

**CITY OF HUNTINGTON BEACH  
SUPPLEMENTAL COMMUNICATION**  
Joan L. Flynn, City Clerk  
Office of the City Clerk

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Joan L. Flynn, City Clerk   
**DATE:** 10/5/2015  
**SUBJECT:** SUPPLEMENTAL COMMUNICATIONS FOR THE OCTOBER 5, 2015, REGULAR CITY COUNCIL/PFA MEETING & SPECIAL MEETING OF THE SUCCESSOR AGENCY

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Attached are the Supplemental Communications to the City Council (received after distribution of the Agenda Packet):

**STUDY SESSION**

PowerPoint presentation submitted by Director of Public Works, Travis Hopkins, dated October 5, 2015, entitled *Water and Sewer Rate Adjustment*.

**CITY MANAGER'S REPORT**

#1. PowerPoint presentation submitted by Fire Chief McIntosh entitled *Orange County Alternate Destination Pilot Study*.

**ADMINISTRATIVE ITEMS**

#15. PowerPoint presentation submitted by Director of Finance Lori Ann Farrell, dated October 5, 2015, entitled *FY 2015/16 General Fund Enhanced Revenue Options*.

**COUNCILMEMBER ITEMS**

#17. Email communication submitted by:  
Jenelle Bader, Region Manager, Southern California Edison

# Water and Sewer Rate Adjustment

City Council Study Session  
October 5, 2015

# Background

- Last Rate Adjustment 2011
- Water Rates set by City Council Resolution
- Sewer Service Rates set by Ordinance
- Proposition 218 Protest Hearing Requirements in effect

# Water and Sewer Service Rate Adjustment Past Practices

- Water Rates
  - Set by Council Resolution 99-50
  - Water commodity rate can be adjusted each year with formulas based on the cost to purchase imported water and produce ground water
  - Water Meter Rate adjusted based on the percentage change in the CPI-U Index
- Sewer Service Rates
  - Methodology set by HBMC 14.55.030
  - Adjusted based on the percentage change in the CPI-U Index

# Water Supply

- Groundwater Basin
  - Orange County Water District (OCWD) Manages the Orange County Ground Water Basin
  - Basin Pumping Percentage (BPP), established yearly, currently set at 75 percent of agency's total water demand
  - Replenishment Assessment (RA) for pumping, currently set at \$322 per acre foot
- Imported Water
  - Purchased from the Municipal Water District of Orange County (MWDOC) who is a Member Agency of the Metropolitan Water District.
  - Currently used to supply remaining City demand
  - Current rate is \$942 per acre foot

# Water Commodity Rate Formula

- Cost of Water at last rate adjustment
  - BPP= 65%; RA = \$253 per acre foot
  - MWDOC rates: \$797.50 per acre foot
  - Cost of water = \$443.58 per acre foot
- Current Cost of Water
  - BPP = 75%; RA = \$322 per acre foot
  - MWDOC rates: \$942 per acre foot
  - Cost of water \$477.00 per acre foot
- Difference = \$33.42 per acre foot
- Divided into billing units = \$0.0767/BU

# Water Meter Rate

- Adjusted by the Percentage Increase of the Consumer Price Index-Urban Los Angeles-Orange-Riverside counties established by the U.S. Bureau of Labor Statistics and available after July 1 of each year
- Increase of 1.1 percent this year

# Water Meter Charges

Meter Size/Type	Current Monthly Charge	Proposed Monthly Charge
¾"	\$11.2370	\$ 11.3606
1"	\$22.4740	\$ 22.7212
1-1/2"	\$33.7110	\$ 34.0818
2"	\$56.1850	\$ 56.8030
3"	\$123.6070	\$ 124.9667
4" Compound	\$191.0290	\$ 193.1303
4" FM	\$370.8210	\$ 374.9000
6" Compound	\$370.8210	\$ 374.9000
6" FM	\$752.8790	\$ 761.1607
8" FM	\$1,314.7290	\$ 1,329.1910
10" FM	\$2,056.3710	\$ 2,078.9911

# Proposed Water Rates

- Water Commodity Rate – One Billing Unit (BU) = One hundred cubic feet (CCF) = 748 gallons
  - Current Rate: \$1.7535 per BU
  - Proposed Rate: \$1.8302 per BU
  - 4.37% increase
- Water Meter Rate (for three-quarter inch meter)
  - Current Rate: \$11.2370 per month
  - Proposed Rate: \$11.3606 per month
  - Increase of \$0.1236 per month
  - 1.1% increase

# Impacts of Proposed Adjustment On a Single Family Residence At 12 Billing Units Per Month

Charge	FY 2011/12	FY 2015/16	Difference	Percent
Commodity	\$21.0420	\$21.9624	\$0.9204	4.4%
Meter	\$11.2370	\$11.3606	\$0.1236	1.1%
Total	\$32.2790	\$33.3230	\$1.0440	3.2%

# Comparison of Water Rates to Other Agencies

Agency	Commodity Rate	Meter Rate	Average Bill (12 billing units)
Huntington Beach – Current	\$1.7535	\$11.2370	\$32.28
Huntington Beach -Proposed	\$1.8302	\$11.3606	\$33.32
Fountain Valley	\$2.940	\$6.510	\$41.79
Garden Grove	\$2.830*	\$6.120	\$40.08
Irvine Ranch WD	\$1.110*	\$10.30	\$27.29
Mesa WD	\$3.400	\$10.75	\$51.55
Newport Beach	\$3.080	\$17.27	\$54.23
Seal Beach	\$2.230*	\$18.93	\$45.69
Westminster	\$2.280*	\$3.54	\$30.90

\* Tiered rates.

# Water Master Plan

- Water Master Plan and fee implemented in 1995 through 2007 for system improvements.
  - Improvements included water reservoir, booster and pump station upgrades, pipeline and cathodic protection improvements.
- Current water system needs are under evaluation.
  - Includes water well replacements, pipeline improvements and replacements and facility security projects.
- Updated Water Master Plan and system needs will be presented to City Council in 2016.

# Sewer Service Charges

This is an example of the fee adjustment where the CPI methodology is used. The adjustment was suspended by the City Council for fiscal year 2015-16 due to current revenues meeting budget need and fund reserves exceeding the reserve policy level.

<u>Category</u>	<u>Current</u>	<u>+ 1.1%</u>
Single Family ( <i>per month</i> )	\$ 10.69	\$10.81
Multi-Family ( <i>per unit/month</i> )	\$8.87	\$8.97
Commercial/Industrial ( <i>per month</i> )	\$12.41	\$12.55

Rate modification based on CPIU available as of July 1 is +1.1%

# Sewer Service Charges (cont'd)

<u>Category</u>	<u>Current</u>	<u>+ 1.1%</u>
High Consumption Commercial/Industrial (Per 100 Cubic Feet of Water)	\$2.32	\$2.35
Schools ( <i>per ADA/year</i> )		
High School	\$3.42	\$3.45
K-8	\$2.20	\$2.22

# Comparison of Current Sewer Rates to Other Agencies

Agency	Rate
Huntington Beach	\$10.692
Fountain Valley	\$6.01
Irvine Ranch WD	\$24.05
Newport Beach	\$4.50*
Seal Beach	\$27.40

\*Additional charge of \$6.25 if customer is not a Newport Beach water customer

# Proposition 218 Procedures

- All residents and property owners are mailed a protest hearing notice 45 days before the public hearing
- City Council holds public hearing on the proposed adjustment (s)
- If 50% + 1 of property owners/residents mail in protests, adjustment cannot be adopted
- Staff recommends City Council vote to reaffirm the formulas for rate adjustments
- Under Proposition 218, the rate(s) cannot exceed the cost of service

# Recommended Actions

Public hearing set for October 19<sup>th</sup> City Council meeting to consider the following actions:

- Approve Resolution to affirm Water Rate Adjustment Formula
- Approve Ordinance to affirm Sewer Service Rate Adjustment formula

# Water Budget Tiered Water Rates

## Background

- Current Water Rate Structure
  - Uniform commodity rate – the same rate is charged to all customers for all water used
  - Fixed Monthly Meter Fee – based on the size of the meter or number of dwelling units served by the meter
- 2008 Orange County Grand Jury report recommended water budget rate structure
- Regulatory conservation goals (SB x7-7)

# Water Budget Tiered Water Rates

## Background (Cont.)

- Huntington Beach was awarded a Department of Water Resources grant to perform a rate study to develop a water budget rate structure
- Grant eligibility tied to conservation rate compliance
- Heightened concerns for future water supply restrictions
- City Council Study Sessions in November 2011 and April 2013
- April 2015 State Appeals Court's ruling on the City of San Juan Capistrano Tiered Water Rates

# Conservation & Efficiency

## Water Conservation

- Reducing water usage
- Rules and regulations
- Restricting water use

## Water Efficiency

- Reducing water waste
- Target driven
- Appropriate water use

# Alternative Water Rate Structures

- **Uniform (Status Quo)**
- **Simplified Water Budget (WB)**
  - Water allocation varies by season (2-4 seasons) and lot size by bins
  - 3 Tiers: Efficient indoor, outdoor uses and inefficient uses
  - Default of 4 people per household for single-family
  - Variances granted for household size and lot size
- **Full Water Budget (WB)**
  - Water allocation varies according to actual/historical weather data and estimated landscape data
  - Allowed variances for household size, lot size and other needs
  - 4 Tiers: Efficient indoor and outdoor uses, inefficient and excessive uses

# Water Budget Allocation

- Two components:
  1. Indoor Budget, which is determined by household size and gallons per capita per day (gpcd)
    - 4 persons per household \* 55 gpcd \* days of service
    - Waiver allows for approved additional needs and / or additional occupancy
  2. Outdoor Budget, which is determined by landscape area estimate and weather

# Proposition 218 Requirements

- Nexus between tier prices and cost of service
- Examples
  - Cost of water supplies
  - Conservation program costs
  - Potential new sources of supply
  - Urban run-off program costs

# Comparison Between Rate Structures

## Uniform rates

- Uses existing staff
- Simple to explain

## Simplified WB

- Promotes efficiency
- Equitable
- Could fund urban run off programs
- Minimal additional staff
- Drought management tool

## Full WB

- Promotes maximum efficiency
- Equitable
- Could fund urban runoff programs
- Drought management tool
- Requires additional staff



# Questions



# ORANGE COUNTY ALTERNATE DESTINATION PILOT STUDY

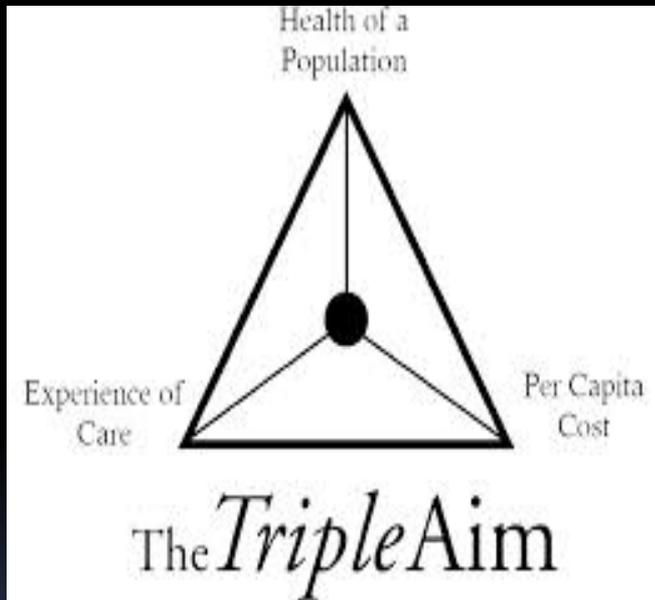


# Working Definition of Community Paramedicine

- A community based model of healthcare that utilizes paramedics with expanded training to fill gaps in healthcare needs identified in the community
  - New models of community-based health care that bridge primary and emergency care
- 

# Goals of Healthcare Reform

The “Triple Aim” framework describes an approach to optimizing health system performance by simultaneously achieving the following:



- Improving the patient experience of care (including quality and satisfaction)
- Improving the health of populations
- Reducing the per capital cost of healthcare



# Community Paramedicine in California

- State EMS Authority and California HealthCare Foundation contracted with UC Davis to provide a report of the feasibility of CP programs in California
- Report published - *Community Paramedicine: A Promising Model for Integrating Emergency and Primary Care, July 2013*
- Recommended CP Programs in California

# Role of Cal-EMSA

- Recommended that CP programs be further developed in California through pilot studies
  - Proposed pilot projects to OSHPD
- EMSA Medical Director provides ultimate medical authority over all pilot projects
  - Howard Backer- Cal-EMSA Medical Director
- Oversees the individual pilot projects via State CP Advisory Committee:
  - Project Manager
  - Director of Research



# Benefits of Community Paramedicine

- More appropriate use of emergency departments
  - Increased access to primary care
  - Increased opportunities to enhance the skills and development of Paramedics
  - Provides an opportunity to partner with other health system participants
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# ORANGE COUNTY PILOT STUDY SPECIFICS

# OC CP Pilot Study Partners

- Support from major stakeholders:
  - All Orange County Fire Departments - OCFCA
  - Orange County EMS Agency
  - Hospital Association of Southern California
  - Hospital Networks: Kaiser, St. Joseph/Hoag Health Hospitals, MemorialCare
  - Urgent Care Centers
  - California Emergency Nurses Association – OC
  - UCI Center for Disaster Medical Services
  - Hoag Hospital Foundation

# OC Pilot Project Participants

- Three Fire Departments: FVFD, HBFD, NBFD
- One Private Ambulance Company
  - Care Ambulance
- Three Hospital/UCC Networks:
  - St Joseph/Hoag Health
  - MemorialCare
  - Kaiser Permanente
- Urgent Care Centers: Five designated  
**Alternate Destination Urgent Care (ADUC)**



# Our UCC's Locations

- Hoag Urgent Care - 19582 Beach Blvd Suite 180, Huntington Beach
  - Hoag Urgent Care - 500 Superior Ave #160, Newport Beach
  - MemorialCare Medical Group Urgent Care Center - 18561 Beach Blvd (Beach & Ellis), Huntington Beach
  - Family Care Center Urgent Care - 18785 Brookhurst, Fountain Valley
  - Kaiser Permanente Harbor-MacArthur Medical Offices - 3401 S. Harbor Blvd, Santa Ana
- 



# UCI Center for Disaster Medical Sciences (CDMS)

- Local level conducted as a “Research Study”
  - Providing Primary Investigator -Dr. Shira Schlesinger
  - UCI Internal Review Board (IRB) allows the research.
  - Published Research to prove paramedics can safely transport patients to alternate destination sites
  - Peer Reviewed – Highest level of validation
  - 1 year Study with 1 year extension
  - Goal of 150 enrolled transported patients
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# Local Steering Committee Accomplishments So Far...

- Established committee and sub committees  
For: Training  
Data/Research  
Grant Funding
- Approved by Office of Statewide Planning  
Department (OSHDP)
- Pre-study Data collection through ePCR tab
- Developed local protocols
- Developed training curriculum
- Began training April 3rd



# How is this funded?

- California Healthcare Foundation (CHCF) - \$16,600
  - Hoag Hospital Foundation— Department of Community Benefit - \$175,000
  - Memorial Care Foundation
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# 4 Primary Impressions

## INCLUSION CRITERIA

- Isolated closed extremity injuries
- Soft tissue injuries
- Laceration with controlled bleeding
- Isolated fever or cough
- 100% voluntary participation



# Timeline

- ✓ Jan - Feb 2015-One Paramedic from all Fire Departments attend full training
  - ✓ April 2015- Training Alternate Destination Pilot Paramedics (ADP)
  - ✓ Sept 2015 Implementation of Pilot Study
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# Next Steps

- Community education of AD Pilot Study
  - Ongoing data analysis
  - Continuous quality improvement
    - Evaluate feedback from all stakeholders
      - AD Medics, UCC Staff, OCEMS, UC Irvine and hospital networks
  - Final Report
  - State recommendations
  - Legislative Changes
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# City of Huntington Beach



## FY 2015/16 General Fund Enhanced Revenue Options

October 5, 2015

# Enhanced General Fund Revenue Options

- At the July 13, 2015 Strategic Planning Retreat, a Working Group was created to develop options to increase General Fund revenue
- The Working Group, led by Mayor Pro Tem Katapodis, included the City Manager, Police Chief and Finance Director
- The Working Group met and developed three separate recommendations to increase General Fund revenue
- The increased General Fund revenue options are:
  - ▣ In line with neighboring cities;
  - ▣ Recurring in nature; and,
  - ▣ Maximize revenue during peak periods when visitor counts are highest and have the highest draw on City staff and resources.

# Potential New Sources of Funding

Description	Rationale	Amount (in 000s)
Increase Parking Meter Fees During Peak Summer Months	During Summer months, the City requires additional law enforcement services due to increased tourism and higher visitor counts from May through August.	\$380
Increase Parking Citations to More Closely Align with State Recommendations and Fines in Nearby Cities	A modest increase in Expired Meter parking fines and aligning Handicap Ramp fines with State requirements and neighboring cities, can increase existing revenue.	\$282
Increase Municipal Code Violation Fines	Modest increases in fines for Muni Code violations can help generate additional revenue to offset costs of public intoxication, etc.	\$85
	<b>TOTAL</b>	<b>\$747</b>

# Increased Parking Meter Revenue (Summer Months Only)

Meter Types	Locations	Meter Hours	Current Charge Per Hour	Increase by	New Fee	\$ Increase
Meters - Business	Downtown/Business Zone	112,756	\$ 1.50	\$ 0.25	\$ 1.75	\$ 28,189.00
Meters - Residential	Downtown/Residential Zone	294,921	\$ 1.50	\$ 0.25	\$ 1.75	\$ 73,730.25
Meters - Recreational	PCH/Dog Beach/Bluff Lots	548,278	\$ 1.50	\$ 0.25	\$ 1.75	\$ 137,069.50
Meters - Beach Blvd	Beach Boulevard	87,851	\$ 1.50	\$ 0.25	\$ 1.75	\$ 21,962.75
Pier Plaza	Metered Lots	474,980	\$ 1.50	\$ 0.25	\$ 1.75	\$ 118,745.00
		<b>1,518,786</b>				<b>\$ 379,696.50</b>

# Parking Meter Comparison – Other Cities

METER	HB	LAGUNA BEACH	NEWPORT BEACH*	RDNDO BCH	SAN CLMT	SEAL BCH	LONG BEACH
Hourly Meter Rate	\$1.50	\$1.00 - \$2.00	\$1.20 - \$1.75*	\$1.50	\$1.50	\$1.00	\$0.50- \$1.50

\*Newport Beach Winter Rate is \$1.20 per hour. Summer rate is \$1.75 per hour.

# Parking Citation Revenue Options

TYPE OF CITE	2014 TOTAL	% OF TOTAL	HB	Increase Amount	Increase Revenue
STREET SWEEPING	36,353	45%	\$ 44.00	0	-
EXPIRED METER	21,333	26%	\$ 48.00	10	213,330
NO PRKG SIGN/RED CURB	4,303	6%	\$ 61.00	0	-
FIRE HYDRANT	3,415	4%	\$ 55.00	0	-
EXPIRED REGISTRATION	2,076	3%	\$ 66.00	0	-
72 HOUR VIOLATION	1,915	2%	\$ 42.00	0	-
EXP/MISSING TAB	1,407	2%	\$ 31.00	0	-
ALLEY PARKING	922	1%	\$ 52.00	0	-
24 MIN/GREEN CURB	712	1%	\$ 42.00	0	-
CURB PARKING	635	1%	\$ 55.00	0	-
CROSSWALK	595	1%	\$ 55.00	0	-
FIRE LANE	447	1%	\$ 77.00	0	-
HANDICAP SPACE	252		\$ 356.00	0	-
HANDICAP RAMP **	229		\$ 55.00	301	68,929
<b>TOTAL ADDITIONAL REVENUE</b>					<b>\$ 282,259</b>

# Parking Citation Comparison – Other Cities

Parking Fine	HB	IRV	LAG BCH	NPT BCH	RDNDO BCH	SAN CLMT	STA ANA	SEAL BCH
Expired Meter	\$48	-	\$43	\$58	\$27	\$43	\$56	\$43.50
Handicap Ramp**	\$55	\$303	\$300	\$412	-	\$48	-	\$312.50

\*\* CVC 42001.5(a) states the fine for violation of 22500 (I) CVC should be not less than \$250.

# Municipal Code Violations

Municipal Code Violation	Count	Fee	Current Revenue	Proposed Adjusted Fee	Adjusted Revenue	Additional Revenue After Increase
BEACH; CONSUME,SELL ALCOHOLIC BEVERAGES	632	\$ 125	\$ 79,000	\$ 175	\$ 110,600	\$ 31,600
DRINKING IN PUBLIC PLACE	385	\$ 125	\$ 48,125	\$ 175	\$ 67,375	\$ 19,250
POSSESS GLASS CONTAINER ON BEACH	323	\$ 125	\$ 40,375	\$ 175	\$ 56,525	\$ 16,150
NO PERSON SHALL SMOKE ON BEACH, PIER OR PIER PLAZA	278	\$ 125	\$ 34,750	\$ 175	\$ 48,650	\$ 13,900
SKATEBOARD,ROLLERBLADES PROHIBITED	75	\$ 125	\$ 9,375	\$ 175	\$ 13,125	\$ 3,750
					<b>Total</b>	<b>\$ 84,650</b>



# QUESTIONS?

October 5, 2015

**Esparza, Patty**

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**From:** Flynn, Joan  
**Sent:** Friday, October 02, 2015 5:56 PM  
**To:** Esparza, Patty  
**Subject:** Fwd: City council agenda item #17

Joan Flynn, City Clerk  
Huntington Beach

Begin forwarded message:

**From:** Jenelle Bader <Jenelle.Bader@sce.com>  
**Date:** October 2, 2015 at 4:35:36 PM PDT  
**To:** "Hardy, Jill" <Jill.Hardy@surfcity-hb.org>, HB Councilman Jim Katapodis <jim.katapodis@surfcity-hb.org>, Erik Peterson Peterson <Erik.Peterson@surfcity-hb.org>, HB Councilman Dave Sullivan <dave.sullivan@surfcity-hb.org>, HB Councilwoman Barbara Delgleize <barbara@barbarasellsthebeach.com>, Mike Posey <mikeposey@earthlink.net>, "O'Connell, Billy" <Billy.Oconnell@surfcity-hb.org>  
**Cc:** "Wilson, Fred" <Fred.Wilson@surfcity-hb.org>, "Huntington Beach City Clerk Joan Flynn" <jflynn@surfcity-hb.org>  
**Subject:** City council agenda item #17

Dear Mayor Hardy and Councilmembers,

I write in regards to Council initiated item #17 for Monday, October 5, 2015, to gently remind the Council that the language as it relates to franchises, specifically "No contracts or franchise and service agreements (except county and state service agreements) shall contain an "evergreen" rolling contract term beyond a five-year term, and all "evergreen" contracts shall incorporate a "most-favored customer" (most-favored nations) clause," is unenforceable as it pertains to SCE and would be in violation of our franchise agreement with the City. As you are aware, SCE holds an indeterminate franchise agreement and pays a yearly fee for its ability to provide electric service to the City.

Section 6264 of the Public Utilities Code (the Franchise Act of 1937) explains why the default for a franchise given by the legislature is an indeterminate period. In simple terms, the reason for this is because utilities need certainty regarding franchise rights to encourage investment and, since the bulk of the franchise is set forth in statute, there is very little to negotiate.

SCE appreciates the opportunity to comment and looks forward to a continued partnership with the City of Huntington Beach.

Thank you.

Sincerely,

Jenelle Bader  
Region Manager, Local Public Affairs  
Southern California Edison  
714-699-0354 (cell)

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 10/5/2015

Agenda Item No. 17