

Water Rate Ordinance

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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The first tier usage block shall be the higher of eighty-eight percent (88%) of the customer's adjusted first tier usage block as of the day prior to the Effective Date or eighty-eight percent (88%) 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, 2018	\$2.016 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 eighty-eight (88%) of the customer's adjusted first tier usage block as of the day prior to the Effective Date or eighty-eight percent (88%) 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, 2019	\$2.095 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 eighty-eight percent (88%) of the customer's adjusted first tier usage block as of the day prior to the Effective Date or eighty-eight percent (88%) 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.

b. **Second Tier Usage**

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

Effective Effective Date	\$3.921 and General Provision F, G, H, K, L, R, and S adjustments
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Effective July 1, 2016	\$3.552 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

Effective Effective Date

Rate Per Hundred Cubic Feet

\$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:

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

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

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

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

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

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

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

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)

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

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

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

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:

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

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>	Schedule A	Schedule B	Others
Fiscal Year 15/16	\$134.4	\$101.7	\$106.1
Fiscal Year 16/17	\$175.7	\$137.7	\$122.7
Fiscal Year 17/18	\$195.9	\$153.6	\$136.5
Fiscal Year 18/19	\$197.5	\$154.8	\$138.0
Fiscal Year 19/20	\$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:

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