments pursuant to the General Provisions F, G, H, K, L, R, and S.
- d. Obligation to Supply Recycled Water  
The Department will provide recycled 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 recycled 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 or uniform quality of recycled water; therefore, the customer must have a separate service connection for potable water.
- f. Wholesale Recycled 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

Charge per Service

<u>Size of Service</u>	<u>Effective Effective Date</u>	<u>Effective July 1, 2016</u>	<u>Effective July 1, 2017</u>	<u>Effective July 1, 2018</u>	<u>Effective July 1, 2019</u>
1-inch and smaller	\$ 3.15	\$ 3.20	\$ 3.26	\$ 3.33	\$ 3.39
1-1/2 inch	\$ 11.18	\$ 11.35	\$ 11.57	\$ 11.80	\$ 12.04
2-inch	\$ 15.88	\$ 16.13	\$ 16.44	\$ 16.77	\$ 17.10
3-inch	\$ 39.11	\$ 39.73	\$ 40.49	\$ 41.30	\$ 42.12
4-inch	\$ 62.33	\$ 63.33	\$ 64.53	\$ 65.82	\$ 67.14
6-inch	\$ 110.22	\$ 111.98	\$ 114.11	\$ 116.39	\$ 118.72
8-inch	\$ 215.79	\$ 219.24	\$ 223.41	\$ 227.87	\$ 232.43
10-inch	\$ 259.88	\$ 264.04	\$ 269.06	\$ 274.44	\$ 279.93
12-inch	\$ 334.13	\$ 339.48	\$ 345.93	\$ 352.85	\$ 359.90
14-inch	\$ 519.77	\$ 528.08	\$ 538.12	\$ 548.88	\$ 559.85
16-inch	\$ 621.86	\$ 631.81	\$ 643.82	\$ 656.69	\$ 669.83
20-inch	\$ 834.17	\$ 847.51	\$ 863.62	\$ 880.89	\$ 898.51

b. Commodity Charges

Rate Per Hundred Cubic Feet

Effective Effective Date

\$1.422 and General Provision F, G, H, K, L, R, and S adjustments

Effective July 1, 2016	\$1.792 and General Provision F, G, H,K, L, R, and S adjustments
Effective July 1, 2017	\$1.999 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2018	\$2.016 and General Provision F, G, H, K, L, R, and S adjustments
Effective July 1, 2019	\$2.095 and General Provision F, G, H, K, L, R, and S adjustments

**4. BILLING**

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

**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**

- a. First Tier Usage Block  
Usage in first tier usage block shall be billed as follows:

	<u>Rate Per Hundred Cubic Feet</u>
Effective Effective Date	\$2.108 (Includes \$1.422 Base Rate)
Effective July 1, 2016	\$2.831 (Includes \$1.792 Base Rate)
Effective July 1, 2017	\$3.498 (Includes \$1.999 Base Rate)
Effective July 1, 2018	\$4.363 (Includes \$2.016 Base Rate)
Effective July 1, 2019	\$2.095 and General Provision F, G, H, K, L, R, and S adjustments

Monthly first tier usage blocks shall be established by the Department for domestic water use and landscape and large area irrigation prescribed in this Schedule F 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 shall be billed as follows:

	<u>Rate Per Hundred Cubic Feet</u>
Effective Effective Date	\$6.780 (Includes \$2.923 Base Rate)
Effective July 1, 2016	\$8.257 (Includes \$3.292 Base Rate)
Effective July 1, 2017	\$8.183 (Includes \$3.500 Base Rate)
Effective July 1, 2018	\$8.433 (Includes \$3.516 Base Rate)
Effective July 1, 2019	\$3.595 and General Provision F, G, H, K, L, R, and S adjustments

#### 4. BILLING

- a. The bill shall be the sum of the charges for first tier usage, including adjustments to first tier usage pursuant to General Provisions F, G, H, K, L, R, and S where specified, and charges for any second tier usage, including adjustments to second tier usage pursuant to General Provisions F, G, H, K, L, R, and S where specified.
- b. Through June 30, 2019, the revenue billed to Schedule F customers that is attributable to the difference between the Schedule F rate and its Base Rate component as recorded semiannually shall be proportionately allocated to the adjustments in General Provision F, G, H, K, L, R, and S according to those adjustments' respective shares when calculated without such revenue.

#### 5. 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 as prescribed in Section 2.F.1.d. above.
  
- c. Recycled Water  
Customers receiving service under Schedule F shall be required to utilize recycled water, when available. Customers utilizing recycled water due to this requirement shall continue to be billed under this Schedule unless they choose to be billed under Schedule D. If the recycled water is available to a customer but not utilized, such a customer 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.
  
- e. 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.
  
- f. 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 also 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.



Sec. 3. That the general provisions relating to water and water service supplied under schedules prescribed herein are as follows:

### **GENERAL PROVISIONS**

#### **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. INTENTIONALLY LEFT BLANK**

#### **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 SUPPLY COST ADJUSTMENT

1. A Water Supply Cost Adjustment (WSCA) shall be included in the first and second tier rates as set forth in Schedules A, B, C, and F, in the third and fourth tier rates as set forth in Schedule A, and in the Schedule E rate; and shall be included in bills under each service schedule and any contract where it is so specified. The WSCA recovers Los Angeles Aqueduct (LAA), purchased water (PW), groundwater (GW), recycled water (RW), water conservation (WC), and any additional water supply source expenses through application of the Water Supply Cost Adjustment Factor (WSCAF) and may vary according to the tiers of customers' rates.
2. The WSCAF shall be calculated two times each year and shall take effect January 1 and July 1, respectively. The WSCAF shall also be calculated and take effect upon the Effective Date. The following estimated expenses, as approved by the Board of Water and Power Commissioners in advance for inclusion in the WSCAF, shall be included in the respective calculation of the WSCAF:
  - (a) The estimated LAA expense for 12 months commencing with the effective date of the WSCAF. This expense shall include estimated depreciation expense, interest expense or equivalent, operating and maintenance expense, and property taxes, and shall be reduced by net revenue generated from the LAA facilities.
  - (b) The estimated purchased water expense for 12 months commencing with the effective date of the WSCAF. 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 suppliers.
  - (c) The estimated groundwater expense for 12 months commencing with the effective date of the WSCAF. This expense shall include estimated depreciation expense, interest expense or equivalent, and cost for operation and maintenance for in-City groundwater and related booster pumping.
  - (d) The estimated recycled water expense for 12 months commencing with the effective date of the WSCAF. This expense shall include costs of purchasing recycled water and costs of producing recycled water, including capital expenditures, operating and maintenance expense, costs of stormwater capture and aquifer recharge, and debt service for facilities and systems, including pipelines and pumping and treatment stations, which are part of the Department's water recycling projects and programs.

- (e) The estimated water conservation expense for 12 months commencing with the effective date of the WSCAF. This expense shall include costs for assets not securitized and that are 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, and operating and maintenance expense, which are part of those programs or projects designed to reduce the use of water.
- (f) The estimated expense for 12 months commencing with the effective date of the WSCAF of any additional source of water supply not described herein.

3. The Unit Price for each water supply source in the WSCAF calculation shall be calculated as follows:

(a) Price for LAA = 
$$\frac{\text{LAA expense from Sec. 3.F.2.(a)}}{\text{LAA production units}}$$

(b) Price for PW = 
$$\frac{\text{PW expense from Sec. 3.F.2.(b)}}{\text{PW production units}}$$

(c) Price for GW = 
$$\frac{\text{GW expense from Sec. 3.F.2.(c)}}{\text{GW production units}}$$

(d) Price for RW = 
$$\frac{\text{RW expense from Sec. 3.F.2.(d)}}{\text{RW production units}}$$

(e) Price for additional source(s) = 
$$\frac{\text{expense from Sec. 3.F.2.(f) for a source}}{\text{production units of that source}}$$

(f) Price for WC = 
$$\frac{\text{WC expense from Sec. 3.F.2.(e)}}{\text{Retail Sales}}$$

(g) Unit Cost for Over/(Under) Balancing = 
$$\frac{\text{Water Supply Cost Adjustment Account from Sec. 3.F.6}}{\text{Retail Sales}}$$

Where: production units of each supply source are estimated production in HCF, net of loss, for 12 months commencing with the effective date of WSCAF, and Retail Sales are the estimated retail water sales in HCF for 12 months commencing with the effective date of the WSCAF, less

Schedule D and F sales but only excluding Schedule F sales through June 30, 2019.

4. The WSCAF that will be applied to a particular tier of a customer's usage is calculated based on sources of supply, beginning with the first tier and continuing in numerical order. A tier's expected annual demand is supplied starting with the least expensive available source and continuing in order with the next more expensive available source until that tier's expected annual demand is met.

S1 = lowest cost supply source  
 S2 = next higher cost supply source  
 S3 = next higher cost supply source  
 S4 = next higher cost supply source  
 Sn = next supply source(s) with the highest cost  
 (i.e., S5, S6, or S7 for fifth, sixth, or seventh supply source, respectively, and so on until no sources remain)

5. The WSCAF formula for each tier, expressed to the nearest \$0.001 per HCF, is:

**A – First Tier (T1) Demand                      B – Second Tier (T2) Demand**  
**C – Third Tier (T3) Demand                    D – Fourth Tier (T4) Demand**  
**SP – unit price of the water supply source (i.e., SP1 for unit price for lowest cost supply source and SPn is the unit price of the next supply source(s) with the highest cost)**

$$T1 = \frac{S1 \text{ to meet } A}{A} \times SP1 + \frac{S2 \text{ for unmet } A \text{ by } S1}{A} \times SP2 + \frac{S3 \text{ for unmet } A \text{ by } S1,2}{A} \times SP3 + \frac{S4 \text{ for unmet } A \text{ by } S1,2,3}{A} \times SP4 + \frac{Sn \text{ for unmet } A \text{ by } S1-4, \text{ etc.}}{A} \times SPn + \text{Sec. 3.F.3.(f)} + \text{Sec. 3.F.3.(g)}$$

$$T2 = \frac{S1 \text{ to meet } B}{B} \times SP1 + \frac{S2 \text{ for unmet } B \text{ by } S1}{B} \times SP2 + \frac{S3 \text{ for unmet } B \text{ by } S1,2}{B} \times SP3 + \frac{S4 \text{ for unmet } B \text{ by } S1,2,3}{B} \times SP4 + \frac{Sn \text{ for unmet } B \text{ by } S1-4, \text{ etc.}}{B} \times SPn + \text{Sec. 3.F.3.(f)} + \text{Sec. 3.F.3.(g)}$$

$$\begin{aligned}
T3 = & \frac{S1 \text{ to meet } C}{C} \times SP1 + \frac{S2 \text{ for unmet } C \text{ by } S1}{C} \times SP2 + \\
& \frac{S3 \text{ for unmet } C \text{ by } S1,2}{C} \times SP3 + \frac{S4 \text{ for unmet } C \text{ by } S1,2,3}{C} \times SP4 + \\
& \frac{Sn \text{ for unmet } C \text{ by } S1-4, \text{etc.}}{C} \times SPn + \text{Sec. 3.F.3.(f)} + \text{Sec. 3.F.3.(g)} \\
T4 = & \frac{S1 \text{ to meet } D}{D} \times SP1 + \frac{S2 \text{ for unmet } D \text{ by } S1}{D} \times SP2 + \\
& \frac{S3 \text{ for unmet } D \text{ by } S1,2}{D} \times SP3 + \frac{S4 \text{ for unmet } D \text{ by } S1,2,3}{D} \times SP4 + \\
& \frac{Sn \text{ for unmet } D \text{ by } S1-4, \text{etc.}}{D} \times SPn + \text{Sec. 3.F.3.(f)} + \text{Sec. 3.F.3.(g)}
\end{aligned}$$

6. A Water Supply Cost Adjustment Account shall be maintained by the Department on a semiannual basis. Entries to this account shall include:
- (a) An amount equal to the qualified LAA expenses identified in Section 3.F.2.(a) as recorded semiannually.
  - (b) An amount equal to the qualified purchased water expenses identified in Section 3.F.2.(b) as recorded semiannually.
  - (c) An amount equal to the qualified groundwater expenses identified in Section 3.F.2.(c) as recorded semiannually.
  - (d) An amount equal to the qualified recycled water expenses identified in Section 3.F.2.(d) as recorded semiannually.
  - (e) An amount equal to the qualified water conservation expenses identified in Section 3.F.2.(e) as recorded semiannually.
  - (f) An amount equal to the qualified additional water supply source expenses identified in Section 3.F.2.(f) as recorded semiannually.
  - (g) An amount equal to the uncollectible WSCA portion of customer water bills as recorded semiannually.

- (h) Less: An amount equal to revenue billed at the first, second, third and fourth tier rates that is attributable to the WSCAF as recorded semiannually.
- (i) Less: Through June 30, 2019, an amount equal to revenue billed to Schedule F customers that is allocated to the WSCA as recorded semiannually.
- (j) Less: An amount equal to revenue billed to Schedule D customers as recorded semiannually.
- (k) On the Effective Date, an amount equal to the sum of the balances of the Purchased Water Adjustment Account and Demand Side Management and Reclaimed Water Cost Adjustment Account of the City of Los Angeles Water Rate Ordinance No. 170435, as amended.

7. Special Condition

In the event securitization of assets is not feasible, the limitation in Section 3.F.2.(e) to assets not securitized is deleted, and the Department may fund all qualifying water conservation expenses through borrowing up to the percentage specified in the capitalization ratio approved by the Board of Water and Power Commissioners.

**G. WATER QUALITY IMPROVEMENT ADJUSTMENT**

- 1. A Water Quality Improvement Adjustment (WQIA) shall be included in the first and second tier rates as set forth in Schedules A, B, C, and F, in the third and fourth tier rates as set forth in Schedule A, and in the Schedule E rate; and shall be included in bills under each service schedule and any contract where it is so specified. The WQIA recovers water quality related expense in order to equalize water quality throughout the City, to meet State and Federal water quality standards, and to provide security for water supply, storage, and conveyance infrastructure and related facilities through application of the Water Quality Improvement Adjustment Factor.
- 2. The Water Quality Improvement Adjustment Factor (WQIAF) shall be calculated two times each year and shall take effect January 1 and July 1, respectively. The WQIAF shall also be calculated and take effect upon the Effective Date.

The WQIAF formula, expressed to the nearest \$0.001 per HCF, is:

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

Where:

- (a) is the estimated water quality related expense for 12 months commencing with the effective date of the WQIAF. This expense shall include costs for assets not securitized and that are incurred for capital expenditures, operating and maintenance expense, and debt service associated with construction, equipment, supplies, groundwater treatment for potable use, and 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, to meet State and Federal mandated water quality standards, or to provide security for water supply, storage, and conveyance infrastructure and related facilities, which expense has been approved in advance by the Board of Water and Power Commissioners to be included in the WQIAF.
  - (b) is the balance in the WQIA Account.
  - (c) is the estimated retail water sales in HCF for 12 months commencing with the effective date of the WQIAF, less Schedule D and F sales but only excluding Schedule F sales through June 30, 2019.
3. A Water Quality Improvement Adjustment Account shall be maintained by the Department on a semiannual basis. Entries to this account shall include:
- (a) An amount equal to the qualified water quality related expenses identified in Section 3.G.2.(a) as recorded semiannually.
  - (b) An amount equal to the uncollectible WQIA portion of customer water bills as recorded semiannually.
  - (c) Less: An amount equal to revenue billed at the first, second, third and fourth tier rates that is attributable to the WQIAF as recorded semiannually.
  - (d) Less: Through June 30, 2019, an amount equal to revenue billed to Schedule F customers that is allocated to the WQIAF as recorded semiannually.
  - (e) On the Effective Date, an amount equal to the sum of the balances of the Water Quality Improvement Adjustment Factor and the Water

Security Adjustment Account of the City of Los Angeles Water Rate Ordinance No. 170435, as amended.

4. Special Condition

In the event securitization of assets is not feasible, the limitation in Section 3.G.2.(a) to assets not securitized is deleted, and the Department may fund all qualifying water quality related expenses through borrowing up to the percentage specified in the capitalization ratio approved by the Board of Water and Power Commissioners.

**H. BASE RATE REVENUE TARGET ADJUSTMENT**

1. A Base Rate Revenue Target Adjustment (BRRTA) recovers any shortage in revenue from Base Rates or credits back any excess collection of revenue from Base Rates due to variation in water sales from projections through application of the Base Rate Revenue Target Adjustment Factor (BRRTAF). Base Rate Revenue Targets (BRRT) for revenue from Base Rates of Schedule A, Schedule B, and the combination of all other rate schedules (Others) are established for the following fiscal years commencing on July 1:

2.

<i>(\$ in Millions)</i>	<b>Schedule A</b>	<b>Schedule B</b>	<b>Others</b>
<b>Fiscal Year 15/16</b>	\$134.4	\$101.7	\$106.1
<b>Fiscal Year 16/17</b>	\$175.7	\$137.7	\$122.7
<b>Fiscal Year 17/18</b>	\$195.9	\$153.6	\$136.5
<b>Fiscal Year 18/19</b>	\$197.5	\$154.8	\$138.0
<b>Fiscal Year 19/20</b>	\$204.8	\$160.6	\$142.5

Any of the BRRTs for Fiscal Year 2018/19 and Fiscal Year 2019/20 stated above could be increased or decreased by the Board of Water and Power Commissioners in accordance with Section 4 of this ordinance. For Fiscal Year 2020/21, and fiscal years thereafter, commencing on July 1, BRRTs for Schedule A, Schedule B, and Others shall be established by the Board of Water and Power Commissioners by resolution prior to the start of the respective fiscal year. The increase in percentage of any BRRT established by the Board of Water and Power Commissioners from the prior period's BRRT shall not exceed the percentage change, year over year, of the second quarter's seasonally adjusted Gross Domestic Product Implicit Price Deflator (GDPDEF), as published by the U.S. Department of Commerce Bureau of Economic Analysis, using 2009 as the reference base, for the calendar year preceding the fiscal year for which the BRRT is



being established, less two percent (2%), but the net amount shall in no event be less than zero. The approved BRRT shall be communicated to the City Council.

2. The BRRTAF shall be calculated once each year and take effect January 1. The BRRTAF shall also be calculated and take effect upon the Effective Date. The BRRTAF shall be calculated separately for Schedule A, Schedule B, and Others.

The BRRTAF formula for Schedule A, expressed to the nearest \$0.001 per HCF, is:

$$BRRTAF_A = \frac{(a)}{(b)}$$

Where:

- (a) is the balance in the BRRTA Account for Schedule A.
- (b) is the estimated retail water sales in HCF for Schedule A for 12 months commencing with the effective date of the BRRTAF, provided, however, on the Effective Date and on January 1, 2017, is the estimated retail water sales in HCF for Schedule A for 24 months commencing with the effective date of the BRRTAF.

The BRRTAF formula for Schedule B, expressed to the nearest \$0.001 per HCF, is:

$$BRRTAF_B = \frac{(a)}{(b)}$$

Where:

- (a) is the balance in the BRRTA Account for Schedule B.
- (b) is the estimated retail water sales in HCF for Schedule B for 12 months commencing with the effective date of the BRRTAF, provided, however, on the Effective Date and on January 1, 2017, is the estimated retail water sales in HCF for Schedule B for 24 months commencing with the effective date of the BRRTAF.

The BRRTAF formula for Others, expressed to the nearest \$0.001 per HCF, is:

$$BRRTAF_{Others} = \frac{(a)}{(b)}$$

Where:

- (a) is the balance in the BRRTA Account for Others.
  - (b) is the estimated retail water sales in HCF for Others for 12 months commencing with the effective date of the BRRTAF, less Schedules D and F sales but only excluding Schedule F sales through June 30, 2019; provided, however, on the Effective Date and on January 1, 2017, is the estimated retail water sales in HCF for Others for 24 months commencing with the effective date of the BRRTAF, less Schedules D and F sales.
3. A BRRTA Account shall be maintained for Schedule A by the Department on an annual basis. Entries to this account shall include:
- (a) Except on the Effective Date, an amount equal to the Base Rate Revenue Target of the prior fiscal year for Schedule A less the actual Base Rates revenue received by the Department from Schedule A customers for that fiscal year.
  - (b) Except on the Effective Date, an amount equal to the uncollectible BRRTA portion of Schedule A customer water bills as recorded for that fiscal year.
  - (c) On the Effective Date, an amount equal to the balance of the Water Revenue Adjustment Account of the City of Los Angeles Water Rate Ordinance No. 170435, as amended, attributable to Schedule A.
4. A BRRTA Account shall be maintained for Schedule B by the Department on an annual basis. Entries to this account shall include:
- (a) Except on the Effective Date, an amount equal to the Base Rate Revenue Target of the prior fiscal year for Schedule B less the actual Base Rates revenue received by the Department from Schedule B customers for that fiscal year.
  - (b) Except on the Effective Date, an amount equal to the uncollectible BRRTA portion of Schedule B customer water bills as recorded for that fiscal year.
  - (c) On the Effective Date, an amount equal to the balance of the Water Revenue Adjustment Account of the City of Los Angeles Water Rate Ordinance No. 170435, as amended, attributable to Schedule B.

5. A BRRTA Account shall be maintained for Others by the Department on an annual basis. Entries to this account shall include:
  - (a) Except on the Effective Date, an amount equal to the Base Rate Revenue Target of the prior fiscal year for Others less the actual Base Rates revenue received by the Department from Others for that fiscal year.
  - (b) Except on the Effective Date, an amount equal to the uncollectible BRRTA portion of water bills for Others as recorded for that fiscal year.
  - (c) Less: Through June 30, 2019, except on the Effective Date, an amount equal to revenue billed to Schedule F customers that is allocated to the BRRTA as recorded semiannually.
  - (d) On the Effective Date, an amount equal to the balance of the Water Revenue Adjustment Account of the City of Los Angeles Water Rate Ordinance No. 170435, as amended, attributable to Others.

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K. OWENS VALLEY REGULATORY ADJUSTMENT

1. An Owens Valley Regulatory Adjustment (OVRA) shall be included in the first and second tier rates as set forth in Schedules A, B, C, and F, in the third and fourth tier rates as set forth in Schedule A, and in the Schedule E rate; and shall be included in bills under each service schedule and any contract where it is so specified. OVRA recovers expense for the Owens Lake Dust Mitigation Program, the Lower Owens River Project, and the Owens Lake Master Project through application of the Owens Valley Regulatory Adjustment Factor.
2. The Owens Valley Regulatory Adjustment Factor (OVRAF) shall be calculated two times each year and shall take effect January 1 and July 1, respectively. The OVRAF shall also be calculated and take effect upon the Effective Date.

The OVRAF formula, expressed to the nearest \$0.001 per HCF, is:

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

Where:

- (a) is the estimated Owens Valley regulatory expense for 12 months commencing with the effective date of the OVRAF. This expense shall include costs for assets not securitized and that are incurred for capital expenditures, operating and maintenance expense, and debt service associated with infrastructure and related facilities, which are a part of the Owens Lake Dust Mitigation Program, the Lower Owens River Project, and the Owens Lake Master Project, which expense has been approved in advance by the Board of Water and Power Commissioners to be included in the OVRAF.
  - (b) is the balance in the OVRA Account.
  - (c) is the estimated retail water sales in HCF for twelve months commencing with the effective date of the OVRAF, less Schedule D and Schedule F but only excluding Schedule F sales through June 30, 2019.
3. An Owens Valley Regulatory Adjustment Account shall be maintained by the Department on a semiannual basis. Entries to this account shall include:
- (a) An amount equal to the qualified Owens Valley regulatory expenses identified in Section 3.K.2.(a) as recorded semiannually.
  - (b) An amount equal to the uncollectible OVRA portion of customer water bills as recorded semiannually.
  - (c) Less: An amount equal to revenue billed at the first, second, third, and fourth tier rates that is attributable to the OVRAF as recorded semiannually.
  - (d) Less: Through June 30, 2019, an amount equal to revenue billed to Schedule F customers that is allocated to the OVRAF as recorded semiannually.
  - (e) On the Effective Date, an amount equal to the balance of the OVRA Account of the City of Los Angeles Water Rate Ordinance No. 170435, as amended.
4. Special Condition

In the event securitization of assets is not feasible, the limitation in Section 3.K.2.(a) to assets not securitized is deleted, and the Department may fund all qualifying Owens Valley regulatory expenses through borrowing

up to the percentage specified in the capitalization ratio approved by Board of Water and Power Commissioners.

**L. LOW-INCOME SUBSIDY ADJUSTMENT**

1. A Low-Income Subsidy Adjustment (LISA) shall be included in the first and second tier rates as set forth in Schedules A, B, C, and F, in the third and fourth tier rates as set forth in Schedule A, and in the Schedule E rate except for those customers qualified for lifeline and low-income subsidy credits. The 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 two times each year and shall take effect January 1 and July 1, respectively. The LISAF shall also be calculated and take effect upon the Effective Date.

The LISAF formula, expressed to the nearest \$0.001 per HCF, is:

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

Where:

- (a) is 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.
  - (b) is the estimated administrative cost related to water low-income and lifeline programs for 12 months commencing with the effective date of the LISAF.
  - (c) is the balance in the LISA Account.
  - (d) is the estimated retail water sales in HCF for 12 months commencing with the effective date of the LISAF, less Schedule D, Schedule F, and low-income and lifeline customer sales but only excluding Schedule F sales through June 30, 2019.
3. A Low-Income Subsidy Adjustment Account shall be maintained by the Department on a semiannual basis. Entries to this account shall include:
    - (a) An amount equal to the cost of credits for lifeline and low-income customers provided in General Provisions O and P as recorded semiannually.

- (b) An amount equal to the administrative cost for the lifeline and low-income programs as recorded semiannually.
- (c) Less: An amount equal to revenue billed at the first, second, third and fourth tier rates that is attributable to the LISAF as recorded semiannually.
- (d) Less: Through June 30, 2019, an amount equal to revenue billed to Schedule F customers that is allocated to the LISA as recorded semiannually.
- (e) On the Effective Date, an amount equal to the balance of the LISA Account of the City of Los Angeles Water Rate Ordinance No. 170435, as amended.

4. Special Condition

The LISAF shall be calculated as set forth above, but no increase of the adjustment from the prior period's adjustment shall exceed \$0.030 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 ninety-five 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**

Schedule B and C customers that have 26 or more billing units of consumption above their first tier usage block and who also have a consumption above two hundred 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 five 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. Eligible customers who elect to receive the subsidy under General Provision O shall not receive any subsidy under General Provision P.

**P. LOW-INCOME SUBSIDY**

Applicable to Schedule A residential water customers and residential customers submetered in accordance with General Provision T 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 monthly 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.

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**R. WATER INFRASTRUCTURE ADJUSTMENT**

1. The Water Infrastructure Adjustment (WIA) shall be included in the first and second tier rates as set forth in Schedules A, B, C, and F, in the third and fourth tier rates as set forth in Schedule A, and in the Schedule E rate; and shall be included in bills under each service schedule and any contract where it is so specified. The WIA recovers capital costs associated specifically with infrastructure investments to maintain and improve the reliability of the water distribution system through application of the Water Infrastructure Adjustment Factor.
2. The Water Infrastructure Adjustment Factor (WIAF) shall be calculated once each year and shall take effect July 1. The WIAF shall also be calculated and take effect upon the Effective Date.

The WIAF formula, expressed to the nearest \$0.001 per HCF, is:

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

Where:

- (a) is the estimated water infrastructure related expense for 12 months commencing with the effective date of the WIAF. This expense shall include costs incurred for capital expenditures and debt service associated with construction, which are associated specifically with infrastructure investments to maintain and improve the reliability of the water distribution system, which expense has been approved in advance by the Board of Water and Power Commissioners to be included in the WIAF.
  - (b) is the balance in the WIA Account.
  - (c) is the estimated retail water sales in HCF for 12 months commencing with the effective date of the WIAF, less Schedule D and F sales but only excluding Schedule F sales through June 30, 2019.
3. A Water Infrastructure Adjustment Account shall be maintained by the Department on an annual basis. Entries to this account shall include:
    - (a) An amount equal to the qualified water infrastructure related expenses identified in Section 3.R.2.(a) above as recorded annually.



- (b) An amount equal to the uncollectible WIA portion of customer water bills as recorded annually.
- (c) Less: An amount equal to revenue billed at the first, second, third and fourth tier rates that is attributable to the WIAF as recorded annually.
- (d) Less: Through June 30, 2019, an amount equal to revenue billed to Schedule F customers that is allocated to the WIAF as recorded annually.

**S. WATER EXPENSE STABILIZATION ADJUSTMENT**

1. The Water Expense Stabilization Adjustment (WESA) shall be included in the first and second tier rates as set forth in Schedules A, B, C, and F, in the third and fourth tier rates as set forth in Schedule A, and in the Schedule E rate; and shall be included in bills under each service schedule and any contract where it is so specified. The WESA recovers any shortage between the target determined by the Chief Financial Officer for the Water System Expense Stabilization Fund and the fund's balance in order to stabilize rates in the event of unforeseen events impacting water service delivery and also the expense for legal and court costs or any judgment or settlement through application of the Water Expense Stabilization Adjustment Factor (WESAF). Except for revenue collected and uncollectible amounts that are attributable to Section 3.S.2.(b) below, revenue collected that is attributable to the WESAF shall be deposited into the Water System Expense Stabilization Fund.
2. The Water Expense Stabilization Adjustment Factor shall be calculated once each year and take effect on January 1. The WESAF shall also be calculated and take effect upon the Effective Date.

The WESAF formula, expressed to the nearest \$0.001 per HCF, is:

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

Where:

- (a) is the balance in the WESA Account.
- (b) is the estimated expense for legal and court costs or any judgment or settlement including interest payments thereon for 12 months commencing with the effective date of the WESAF.
- (c) is the estimated retail water sales in HCF for 12 months commencing with the effective date of the WESAF, less Schedule

D and F sales but only excluding Schedule F sales through June 30, 2019.

3. A WESA Account shall be maintained by the Department on an annual basis. Entries to this account shall include:
  - (a) An amount equal to the Water System Expense Stabilization Fund target determined by the Chief Financial Officer of the Department less the balance of the Water System Expense Stabilization Fund. The net amount for this 3.(a) shall in no event be less than zero.
  - (b) An amount equal to the qualified expenses for legal and court costs or any judgment or settlement including interest payments thereon identified in Section 3.S.2.(b) as recorded annually.
  - (c) An amount equal to the uncollectible WESA portion of customer water bills as recorded annually.
  - (d) Less: An amount equal to revenue billed for the first, second, third, and fourth tier rates that is attributable to the WESAF as recorded annually.
  - (e) Less: Through June 30, 2019, an amount equal to revenue billed to Schedule F customers that is allocated to the WESAF as recorded annually.

**T. 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 O and P, 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.

**U. DEFINITIONS**

For purposes of this ordinance, the following definitions shall apply:

**Advanced Treated Recycled Water** - Recycled water that has undergone processing, including, but not limited to, membrane filtration, reverse osmosis, and advanced oxidation, beyond that of disinfected **tertiary** recycled water as defined by Section 60301.230 of Title 22 of the California Code of Regulations and any amendments to or replacements of that section.

**Base Rate** - A portion of a rate other than the adjustments.

**Base Rate Revenue Target Adjustment** - Recovers any shortage in revenue from Base Rates or credits back any excess collection of revenue from Base Rates due to variation in water sales from projections.

**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.

**Effective Date** - The later of April 1, 2016, or the earliest possible effective date of this ordinance.

**First Tier Rates** - Rates for water usage within the first tier usage blocks as specified in applicable Rate Schedules and for Rate Schedule E water usage, including General Provision adjustments where applicable.

**Fourth Tier Rates** - Rates for water usage above third tier usage blocks as specified in Schedule A, including General Provision 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 September 30.

**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** - October 1 through May 31.

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

**Owens Valley Regulatory Adjustment** - Recovers expense for the Owens Lake Dust Mitigation Program, the Lower Owens River Project, and the Owens Lake Master Project.

**Potable Water** - Water that meets the quality standards prescribed in the U.S. Public Health Service Drinking Water Standards, published in Title 40, Chapter I, Subchapter D, Parts 141, 142, and 143, of the Code of Federal Regulations, or water which is approved for drinking purposes by the State or local authority having jurisdiction.

**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.

**Recycled Water** (Also known as reclaimed water) - Treated wastewater or stormwater that is suitable for a direct beneficial use or a controlled use that would not otherwise be possible without treatment.

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

**Second Tier Rates** - Rates for water usage within second tier usage blocks as specified in Rate Schedules, including General Provision 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.

**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			

**Third Tier Rates** - Rates for water usage within third tier usage blocks as specified in Schedule A, including General Provision adjustments where applicable.

**Water Expense Stabilization Adjustment** - Recovers any shortage between the target for the Water System Expense Stabilization Fund and the fund's balance in order to stabilize rates in the event of unforeseen events impacting water service delivery and also expense for legal and court costs or any judgment or settlement.

**Water Infrastructure Adjustment** - Recovers capital costs associated specifically with infrastructure investments to maintain and improve the reliability of the water distribution system.

**Water Supply Cost Adjustment** - Recovers Los Angeles Aqueduct, purchased water, groundwater, recycled water, water conservation, and any additional water supply source expenses.

**Water Quality Improvement Adjustment** - Recovers water quality related expense in order to equalize water quality throughout the City, to meet State and Federal water quality standards, and to provide security for 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.

**Winter** - The months of December, January, February, and March.

Sec. 4. That reports shall be provided and interim rate reviews be conducted as described in this section. Nothing in this section shall be construed to limit the authority of the Office of Public Accountability granted to that office by the City Charter or City Administrative Code.

#### Establishing Key Performance Metrics and Targets

The Board of Water and Power Commissioners shall by resolution establish, for purposes of this section, the key performance metrics to evaluate the Department's progress toward its operational, financial, strategic, and policy goals or parameters (Board Metrics). The Board of Water and Power Commissioners shall also by resolution establish, for the Board Metrics, the corresponding targets and estimated potential variances from the targets that represent the Department's acceptable progress toward its operational, financial, strategic, and policy goals or parameters.

The initial set of Board Metrics is identified below, and the corresponding targets and estimated potential variances from the targets for this initial set shall be adopted by the Board of Water and Power Commissioners prior to the effective date of this ordinance.

The Board of Water and Power Commissioners may by resolution modify the Board Metrics, which modifications shall include, but not be limited to, the following: the metrics selected, corresponding targets, and the estimated potential variation from the targets. The Office of Public Accountability shall be notified by the Department of any proposed modification of the Board Metrics at least thirty (30) days prior to the modification of the Board Metrics and shall provide a written report to the Board of Water and Power Commissioners assessing the proposed modification.

<b>Related Rate Adjustment Factor</b>	<b>Board Metric</b>	<b>Definition</b>
None	Human Resources Budget vs. actual (\$M)	Board Approved Annual Budget vs. Actual expenditures
	Human Resources Total Full Time Equivalent (FTEs) against plan	Total number of full time equivalent positions occupied vs. annual Authorized Personnel Resolution
	Financial and Human Resources Replacement Project total spending against plan	Board Approved Annual Budget vs. Actual expenditures
	Financial and Human Resources Replacement Project progress against schedule	Project milestones met in accordance with project schedule
	Number of new distribution infrastructure crews as compared to plan	Number of new crews dedicated to distribution infrastructure as compared to plan
Water Supply Cost Adjustment Factor	Water supply costs budget vs. actual (\$M)	Board Approved Annual Budget vs. Actual expenditures
	Annual quantity of purchased water in acre-feet (AF) against plan	AF of water purchased against plan
	Annual quantity of recycled water delivered against plan (AF)	AF of recycled water delivered against plan
	Stormwater system capacity milestones (AF) against plan	AF of stormwater system capacity as of a milestone date against plan
	Annual groundwater production in Central Basin (AF) and San Fernando Basin (AF) against plan	AF of Groundwater in Central Basin against plan and AF of Groundwater in San Fernando Basin against plan
	Budget vs. actual (\$M) for Aqueduct refurbishment	Board Approved Annual Budget vs. Actual expenditures
	Level of water conservation against target (GPCD)	Gallons per capita per day (GPCD) of water conserved against target
Water Infrastructure Adjustment Factor	Budget vs. actual (\$M) for fixed assets replacement	Board Approved Annual Budget vs. Actual expenditures
	Budget vs. actual (\$M) for Pump Stations	Board Approved Annual Budget vs. Actual expenditures
	Budget vs. actual (\$M) for Regulator Relief Station Retrofits	Board Approved Annual Budget vs. Actual expenditures
	Assets replaced against plan	Miles of mainline, miles of trunkline, and number of meters replaced against plan
Water Quality Improvement Adjustment Factor	Total Water Quality Budget vs. actual (\$M)	Board Approved Annual Budget vs. Actual expenditures
Water Expense Stabilization Adjustment Factor	Water Expense Stabilization Adjustment (WESA) account balance against target	Amount (\$M) in the WESA account vs. plan
Owens Valley Regulatory Adjustment Factor	Budget vs. actual for Owens Lake O&M (\$M)	Board Approved Annual Budget vs. Actual expenditures
Owens Valley Regulatory Adjustment Factor	Annual quantity of water conserved from Owens Lake (AF) against plan	AF of water conserved against plan



## Reporting Progress to Board, Office of Public Accountability, and City Council

On February 1 and August 1 of every year, commencing in 2017, the Chief Financial Officer of the Department shall provide a written report to the Board of Water and Power Commissioners, which shall include, but not be limited to, the following:

- (1) Board Metrics being monitored and results for each metric;
- (2) the target set for each Board Metric;
- (3) the variance of actual performance from the target;
- (4) Department-identified causes for the variance; and
- (5) the proposed mitigation plan to address a variance, if necessary.

The Department shall also provide to the Office of Public Accountability the above-mentioned report at least thirty (30) days prior to providing it to the Board of Water and Power Commissioners. On February 1 and August 1 of every year, commencing in 2017, the Office of Public Accountability shall provide a written report to the Board of Water and Power Commissioners assessing the Department's performance against the Board Metrics targets and any proposed mitigation plans.

If the Office of Public Accountability, in that Office's opinion, identifies in its report any substantive variances and/or related issues, which it believes also require review and discussion by the City Council, the Office of Public Accountability shall forward its report to the Energy and Environment Committee of the City Council at the same time it is provided to the Board of Water and Power Commissioners.

The Energy and Environment Committee shall review all of the above-mentioned reports and then, at its discretion, may: request additional information; hold a committee hearing with the Department and the Office of Public Accountability; make written recommendations to the Board of Water and Power Commissioners; and/or move that the City Council assert jurisdiction pursuant to Charter Section 245 relative to a Board of Water and Power Commissioners action on the related adjustment factors.

In addition to the above-mentioned reports, the Department shall also provide, on April 1 and October 1 of every year, commencing in 2017, written reports to the Office of Public Accountability, which shall include the Board Metrics being monitored; the results for each metric; the target set for each metric; and the variance of actual performance from the target.

On July 1, 2017, the Board of Water and Power Commissioners shall by resolution take action to choose whether or not to order the Department to prepare possible revisions to the Board Metrics, their corresponding targets and estimated potential variances from the targets, or the review process itself for consideration by the Board of Water and Power Commissioners. The Energy and Environment Committee shall review the Board of Water and Power Commissioner's action pursuant to the previous sentence and then, at the committee's discretion, may: request additional information; hold a committee hearing with the Department and the Office of Public

Accountability; make written recommendations to the Board of Water and Power Commissioners; and/or move that the City Council assert jurisdiction pursuant to Charter Section 245 relative to said Board of Water and Power Commissioners action.

#### Additional Reporting/Interim Rate Review

To provide an opportunity for the Department to realign its forecasts with actual conditions and to communicate related issues to the Board of Water and Power Commissioners and to the City Council, the Department and the Office of Public Accountability shall each conduct their own interim rate review. The Department shall provide its review not later than February 1, 2019, and the OPA shall provide its review not later than April 1, 2019, to both the Board of Water and Power Commissioners and the Energy and Environment Committee. Each interim rate review shall include the following:

**a. Five-year Financial and Performance Outlook**

Calculate a new five-year financial plan for the Department using then existing assumptions that will include an updated forecast for revenues, expenditures, and overall fiscal performance. The review will also include an analysis of the Department's overall progress on the Board Metrics; propose any revision to the metrics being evaluated; and analyze the review process itself.

**b. Base Rate Revenue Targets**

Calculate revised base rate revenue targets for Fiscal Year 2018/19 and Fiscal Year 2019/20 using then existing assumptions that will include an updated forecast for revenues, expenditures, and overall fiscal performance.

**c. City Council and Mayoral Requests for Reports and Recommendations**

Determine the status of the Department's progress in responding to and addressing any requests for reports and recommendations resulting from the City Council and Mayor's consideration of this ordinance.

**d. Material Misalignment with Forecast or Market**

Provide explanation of, and, if deemed necessary by the reviewer, alternatives to, any elements of the then existing rate design that appear to be materially misaligned with the Department's updated forecast for revenues, expenditures, and overall fiscal performance, or with conditions in California's market for water sales to retail customers.

After receipt of the results of the interim rate review from the Department and the Office of Public Accountability, the Board of Water and Power Commissioners shall by resolution take action to choose whether or not to order the Department to prepare

possible revisions to this ordinance for consideration by the Board of Water and Power Commissioners no later than June 30, 2019. The Energy and Environment Committee shall review the results of each interim rate review and the action by the Board of Water and Power Commissioners pursuant to the previous sentence and then, at the committee's discretion, may: request additional information; hold a committee hearing with the Department and the Office of Public Accountability; make written recommendations to the Board of Water and Power Commissioners; and/or move that the City Council assert jurisdiction pursuant to Charter Section 245 relative to a Board of Water and Power Commissioners action on the related adjustment factors or a Board of Water and Power Commissioners action to choose to not order the Department to prepare possible revisions to this ordinance for consideration by the Board of Water and Power Commissioners.

Additionally, after receipt of the results of the interim rate review from the Department and the Office of Public Accountability, if any of the revised base rate revenue targets calculated for Fiscal Year 2018/19 and Fiscal Year 2019/20 as part of the interim rate review varies from the respective Base Rate Revenue Target stated in this ordinance, the Board of Water and Power Commissioners shall by resolution take further action to choose to increase or decrease the respective Base Rate Revenue Target stated in this ordinance to any degree not in excess of two percent (2%) of that stated target or to leave the respective Base Rate Revenue Target stated in this ordinance unchanged. The Energy and Environment Committee shall review the Board of Water and Power Commissioner's action regarding the respective target and then, at the committee's discretion, may: request additional information; hold a committee hearing with the Department and the Office of Public Accountability; make written recommendations to the Board of Water and Power Commissioners; and/or move that the City Council assert jurisdiction pursuant to Charter Section 245 relative to said Board of Water and Power Commissioners action.

Sec. 5. That the Department shall perform a cost of service study prior to proposing any change to the Base Rates stated in this ordinance to the Board of Water and Power Commissioners after June 30, 2019.

Sec. 6. That, upon the Effective Date, 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 City of Los Angeles 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, 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. 170435, as amended by Ordinance No. 171639, Ordinance No. 173017, Ordinance No. 175964, Ordinance No. 177968, Ordinance No. 179802, and Ordinance No. 182047, 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.

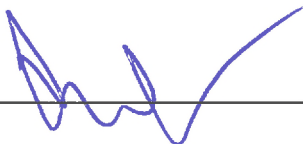
Sec. 7. That the approval of the foregoing water rates by this Council is exempt from the requirements of the California Environmental Quality Act under the provisions of the Public Resources Code, Section 21080(b)(8), and this Council makes this claim of exemption pursuant to said section and authorizes claim of exemption to be filed with the appropriate agencies.

Sec. 8. 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.

Sec. 9. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles MAR 0 2 2016, and passed at it's meeting of MAR 1 5 2016.

HOLLY L. WOLCOTT, City Clerk

By  Deputy

Approved 3/15/16

  
Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By   
BRIAN E. STEWART  
Deputy City Attorney

Date 2/12/16

File No. 15-1543