



AGENDA

PUBLIC WORKS COMMISSION CITY OF HUNTINGTON BEACH

Wednesday April 13, 2011 – 5:00 PM

Room B-7

2000 Main Street

Huntington Beach, CA 92648

A. PLEDGE OF ALLEGIANCE

ROLL CALL

Cook, Herbel, McGovern, O'Connell,
Siersema, Spencer, Thomas

B. PRESENTATIONS-COMMENDATIONS

C. MINUTES

C-1. (Pg 4-10) Minutes of March 16, 2011

D. ORAL COMMUNICATIONS

Public Comments – the Public Works Commission welcomes public comments on all items on this agenda or of community interest. **Three minutes per person**, time may not be donated to others. Commission on this date can take no action on any item not on the agenda. This is the time to address Commission regarding items of interest or agenda items other than public hearings. Communications on agenda items will be scheduled such that public comments may be received as close to 5:00 p.m. as possible.

E. DIRECTOR'S ITEMS

F. INFORMATION ITEMS

F-1. (Pg 11-15) Active Capital Project Report – An update on active capital projects is presented for the Commission's information. Project information, including description, location maps and funding sources can be found in the FY 2010/11 Capital Improvement Program notebook, or on the city's website under Government, Current [Budget](#) information.

AGENDA
PUBLIC WORKS COMMISSION
Wednesday, April 13, 2011
PAGE 2

- F-2. (Pg 16-43) Water Budget Rate Study - The Public Works Utilities Division is underway with an Allocation Based Water Budget Rate Study. The study is being done in conjunction with a regional effort coordinated by the Municipal Water District of Orange County (MWDOC) and is funded in part by a Prop 50 Department of Water Resources Grant.
- F-3. (Pg 44-51) Continued Discussion on Infrastructure Prioritization and Funding – A goal established by the City Council at the most recent strategic planning retreat was for the Director of Public Works, with input from the Public Works Commission, to “prioritize infrastructure needs from the 10 Year CIP Needs list and make recommendation(s) to the City Council for action.” The discussion will continue from last meeting.

G. ADMINISTRATIVE ITEMS

- G-1. (Pg 52-57) Water Main Extension Projects – Beach Blvd. – Williams Dr. to Yorktown Ave., CC 1408; Holburn Drive - near Brookhurst St. and Adams Ave., CC 1371; Springdale St. - North of McFadden Ave., CC 1378 - Plans and specifications for Water Main Extension Projects are in final preparation. Staff is seeking support for the project and the initiation of the competitive bid process.

Funding Source: Sufficient funds are budgeted in the Water Master Plan Fund, Account No. 50791025, and Water Fund, Account No. 50691025.

Recommended Action: Motion to recommend to the City Council, the Water Main Extension Projects, CC1408, CC1371 and CC1378.

- G-2. (Pg 58-60) Arterial Highway Rehabilitation Project, CC-1384, Delaware Street - Yorktown Ave. to Main St.; Edwards Street - Talbert Ave. to Warner Ave. - Plans and specifications for the Arterial Highway Rehabilitation Project, CC-1384 are in final preparation. Staff is seeking support for the project and the initiation of the competitive bid process.

Funding Source: Funds are available in the amount of \$1,000,000 from Proposition 42, Traffic Congestion Relief Act; \$1,300,000 from Proposition 1B, Highway Safety and Traffic Reduction Act; and \$400,000 from the Gas Tax Fund. Additionally, \$89,000 will be reimbursed from the Rubberized Asphalt Concrete (RAC) grant after the projects are constructed. The engineer’s estimate is \$2,750,000.

Recommended Action: Motion to recommend to the City Council, the Arterial Highway Rehabilitation Project, CC-1384.

AGENDA
PUBLIC WORKS COMMISSION
Wednesday, April 13, 2011
PAGE 3

- G-3. (Pg 61-64) Landscaping at Well #2, Northeast Corner of Edinger and Springdale, CC-1398 - Plans and specifications for the Landscaping at Well#2, CC-1398 is in final preparation. Staff is seeking support for the project and the initiation of the competitive bid process.

Funding Source: Funds are available in the amount of \$135,000 from Fund 506 Water Fund CIP, Account No. 50685801. The engineer's cost estimate for this project is \$135,000.

Recommended Action: Motion to recommend to the City Council, the Landscaping at Well #2, Northeast Corner of Edinger and Springdale, CC-1398 project.

- H. **WRITTEN COMMUNICATIONS**
- I. **COMMISSION AND STAFF COMMENTS**
- J. **ADJOURNMENT**

<p>NEXT PUBLIC WORKS COMMISSION MEETING <i>May 18, 2011 5:00 PM, City Council Chambers</i></p>



MINUTES

CITY OF HUNTINGTON BEACH PUBLIC WORKS COMMISSION MARCH 16, 2011

**Call to Order/
Pledge of Allegiance:** The meeting was called to order at 5:00 p.m. by Chairman Siersema, who led Commissioners and the audience in the Pledge of Allegiance to the Flag.

Commissioners Absent: Spencer

Commissioners Present: Commissioners Cook, Herbel, McGovern, O'Connell, Siersema, and Thomas were in attendance.

Others Present: Travis Hopkins, Director of Public Works
Tony Olmos, City Engineer
Bob Stachelski, Transportation Manager
Brian Ragland, Utilities Manager
Terri Elliott, Principal Engineer
Ken Dills, Project Manager
Joyce Greene, Administrative Assistant

B. PRESENTATIONS-COMMENDATIONS

None

C. MINUTES

Motion by Commissioner Cook, seconded by Commissioner Herbel to approve the minutes of February 16, 2011 as presented.

VOTE: The motion carried.
AYES: 5
NOES: 0
ABSENT: 1 (Spencer)
ABSTENTIONS: 1 (O'Connell)

D. ORAL COMMUNICATIONS

None

E. DIRECTOR'S ITEMS

Travis Hopkins informed the Public Works Commissioners a written communication had been received from Christian Brethren High School. A copy was distributed to the Commissioners. The letter has been delegated to staff as the issue is not something handled by the Commission. Bob Stachelski, who is handling the request, informed the Commissioners he had contacted the Principal advising him who the contact is at the city. The request is working its way through the normal process.

Travis Hopkins requested the April Public Works Commission meeting date be changed as he will be unavailable on the regularly scheduled date of April 20, 2011. The Commissioners agreed to change the next meeting date to April 13, 2011, 5:00 pm.

Travis Hopkins requested items G-1 through G-3 be heard out of order to allow staff to leave after their particular item was presented. The Commissioners agreed to the change in agenda order.

Travis Hopkins introduced the new Utilities Manager, Brian Ragland. Mr. Ragland has extensive experience with utilities. He most recently worked for the City of Downey. Brian Ragland then provided a brief professional history.

Travis Hopkins introduced Ken Dills, Project Manager, previously with the Utilities Division. With the recent retirement of Linda Daily, Mr. Dills has transferred to City Hall joining the Administration team where his previous experience will be very valuable as we enter budget preparation for the next fiscal year.

E-1. Review of Public Works Budget Reductions – At the request of the Public Works Commission at the last meeting, a review of Budget Reductions was presented by Travis Hopkins. Over the past two years Public Works has had a nine percent reduction each year. With the PARS retirement incentive offered last year, 40 Public Works employees retired. Most of those positions will not be replaced. This is in addition to other positions that have not been filled due to the hiring freeze. Last fiscal year Public Works had 257 employees and are currently at 199. Some services have been outsourced. As the report was a verbal update, Travis Hopkins will prepare a written report on the reductions and send that report to the Commissioners by email.

Commissioner O'Connell inquired on outsourced work, if performance does not meet city expectations, what can be done. Travis Hopkins responded, as an example, street sweeping is now an outsourced service. The city retained one staff member who inspects the route. If the service level is not met, the city has the option to cancel the contract. Currently, the level of service being received is the same level of service previously provided by city employees.

Commissioner Herbel asked if more staff reductions are planned for the remaining portion of this fiscal year. Travis Hopkins responded no additional staff reductions are planned for this fiscal year. There may be more reductions in fiscal year 2011/12. The city is currently working with the various employee labor groups for concessions.

Mr. Hopkins stated Public Works is now looking to reduce landscape maintenance costs. Currently there is a favorable market for contracted services. Median landscape maintenance is already being outsourced.

Commissioner Cook inquired if street sweeping services could be reduced. Mr. Hopkins responded the city is required by the NPDES permit to sweep streets. The number of times streets are swept could possibly be reduced but that would have some impact on revenue to the city generated by parking violations. The city has sold the street sweeping equipment as requirements are now to have vehicles that run on CNG. CNG requires a specialized garage and equipment for repairs. The city determined it to be more cost effective to outsource.

G. ADMINISTRATIVE ITEMS

- G-1. Planned Local Drainage Facilities Fund Annual Compliance Report Fiscal Year 2009/10 – Ken Dills presented the report along with a PowerPoint presentation. The fund currently has a negative balance with no expenditures in FY 2009/10 and none planned for the current fiscal year. As previously discussed, the fund is owed monies from the Redevelopment Agency, however, it is unclear at this time, if the State eliminates the Redevelopment Agency, what will happen to the fund.

In an attempt to protect some of its assets, the City took action at a recent City Council Meeting by developing a Housing Authority and it transferred Economic Development assets to the city.

Motion by Commissioner Cook, seconded by Commissioner McGovern to recommend to the City Council the approval of the Planned Local Drainage Facilities Fund Compliance Report for Fiscal Year 2009/10.

VOTE:	The motion carried.
AYES:	6
NOES:	0
ABSENT:	1(Spencer)
ABSTENTIONS:	0

G-2. Sanitary Sewer Facilities Fund Annual Compliance Report Fiscal Year 2009/10 - Ken Dills presented the report. The fund is a development fee fund with restricted use. Currently, there is a positive balance in the fund. Not included in the report are monies owed to the fund by the Redevelopment Agency. Expenditures for engineering design for the Adams/Ranger lift station and the Oceanhill lift station were included and will continue as expenditures in fiscal year 2010/11.

Commissioner Herbel inquired of any sewer capacity improvements planned. Tony Olmos responded Warner Avenue is the only gravity line, but slip lining projects do improve capacity and those projects continue.

Ken Dills noted the fund consists of development fees and not citizen paid fees. The use of the fund is restricted. An appropriate use is the video taping of the city sewer lines to identify problem areas to help determine where slip lining projects would be most helpful. Sewer lift station redesign and the sewer lateral program are also appropriate uses for the fund. The Commission requested it be informed of the number of miles of sewer lines video-taped in a year.

Motion by Commissioner Herbel, seconded by Commissioner Cook to recommend to the City Council the approval of the Annual Sanitary Sewer Facilities Fund Compliance Report for Fiscal Year 2009/10.

VOTE: The motion carried.
AYES: 6
NOES: 0
ABSENT: 1(Spencer)
ABSTENTIONS: 0

G-3. Fair Share Traffic Impact Fee Program Annual Report for Fiscal Year 2009/10 - Bob Stachelski presented the report. The program is intended for use of improvements to the street system for increased traffic. Use of the fund is restricted to new facilities and capacity enhancement. The fund had a negative balance at the end of fiscal year 2009/10.

Commissioner Cook questioned if any bicycle enhancement programs were planned. She expressed her interest in seeing the city make a start in that direction.

Discussion on Redevelopment Agency owed funds and if they will ever be received by the fund.

Motion by Commissioner Herbel, seconded by Commissioner Cook to recommend approval of the 2009/10 Traffic Impact Fee Annual Report to the City Council.

VOTE: The motion carried.
AYES: 6
NOES: 0
ABSENT: 1(Spencer)
ABSTENTIONS: 0

F. INFORMATION ITEMS

- F-1. Active Capital Project Report – Tony Olmos provided updates on various projects and then asked the Commissioners for any questions.

Commissioner Herbel asked why the Newland Street widening is still incurring costs. Tony Olmos responded it is not construction costs. The contractor has filed a claim and it is currently going through the legal process.

Commissioner O’Connell inquired about street lighting and energy savings. Bob Stachelski responded the city is converting to LED lighting in the downtown area which has a potential to save approximately 80% of lighting costs. The downtown area is approximately 15% of the city street lights. SCE maintains the other 85% of the city street lights. Commissioner O’Connell then asked if SCE would be installing LED lighting throughout the remainder of the city. Mr. Stachelski responded the initial cost of the equipment is quite expensive. The cost recovery through lower electricity use is over a long period of time in addition to a longer period of time before equipment replacement is needed which is calculated into the savings. The cost for SCE to change out all lighting to LED would be very expensive. Discussion ensued.

Commissioner McGovern inquired if the sanitation district is still considering the possibility of taking over the Warner Avenue gravity sewer. He also inquired if the new design is being built to city standards or to sanitation district standards. Travis Hopkins responded with the Sunset Beach annexation now part of the equation, the new design will be to city standards. It is highly unlikely the sanitation district will take over the gravity sewer with the annexation of Sunset Beach.

- F-2. Prioritization Of Infrastructure Needs and Identification of Potential Funding Sources – Travis Hopkins gave a PowerPoint presentation. At this meeting the Commissioners were looking specifically at the potential of a Storm Drain Fee. The fee would be subject to Proposition 218. Criteria were presented.

The cost per dwelling would be approximately \$3 per month and if equipment costs were included it would be approximately \$4 per dwelling per month. Commissioner Cook asked if the city was considering tiered water rates. Discussion ensued.

Travis Hopkins stated the direction from City Council was for staff to look at possible revenue generating options. A fee could be structured to cover costs that are now paid by the General Fund and include equipment replacement costs.

Commissioner McGovern inquired where the idea of a storm drain fee originated. Travis Hopkins responded the concept has been a consideration for some time. The Storm Drain Fee Analysis memo included with the item is from January 2010. Public Works was directed by the City Council to investigate. Commissioner McGovern then stated he sees this as a way to increase the General Fund. He has concerns of it being initiated as a revenue producer. He stated he believes in water conservation and other water issues but has concerns over a storm drain fee.

Commissioner O'Connell said he is opposed to any new fee. Commissioner Herbel stated he was in agreement with Commissioner O'Connell. Several Commissioners expressed they felt the costs incurred in an effort to try and pass a new fee would be wasted money. Discussion ensued.

To summarize, the consensus of the Public Works Commission is not in favor of implementing a storm drain fee.

The Commission asked for more information/education on tiered water rates. The opinion of the Commission is tiered water rates are acceptable and not intended as a revenue source but to be used to encourage water conservation.

Travis Hopkins then referred to the infrastructure ranking list for unfunded items. The Commissioners discussed they would like to breakdown some of the categories. The Public Works Commissioners felt some categories listed for Public Works are not Public Works issues and would like them eliminated from the list. Commissioners were asked to email Travis Hopkins, within one week of this meeting, the items they would like to see included in the ranking list. Travis Hopkins will then combine item submitted and create a new list that will be emailed back to the Commissioners for each to rank and bring to the next meeting.

I. WRITTEN COMMUNICATIONS

Letter from Christian Brethren High School presented earlier at the meeting.

J. COMMISSION AND STAFF COMMENTS

Chair Siersema inquired on the status of the Sunset Beach annexation and if the annexation will have additional financial costs. Travis Hopkins responded Sunset Beach shows revenue positive. When the annexation is complete, Public Works will receive an allocation during the budget preparation.

Currently there is a lawsuit against the city challenging taxation by Sunset Beach residents. This must be resolved prior to the annexation.

K. ADJOURNMENT

The meeting adjourned at 7:30 pm to April 13, 2011.

Michael Siersema
Chair

Joyce Greene
Administrative Assistant

**City of Huntington Beach
Capital Improvement Program Master Schedule**

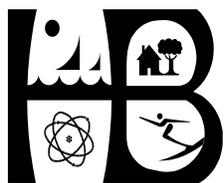
Mon 4/4/11

ID	Task Name	Duration	Start	Finish	Resource	Budget	Comments	2010					2011							
								1	2	3	4	5	6	7	8	9	1	2	3	4
45	Design	25 days	Mon 3/14/11	Fri 4/15/11																
46	Construction	40 days	Mon 7/25/11	Fri 9/16/11																
47																				
48	Central Park Restrooms ADA	135 days	Mon 3/14/11	Fri 9/16/11	Facilities	\$170,000	Design underway.													
49	Design	25 days	Mon 3/14/11	Fri 4/15/11																
50	Construction	40 days	Mon 7/25/11	Fri 9/16/11																
51																				
52	Banning Library ADA	135 days	Mon 3/14/11	Fri 9/16/11	Facilities	\$26,000	Design underway.													
53	Design	25 days	Mon 3/14/11	Fri 4/15/11																
54	Construction	40 days	Mon 7/25/11	Fri 9/16/11																
55																				
56	City Hall ADA	43 days	Thu 4/14/11	Mon 6/13/11	Facilities	\$339,000	Construction scheduled to begin.													
57	Construction	43 days	Thu 4/14/11	Mon 6/13/11																
58																				
59	ENERGY EFFICIENCY IMPROVEMENTS	535 days	Mon 12/14/09	Fri 12/30/11																
60	HVAC Measures, Interior Lighting Re-design & Retrofit, Additional Building Controls, Energy Information Management System, Server Virtualization & HVAC, Downtown Lighting Master Plan	515 days	Mon 1/11/10	Fri 12/30/11	Adm/Facilites	\$3,500,000	Investment Grade Assessments Completed..													
61	Procurement	127 days	Mon 1/11/10	Tue 7/6/10																
62	Design Development	102 days	Mon 7/12/10	Tue 11/30/10																
63	Final Design	63 days	Wed 12/1/10	Fri 2/25/11																
64	Permits	25 days	Mon 2/28/11	Fri 4/1/11																
65	Bidding & Construction	195 days	Mon 4/4/11	Fri 12/30/11																
66																				
67	Downtown LED Streetlights	404 days	Mon 12/14/09	Thu 6/30/11	Adm/Trans	\$365,000	Equipment partially installed.													
68	Detailed design & pilot-tests	155 days	Mon 12/14/09	Fri 7/16/10																
69	Permits	20 days	Mon 7/19/10	Fri 8/13/10																
70	Construction	174 days	Mon 11/1/10	Thu 6/30/11																
71																				
72	GIS Based Street Light Audit (in-house)	389 days	Mon 1/4/10	Thu 6/30/11	Adm/IS/Trans	\$78,000	Lighting inventory underway.													
73	Project Planning	85 days	Mon 1/4/10	Fri 4/30/10																
74	Implementation	269 days	Mon 6/21/10	Thu 6/30/11																
75																				
76	Feasibility, Environmental Review, Design & Entitlements for Large Scale Solar	100 days	Mon 4/18/11	Fri 9/2/11	Adm/Planning	\$250,000	Power purchase agreement approved.													
77	PPA construction	100 days	Mon 4/18/11	Fri 9/2/11																
78																				
79	LOCAL STREET	255 days	Mon 1/3/11	Fri 12/23/11																
80	CC-1394 Tree Petition Streets (10/11)	235 days	Mon 1/3/11	Fri 11/25/11	Eng/Streets	\$500,000	Design underway.													
81	Design	85 days	Mon 1/3/11	Fri 4/29/11																
82	Construction	80 days	Mon 8/8/11	Fri 11/25/11																
83																				
84	MSC-(479) Residential Pavement (10/11)	190 days	Mon 4/4/11	Fri 12/23/11	Streets/Eng	\$621,400	Not started.													
85	Design	60 days	Mon 4/4/11	Fri 6/24/11																
86	Construction	80 days	Mon 9/5/11	Fri 12/23/11																
87																				
88	NEIGHBORHOOD	1040 days	Mon 3/24/08	Fri 3/16/12																
89	CC-1324 Downtown Street Light Replacement Phase II: Orange: 2nd to 11th, 6th: Orange to Walnut, 7th: Palm to PCH, Olive: 1st to 7th, Main: Palm to Acacia, PCH: Main to First.	1040 days	Mon 3/24/08	Fri 3/16/12	Trans	\$900,000	Bid delayed pending RDA funding determination.													

**City of Huntington Beach
Capital Improvement Program Master Schedule**

Mon 4/4/11

ID	Task Name	Duration	Start	Finish	Resource	Budget	Comments	2010				2011							
								1	2	3	4	5	6	7	8	9	1	2	3
177																			
178	CC-(TBD) Well #10 Rehabilitation	100 days	Mon 5/16/11	Fri 9/30/11	Eng/Ops	\$600,000	Awarded in 3/7/11.												
179	Construction	100 days	Mon 5/16/11	Fri 9/30/11															
180																			
181	CORROSION CONTROL	605 days	Mon 4/19/10	Fri 8/10/12															
182	CC-1285 Corrosion Protection 30" Steel on Yorktown (Joint Bonding and Appurtenance Upgrade)	160 days	Mon 11/8/10	Fri 6/17/11	Eng	\$3,900,000	Construction underway.												
183	Construction	160 days	Mon 11/8/10	Fri 6/17/11															
184																			
185	CC-1360 Corrosion Protection 21" Steel OC-9 (Joint Bonding and Appurtenance Upgrade - Design Only)	605 days	Mon 4/19/10	Fri 8/10/12	Eng	\$200,000	Construct in FY 11/12.												
186	Design	380 days	Mon 4/19/10	Fri 9/30/11															
187	Construction	180 days	Mon 12/5/11	Fri 8/10/12															
188																			
189	WATER MAIN REPLACEMENT	250 days	Mon 10/18/10	Fri 9/30/11															
190	CC-1361 Water Main Replacement (Last Phase of WMP CI Pipe Replacement Program - Approx. 3,300 LF)	235 days	Mon 10/18/10	Fri 9/9/11	Eng	\$2,500,000	Construction 50% complete.												
191	Construction	235 days	Mon 10/18/10	Fri 9/9/11															
192																			
193	CC-(TBD) Water Main Replacement @ Various Locations (Design Only)	130 days	Mon 4/4/11	Fri 9/30/11	Eng	\$500,000	Finalizing scope of work.												
194	Design	130 days	Mon 4/4/11	Fri 9/30/11															
195																			
196	CC-1375 Trinidad Lane Watermain Replacement	45 days	Mon 5/2/11	Fri 7/1/11	Eng	\$250,000	Awarded 12/20. Contract prep.												
197	Construction	45 days	Mon 5/2/11	Fri 7/1/11															
198																			
199	WATER MASTER PLANNING STUDIES	335 days	Mon 9/6/10	Fri 12/16/11															
200	CC-(TBD) Update to the Urban Water Management Plan	180 days	Mon 9/6/10	Fri 5/13/11	Ops/Eng	\$50,000	Study underway.												
201	Study	180 days	Mon 9/6/10	Fri 5/13/11															
202																			
203	CC-(TBD) Update to the Water Master Plan	295 days	Mon 11/1/10	Fri 12/16/11	Eng/Ops	\$350,000	Study underway.												
204	Study	295 days	Mon 11/1/10	Fri 12/16/11															
205																			
206	WATER SYSTEM RELIABILITY STUDIES	385 days	Mon 12/7/09	Fri 5/27/11															
207	CC-(TBD) Study Elimination of Potential Choke Points Near Overmyer Reservoir	365 days	Mon 12/7/09	Fri 4/29/11	Eng	\$75,000	Study underway.												
208	Study	365 days	Mon 12/7/09	Fri 4/29/11															
209																			
210	CC-(TBD) Study to Create Potential Redundancy of the Northern End of the 36" Main OC-35	345 days	Mon 1/4/10	Fri 4/29/11	Eng	\$75,000	Study underway.												
211	Study	345 days	Mon 1/4/10	Fri 4/29/11															
212																			
213	CC-(TBD) Develop Alternatives to Improve Reliability Between PCH, Warner, Edinger, & Algonquin	150 days	Mon 11/1/10	Fri 5/27/11	Eng	\$50,000	Study underway.												
214	Study	150 days	Mon 11/1/10	Fri 5/27/11															



**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
INFORMATION ITEM**

Item No. PWC 11-12

SUBMITTED TO: Chairman Siersema and Members of the Commission

SUBMITTED BY: Travis K. Hopkins, PE, Director of Public Works

DATE: April 13, 2011

SUBJECT: Water Budget Rate Study

Analysis:

Water Budget Rates:

The Public Works Utilities Division is underway with an Allocation Based/Water Budget Rate Study. The study is being done in conjunction with a regional effort coordinated by the Municipal Water District of Orange County (MWDOC) and is funded in part by a Prop 50 Department of Water Resources Grant.

The City currently employs a uniform rate for all water usage. In addition to the uniform rate charged for each unit of water, a monthly fixed meter fee is assessed based on the size of the meter and the number of dwelling units served. The City's current rate structure is "cost-of-service" based, meaning that the rate for water covers the cost of water purchases and other costs that vary with the amount of water used and the monthly meter fee covers the cost of meter reading and maintenance of the water distribution system. While this structure provides a clear nexus between the service provided and the fees charged, it does not meet the requirements for Best Management Practices (BMPs) for Water Conservation as developed by the California Urban Water Conservation Council (CUWCC). The City is signatory to the CUWCC Memorandum of Understanding regarding Water Conservation Practices.

In allocation based tiered rate structures, customers are given a base allocation or water budget for a billing period. This allocation can be based on a number of factors, the most common of which are number of persons in the household and irrigable landscape area. As customers go over their respective base allocation, the cost of water increases in a series of tiers. Three to four progressively higher tiers is most common; however, some water agencies have five or more.

For single-family customers, the structure the City is considering has four tiers. The first tier would allocate a monthly amount of water for basic health and safety indoor use, based on the number of persons in the household, at a rate lower than the current per unit rate. The second tier would allocate for outdoor water use based on the irrigable area of the parcel and would be at a slightly higher rate. This allocation is normally based on an all turf landscape. Therefore, customers who opt for a low water use landscape and employ good water conservation practices indoors would likely never enter into higher tiers and could recognize savings over the current structure. The third tier would recognize that the customer has gone over their base allocation and ideally send a price signal to encourage conservation. Use in the fourth tier would be considered wasteful and send a stronger price signal to the customer.

State Water Code allows that water sales over base allocations can be designed to recover the incremental costs incurred as a result of excess use of water. These costs can include conservation programs, irrigation improvements, water system retrofitting, and projects and programs for prevention, control or treatment of the runoff water from irrigation and other outdoor uses, i.e. urban runoff. However, these costs cannot include the costs of storm water management systems and programs.

Issues with Data Collection:

As we have gathered data for the study, we have faced a number of issues. First, our current billing system cannot accommodate a tiered rate structure. As part of the regional study, the City opted to participate in a billing system assessment that will examine the current system and make recommendations on refinements or replacement based on the rate structure developed. Secondly, we do not have data on landscape area for each water service. In an effort to obtain this information we have attempted to merge information from our billing system with parcel information available in the City's Geographical Information System (GIS). This work has raised a number of additional issues, but the main difficulty lies in the fact that, based on the account, the parcel data in GIS does not necessarily correspond to the service address information in the billing system. This is especially true with our multi-family, irrigation and commercial accounts. For instance, many multi-family or commercial complexes have a number of accounts and it is sometimes very difficult to discern what units or landscape area a particular meter may serve. In many cases, dedicated irrigation accounts have been given a fictitious address to roughly describe the meter location. So, field verification of the irrigable area is required. This is less of an issue with our single-family accounts, which is fortunate since that is the service type of the vast majority of accounts; approximately 44,500 of our 52,500 total accounts. However, even in this case nearly 6,000 anomalies were discovered.

An additional issue arises when we consider our commercial and industrial customer classes. One difficulty lies in discerning what an individual business'

base allocation should be and how to manage the allocation data once a business moves out of a location and a different business moves in. For example, a restaurant could use substantial water and therefore a higher base allocation may be assigned to that address initially. However, if the restaurant closes and a simple shop of some sort moves in, they may only need water for restroom facilities. Another issue is the fact that many businesses are in strip mall facilities with one shared meter, making the determination of a base allocation for the facility even more difficult. While the City's consultant has been tasked with developing a business/industrial allocation based rate structure, their recommendation is to forego this type of rate structure with this customer class, retain the current uniform rate for water usage and instead focus efforts on conservation programs for these customers.

Going forward, it is clear that if we continue with the study and move to implementation of the new rate structure for all customer classes, considerable staff resources will be necessary. Current water conservation staff includes a full-time Water Conservation Coordinator and a Water Conservation Specialist working by contract.

Attachments:

PowerPoint Presentation by Sanjay Gaur of Raftelis Financial Consultants, Inc.

ATTACHMENT #1



WATER BUDGET STUDY

Public Work Commission

City of Huntington Beach

April 13, 2011



RFC
RAFTELIS FINANCIAL
CONSULTANTS, INC.



Agenda

- Water Enterprise Challenges
- Water Rate Evolution
- Benefit and Challenges of Water Budget Rate Structure
- Customer Impacts
- Revenue Stability and Pricing



Water Agencies' Current Challenges

- New Regulatory Requirements
 - SB x7-7
- MWD Allocation & Penalties
 - How to equitably allocate water supply to customers?
 - Who should pay for MWD Penalty if incurred?
- Volatility of Water Supply and Demand
 - Weather
 - Economy
 - Regulatory
 - Conservation Program



Water Management Challenges

Given these challenges, how will your agency address these concerns?

The key is to develop a Conservation Rate Structure that

1. Ensures the compliance with new regulatory requirements by aggressively promoting conservation and efficient water use
2. Equitably allocates water supply to customers
3. Enhances revenue stability
4. Meets the agency's goals, objectives & needs



Conservation Rate Structure

- Which customer classes should have conservation rate structures?



Important to Assign Value to End-uses of Water



**Sanitary /
Health & Safety**



Economic



Recreational



**Outdoor
Aesthetic**





Proposed Guiding Principle for Study

If reductions are needed, an emphasis will be to target inefficient use, focusing first on outdoor aesthetic water, then recreational usage. Only in severe circumstances should water be reduced for economic activities and sanitary / health and safety.



Which Customer Classes Should Have Conservation Rate Structure?

Given the objectives and end-use valuation outlined, RFC recommends:

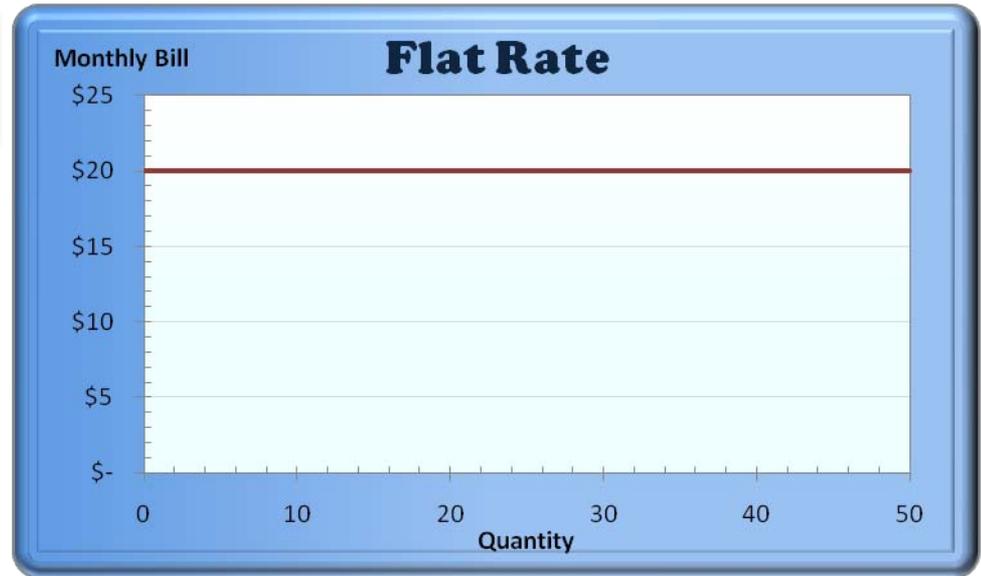
- This study focus on Dedicated Landscape, Single Family and Multi Family
- Business, Industrial and Institutional will be examined at Phase II



Water Rate Structure Evolution

Revenue Mechanism

← Flat Rate



Flat Rate: \$xx / month regardless of usage

Pros: Revenue stability, easy to understand

Cons: Inequitable, no conservation signal, not affordable for essential use



Water Rate Structure Evolution



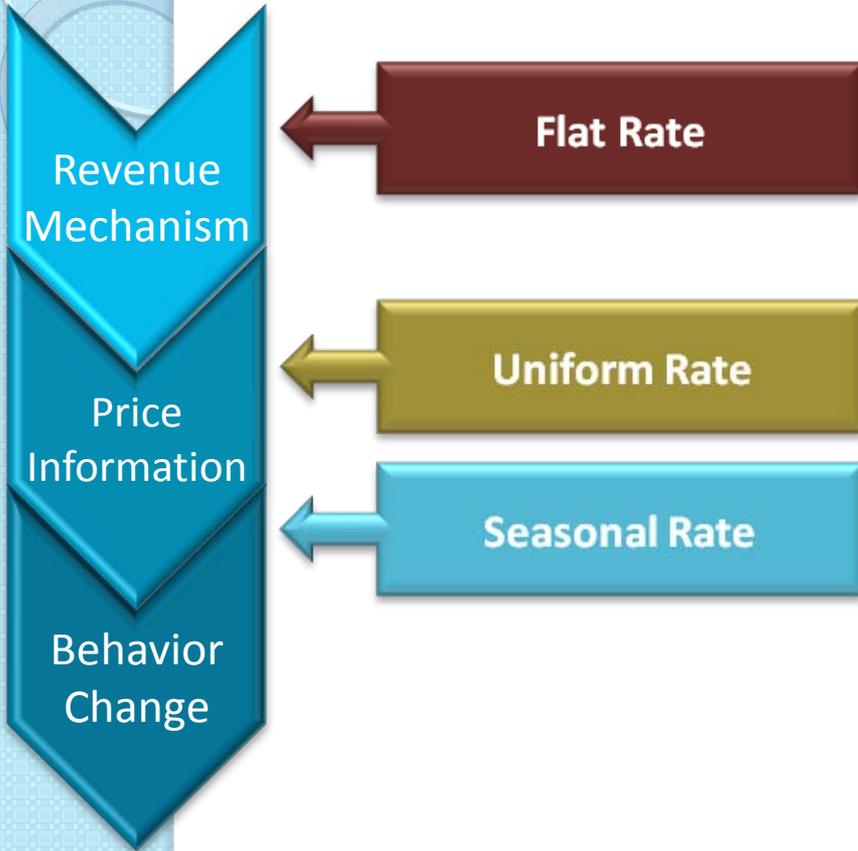
Uniform Rate: \$xx / hcf

Pros: Revenue stability, administrative ease, easy to understand

Cons: Weak conservation, not affordable for essential use



Water Rate Structure Evolution



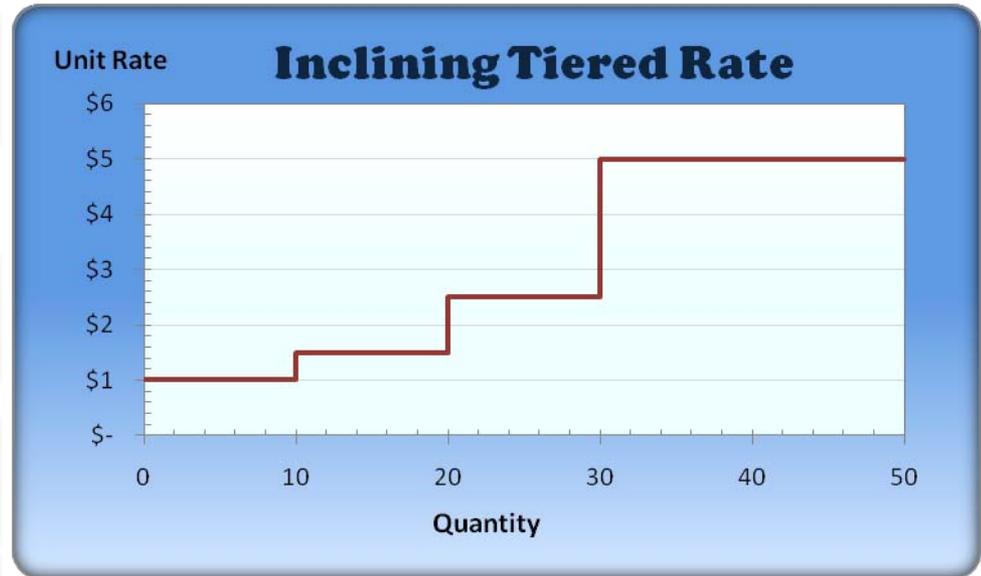
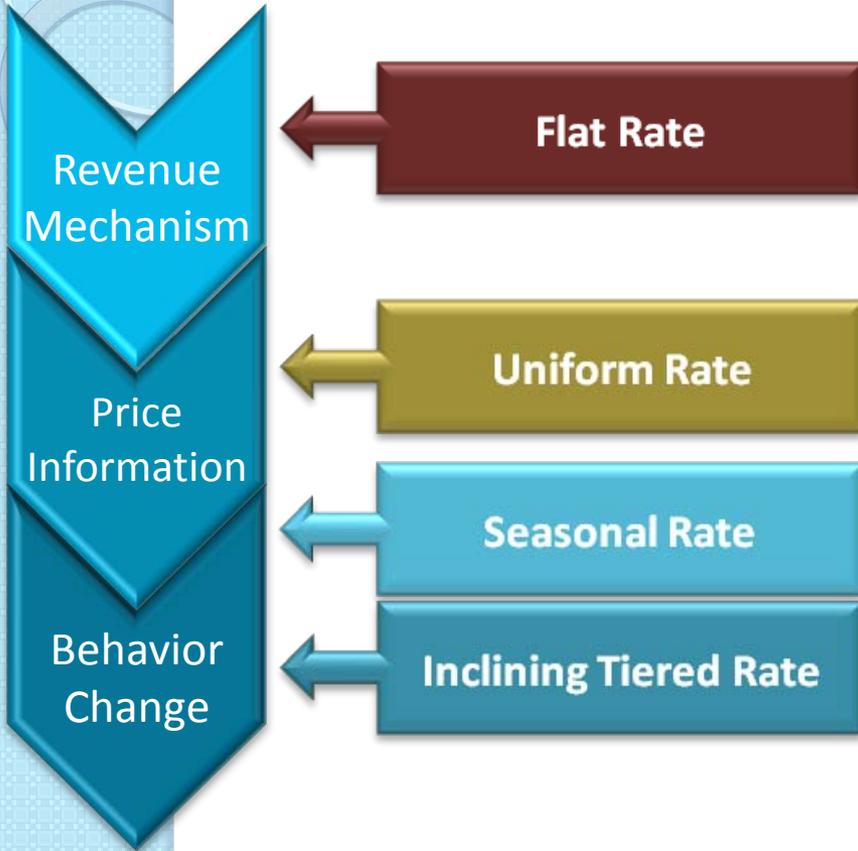
Seasonal Rate: \$ xxx / hcf in Summer,
\$ x/hcf in Winter

Pros: Promote water conservation in the summer, easy to administer

Cons: Revenue instability, not affordable for essential use



Water Rate Structure Evolution



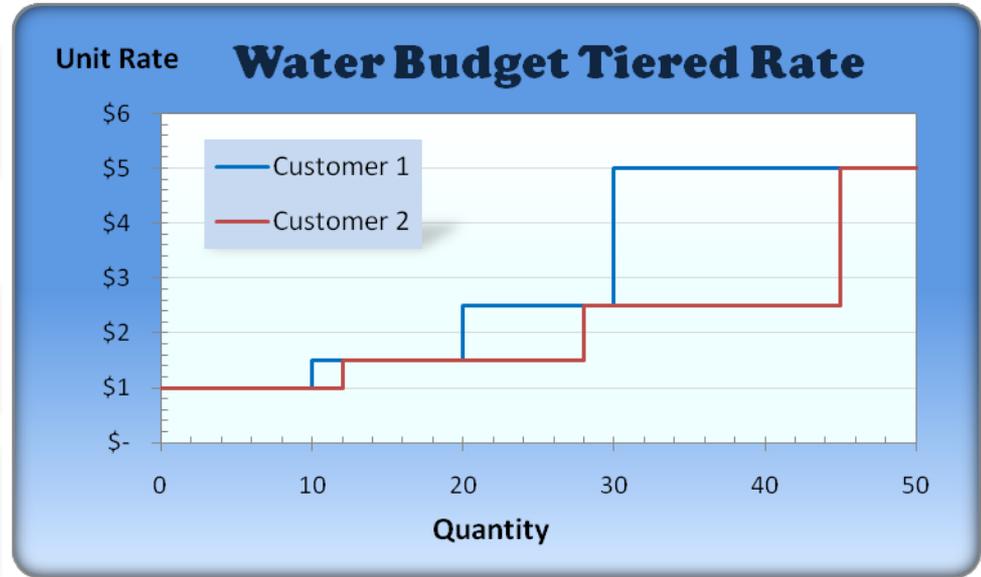
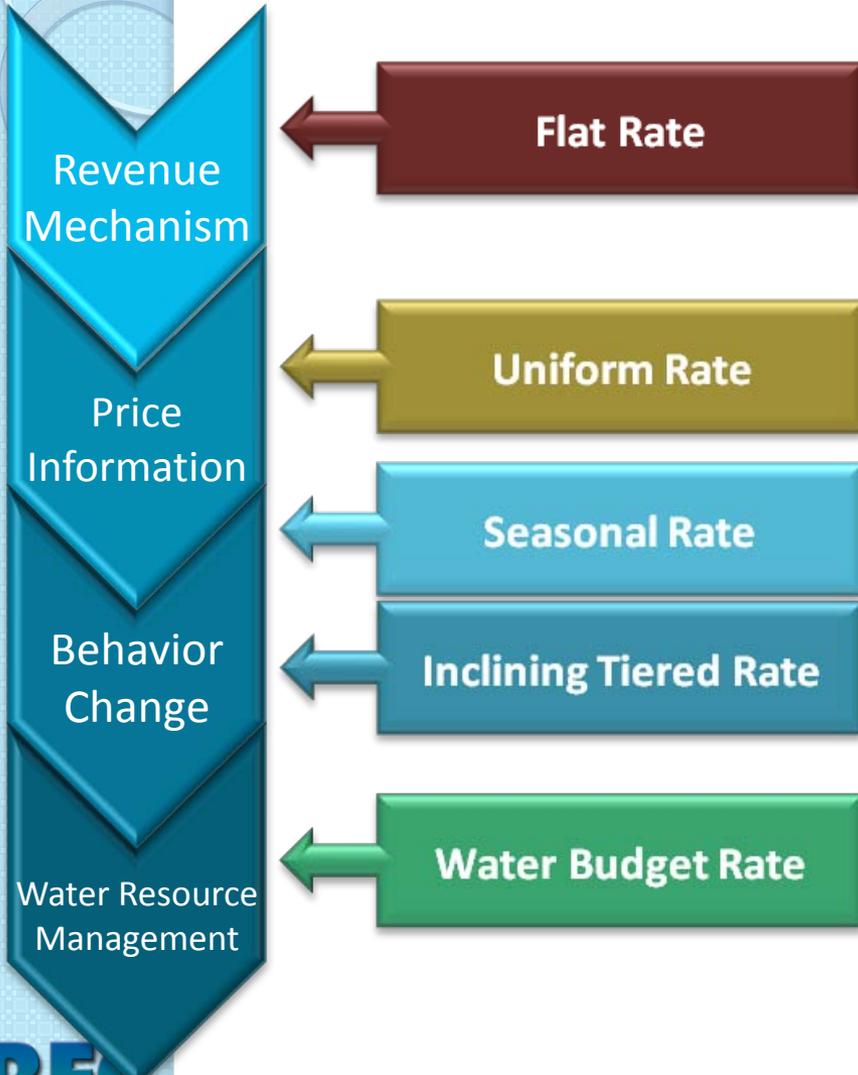
Inclining Tiered Rate:

Pros: Promote conservation, affordable for essential use, easy to administer, easy to understand

Cons: Penalize large users



Water Rate Structure Evolution



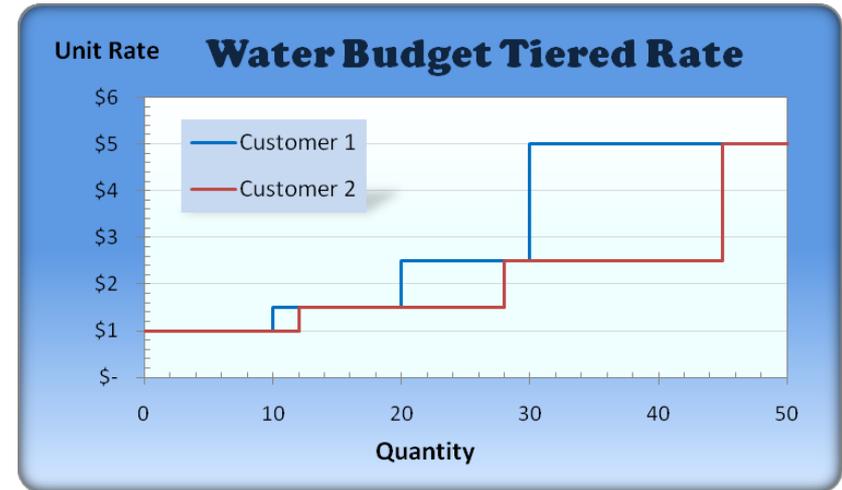
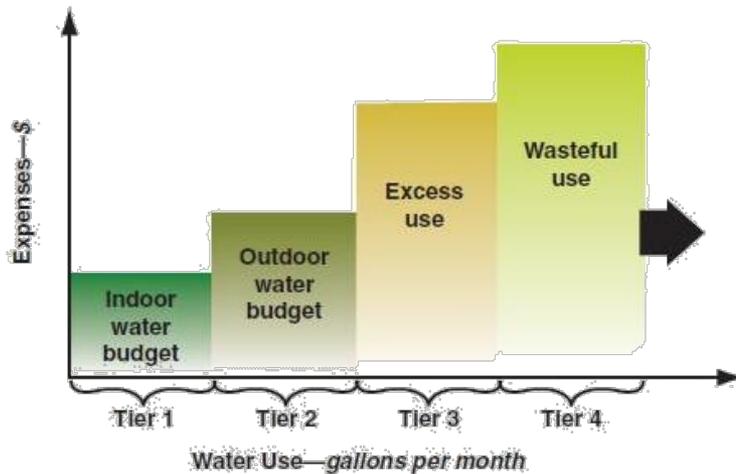
Water Budget Tiered Rate:

Pros: Promote water efficiency, equitable, affordable for essential use, drought allocation tool, revenue stability

Cons: High administrative cost, harder to understand



What Is a Water Budget?



“Water budget rate is an increasing block rate structure in which the block definition is different for each customer based on an efficient level of water use by that customer.”

Source: *American Water Works Association Journal*, May 2008, Volume 100, Number 5



Conservation & Efficiency

Water Conservation

- Reducing water usage
- Command & control
- Restricting water use

Water Efficiency

- Reducing water waste
- Target driven
- Appropriate water use



Conservation Rate Structures

INCLINING BLOCK

Pros

- + Easy to administer
- + Sends clear conservation signal
- + Addresses affordability for basic needs

Cons

- Targets larger water users and doesn't focus on efficient use of water
 - High water use = wasteful water use
- Equity concerns
 - Penalizes large families / lots
 - Exacerbated during drought pricing

WATER BUDGET

Pros

- + Provides water efficiency targets
 - Addresses equity concerns for large families / lots
- + Properly allocates drought penalty rates
- + Addresses affordability for basic needs

Cons

- Higher administrative costs
 - How is efficiency defined?
 - Billing system update required
 - Proactive Public outreach
 - Increases staff for customer service (implementation phase)

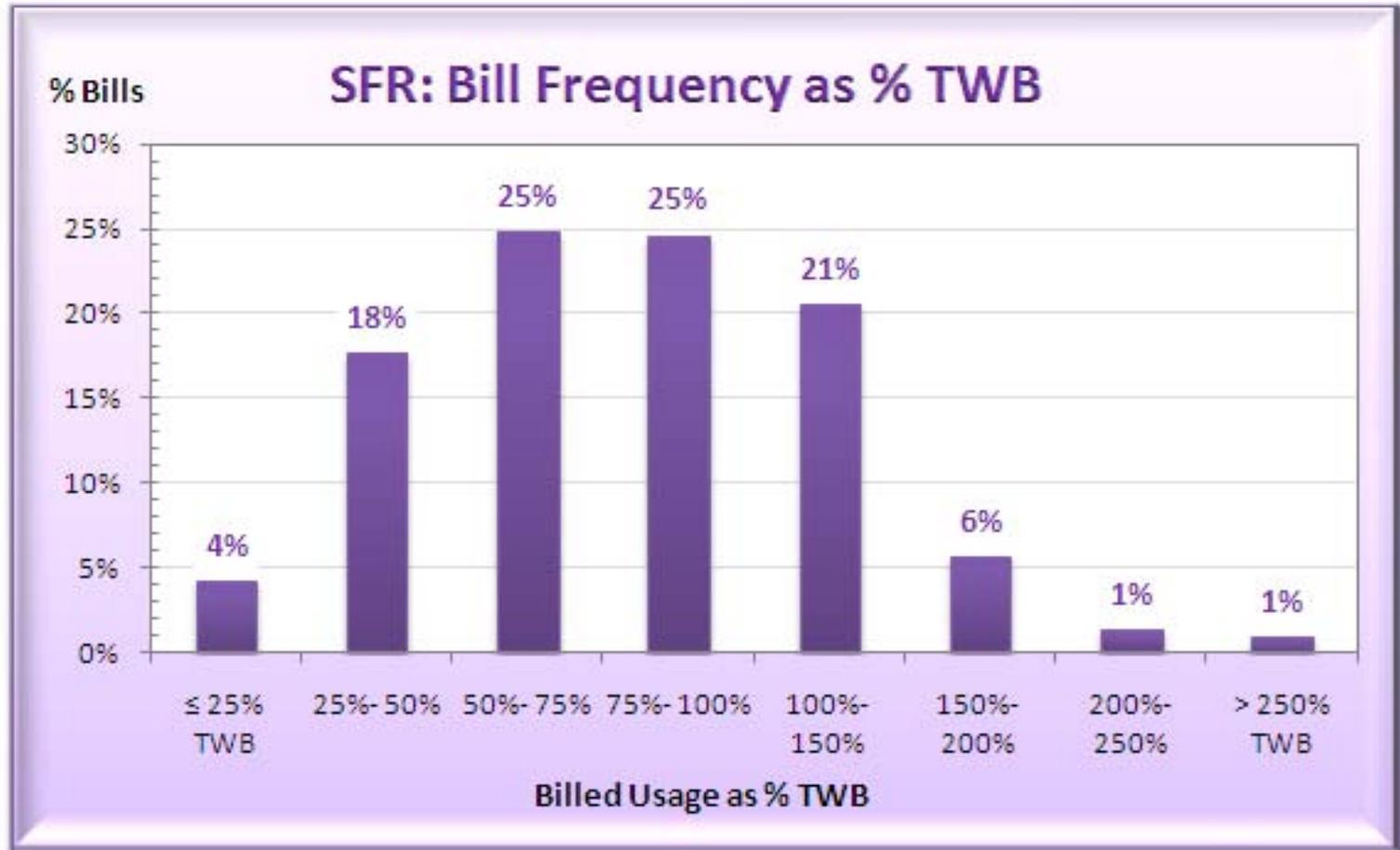


Water Budget Allocation

- Two components:
 1. Indoor Budget, which is determined by household size * 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 and weather



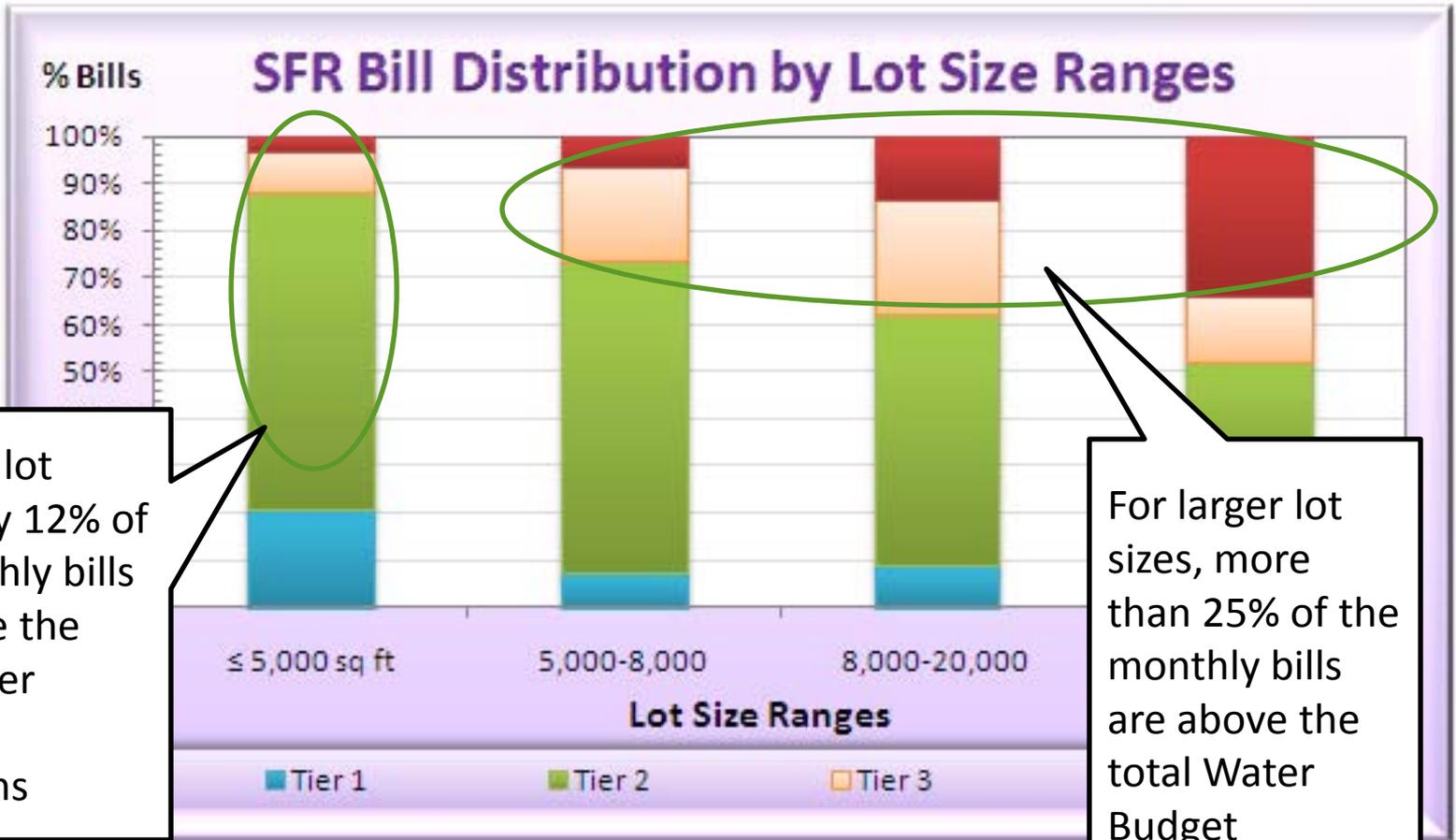
Results of the WB Evaluation: Single Family (SFR)



GPCD = 55, Household Size = 4 (SFR), $ETAF_{Res} = 80\%$, 50%(Lot Size – Ft Print), $DF_{out} = 80\%$



Results of the WB Evaluation: SFR



For small lot sizes, only 12% of the monthly bills are above the total Water Budget Allocations

For larger lot sizes, more than 25% of the monthly bills are above the total Water Budget Allocations



Creating Revenue Stability

- Collect the remaining fixed costs from usage in the lower tiers
- Customers who are above their allocation will be asked to reduce their consumption
 - The rate structure is aligned with the goals of meeting SBx7-7 compliance



Tiered Price Justification & Prop 218

- Rationality is required on the differences in tiered prices
- Typically is based on the following:
 - Water supply cost
 - Such as desalination
 - Urban run off
 - Conservation program
 - Peaking cost associated with capital



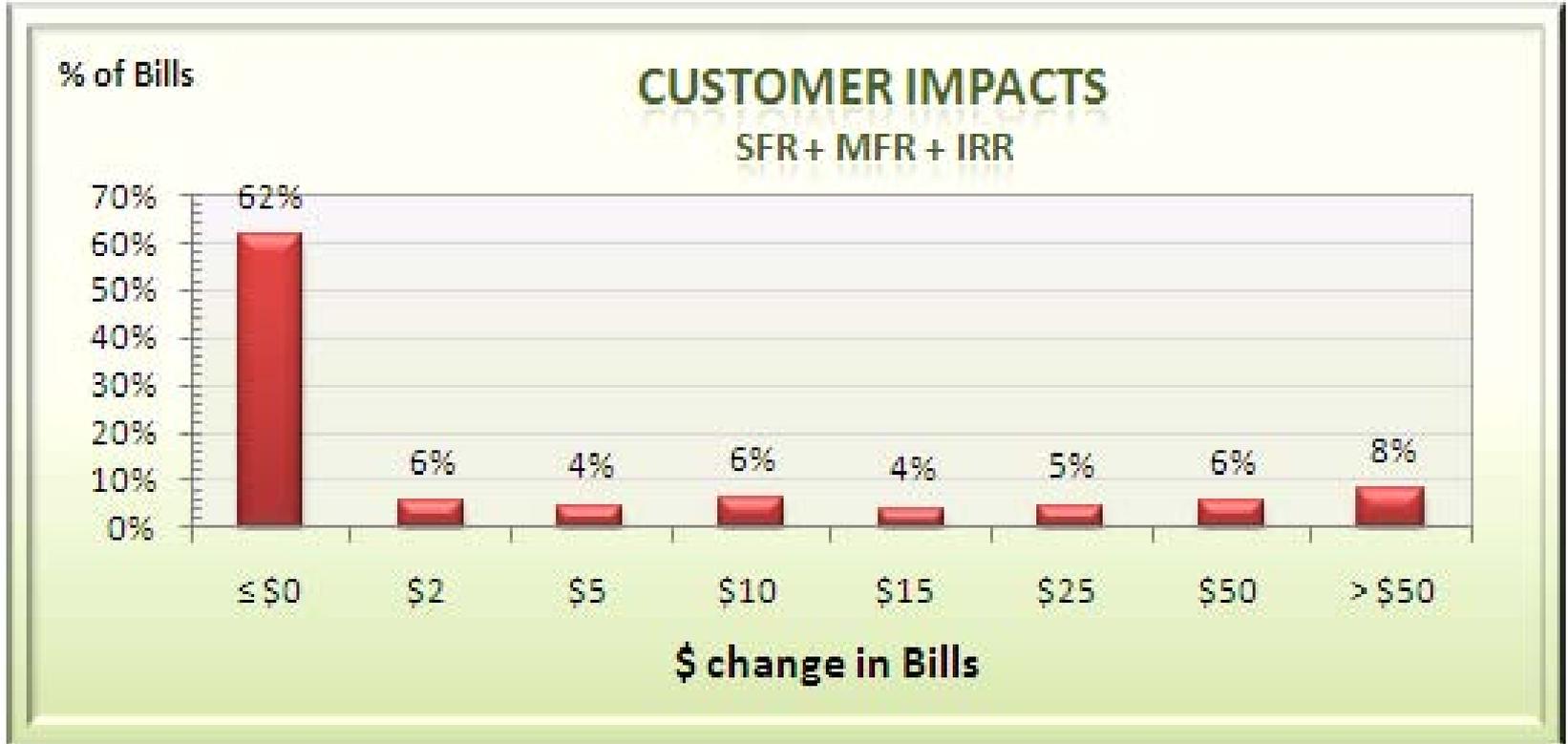
Case Study:

El Toro Water District (ETWD)

Tiers	FY 2010 Rates	FY 2011 Rates				
		Water Supply	Delivery	Conservation	Offset	Total
Tier 1	\$1.89	\$1.86			(\$0.06)	\$1.80
Tier 2	\$1.89	\$1.86	\$0.34			\$2.20
Tier 3	\$1.89	\$3.80	\$0.34	\$0.24		\$4.38
Tier 4	\$1.89	\$5.70		\$0.24		\$5.94



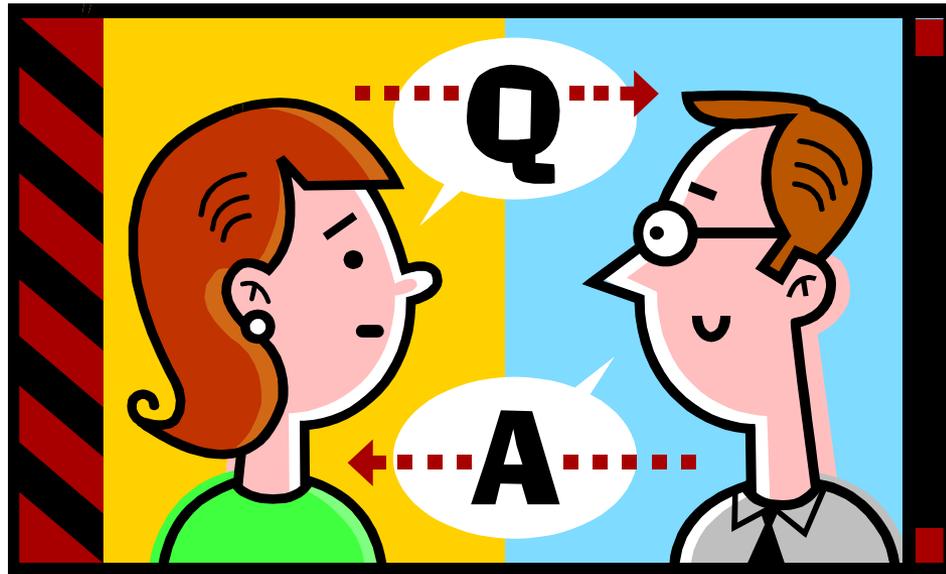
Outcomes of Water Budget: ETWD

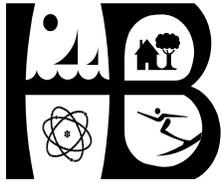


62% of the customers will see a reduction in their bill, assuming no increases in revenue requirements.



Discussion





**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
REQUEST FOR ACTION**

Item No. PW 11-13

SUBMITTED TO: Chairman Siersema and Members of the Commission

SUBMITTED BY: Travis K. Hopkins, PE, Director of Public Works

DATE: April 13, 2011

SUBJECT: Infrastructure Priority and Funding

Statement of Issue: During the City Council's most recent strategic planning efforts, the Director of Public Works, with input from the Public Works Commission, was directed to prioritize infrastructure needs from the 10 Year CIP Needs List, identify sources of funding to address these needs, including a potential storm drain fee, and report the results, including recommendation(s) to the City Council for action.

Funding Source: Potential funding sources are to be identified.

Impact on Future Maintenance Costs: Impacts on maintenance costs will be determined as individual projects are presented to the Commission

Recommended Action: Prioritize infrastructure needs from the 10 Year CIP Needs List, identify potential funding sources to address the needs and develop recommendation(s) for City Council Action.

Alternative Action(s):

Analysis: At the March 16, 2011 meeting of the Public Works Commission, the Public Works Director, as directed by City Council, initiated the review of the City's unfunded infrastructure needs and possible funding sources to address these needs. The City Council has requested a report on the results of these efforts and recommendation(s) for possible Council actions. The Public Works Commission was given a list of infrastructure categories and asked to rank each with regard to importance. The list is again provided as an attachment. In addition, there was a general discussion regarding a potential storm water fee, which was specifically noted in the City Council's direction.

Attached to this evening's agenda for reference is a funding matrix adapted from the 2000 Final Report of the Citizen's Infrastructure Advisory Committee (CIAC). The matrix shows each of the infrastructure needs categories identified at the time, with the exception of sanitary sewer, and various potential funding methods. For each infrastructure category a funding method was either shortlisted as a viable option, noted as an option for supplemental funding or not selected as an option for the particular category in question.

Attachments:

Infrastructure Ranking List

Infrastructure Funding Matrix

ATTACHMENT #1

Infrastructure Asset	Ranking 1-12, (1 most important)	Notes
Drainage		
Flood Control Pump Stations		
Residential Sidewalks and Curbs		
Residential Streets		
Traffic Signals		
Street Lighting		
Beach Facilities		
Arterial Highways		
Alleys		
Playgrounds		
Buildings/Facilities		
Parks		

Highway Block Walls		
---------------------	--	--

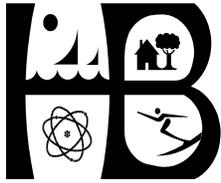
ATTACHMENT #2

Infrastructure Financing/Funding Methods

X = shortlisted by CIAC, S = Option could provide supplemental funding	Drainage	Flood Control	Residential Sidewalks and Curbs	Residential Streets	Traffic Signals	Street Lighting	Beach Facilities
Financing/Funding Methods							
Assessments							
Benefit Assessment Act of 1982 (subject to voter approval)	X	X	X	X	X	X	
Landscaping & Lighting Act					X	X	
1913 Act/1915 Act							
Taxes							
Community Facilities District	X	X	X	X			X
General Tax	X	X	X	X			X
General Obligation Bonds	X	X	X	X			X
Special Tax	X	X	X	X			X
Fees/Charges							
Drainage Fees	S	S					
Facility User Fee							
Park Fee							
Traffic Impact Fee			X	X			
Current Revenue							
General Fund and Restricted Funds	S	S	X	X	S	S	S
Redevelopment - Tax Increment Financing	S	S	S	S	S	S	S
Federal, State and Other Government Funding Programs							
Grants and/or Loans							

Infrastructure Financing/Funding Methods

X = shortlisted by CIAC, S = Option could provide supplemental funding	Arterial Highways	Alleys	Playgrounds	Buildings and Facilities	Parks	Highway Block Walls	
Financing/Funding Methods							
Assessments							
Benefit Assessment Act of 1982 (subject to voter approval)	X	X					
Landscaping & Lighting Act							
1913 Act/1915 Act						X	
Taxes							
Community Facilities District	X	X	X	X	X	X	
General Tax	X	X	X	X	X	X	
General Obligation Bonds	X	X	X	X	X	X	
Special Tax	X	X	X	X	X	X	
Fees/Charges							
Drainage Fees							
Facility User Fee							
Park Fee					S		
Traffic Impact Fee		X					
Current Revenue							
General Fund and Restricted Funds	X	X	S	S	X	S	
Redevelopment - Tax Increment Financing	S	S	S	S	S		
Federal, State and Other Government Funding Programs							
Grants and/or Loans							



**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
REQUEST FOR ACTION**

Item No. PW 11-11

SUBMITTED TO: Chairman Siersema and Members of the Commission

SUBMITTED BY: Travis K. Hopkins, PE, Director of Public Works

DATE: April 13, 2011

SUBJECT: Water Main Extension Projects -
Beach Blvd., Williams Dr. to Yorktown Ave., CC 1408;
Holburn Dr., near Brookhurst St. and Adams Ave., CC 1371;
Springdale St., North of McFadden Ave., CC 1378

Statement of Issue:

Plans and specifications for Water Main Extension Projects are in final preparation. Staff is seeking support for the project and the initiation of the competitive bid process.

Funding Source: Sufficient funds are budgeted in the Water Master Plan Fund Account No. 50791025, and Water Fund Account No. 50691025.

Impact on Future Maintenance Costs: There is minimal future maintenance costs associated with this project.

Recommended Action: Motion to recommend to the City Council, the Water Main Extension Projects, CC1408, CC1371 and CC1378.

Alternative Action(s): Deny approval and recommend an alternate action.

Analysis: The primary objectives of water main extension projects are to increase water system reliability and redundancy. The scope of the proposed project is as follows:

CC1408 consists of installing approximately 350 linear feet of 12-inch pipe, along the west side of Beach Blvd, from Williams Drive toward Yorktown Avenue, to connect three (3) dead end segments of existing pipes. The project is consistent with the objective of the 2005 Water Master Plan to eliminate dead end pipes along Beach Boulevard, ultimately to improve fire flow protection reliability.

CC1371 consists of installing approximately 50 linear feet of 8-inch pipe, starting from the westerly end of Holburn Drive (Tract 5206), to an existing public water main located within commercial property at 10071 Adams Avenue. Tract 5206, which consists of approximately 200 residents, currently has only one (1) single water feed from Adams Avenue. In the event of utility maintenance or repair activity along Adams Avenue, the entire Tract 5206 would have no water supply for both domestic and fire protection. Installing this short segment of new pipe between the residential tract to the adjacent commercial property provides two (2) additional water feeds to the existing tract, with one of those feed coming from Brookhurst Avenue. This project will be funded by the Water Fund. The City has acquired a utility easement for the new water pipe from the commercial property owner.

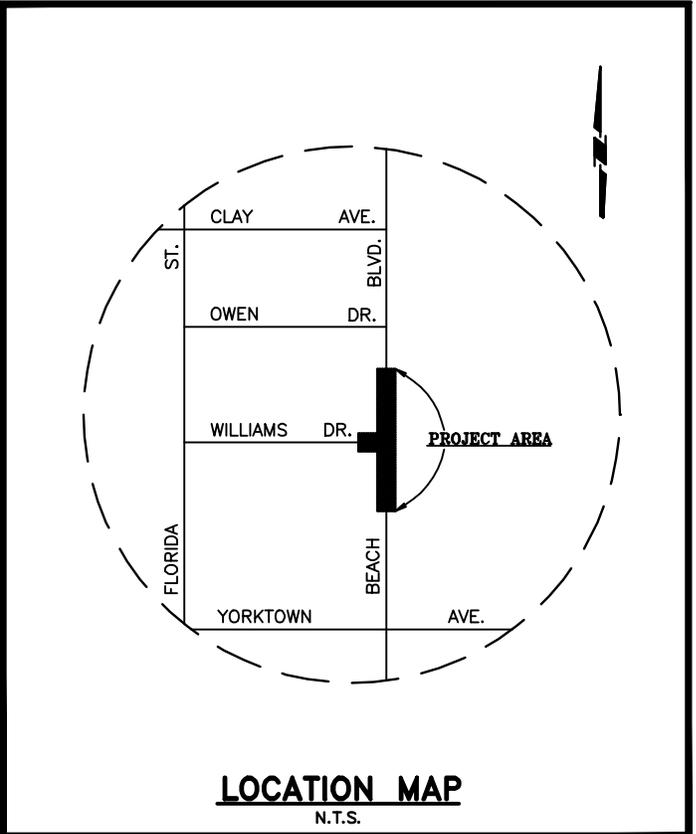
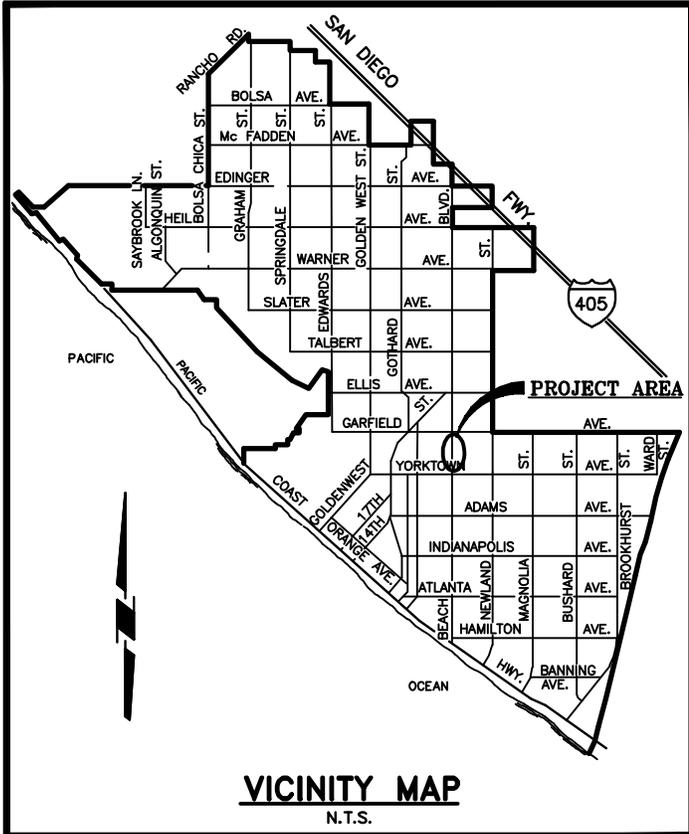
CC1378 consists of installing approximately 80 linear feet of 6-inch pipe to relocate an existing fire hydrant and abandon a dead end segment of an existing water main located along the west side of Springdale Street, south of Machine Drive. Reconfiguring pipe and hydrant in this area will eliminate over 400 linear feet of dead end pipe, and will eliminate any concern for stagnant water through improved water circulation. This project will be funded by the Water Fund.

The Engineer's Estimate for the entire project is \$200,000.

Attachments:

Project Location Maps (3)

ATTACHMENT #1

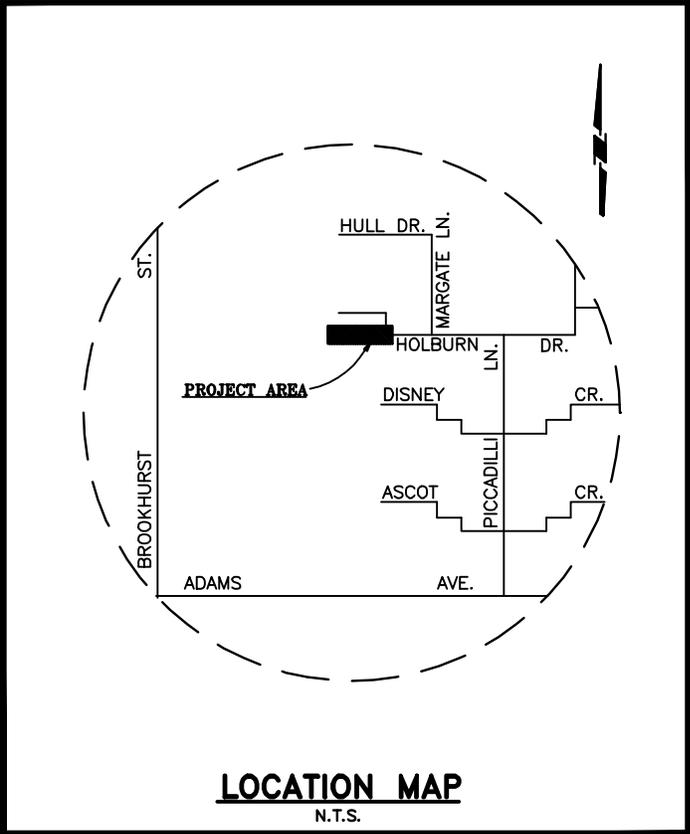
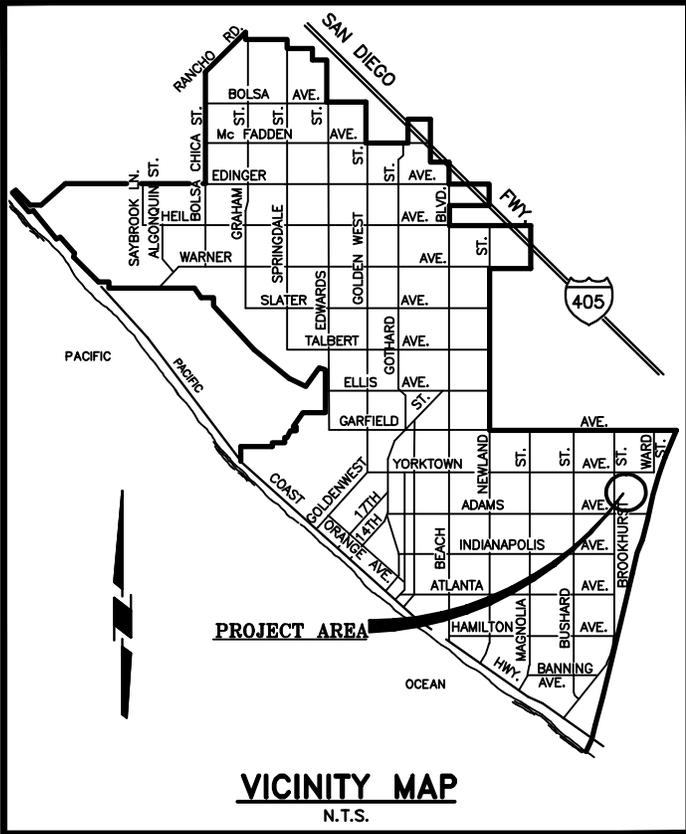


BEACH BLVD. WATERMAIN EXTENSION; CC-1408
PROJECT LOCATION MAP

CITY OF HUNTINGTON BEACH
DEPARTMENT OF PUBLIC WORKS



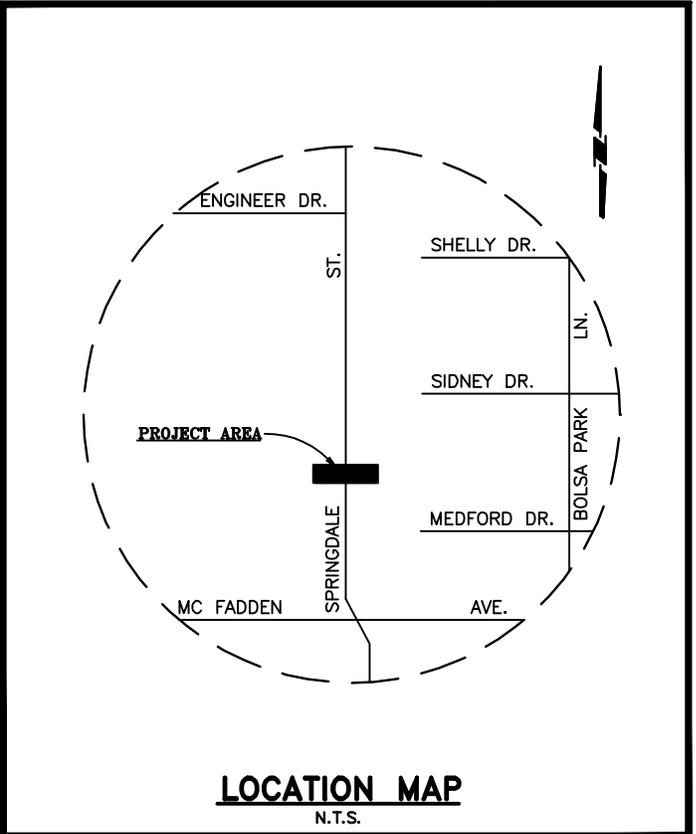
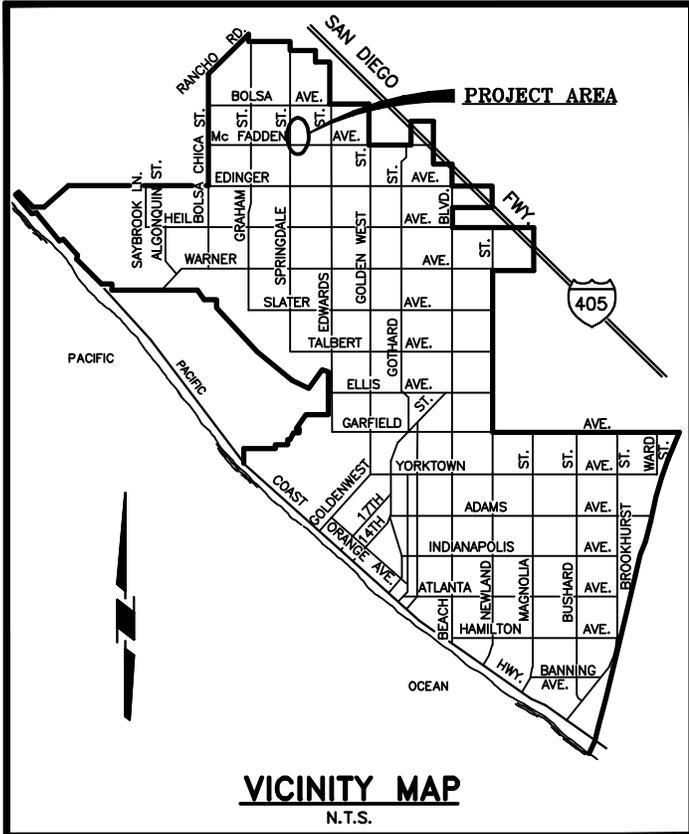
1 OF 1



HOLBURN DR. WATERMAIN EXTENSION; CC-1371
PROJECT LOCATION MAP

CITY OF HUNTINGTON BEACH
DEPARTMENT OF PUBLIC WORKS

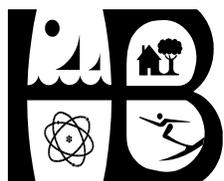




SPRINGDALE ST. WATERMAIN EXTENSION; CC-1378
PROJECT LOCATION MAP

CITY OF HUNTINGTON BEACH
DEPARTMENT OF PUBLIC WORKS





**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
REQUEST FOR ACTION**

Item No. PWC 11-04

SUBMITTED TO: Chairman Siersema and Members of the Commission

SUBMITTED BY: Travis K. Hopkins, PE, Director of Public Works

DATE: April 13, 2011

SUBJECT: Arterial Highway Rehabilitation Project, CC-1384, Delaware Street, Yorktown Ave. to Main St.; Edwards Street, Talbert Ave. to Warner Ave.

Statement of Issue: Plans and specifications for the Arterial Highway Rehabilitation Project, CC-1384 are in final preparation. Staff is seeking support for the project and the initiation of the competitive bid process.

Funding Source: Funds are available in the amount of \$1,000,000 from Proposition 42, Traffic Congestion Relief Act; \$1,300,000 from Proposition 1B, Highway Safety and Traffic Reduction Act; and \$400,000 from the Gas Tax Fund. Additionally, \$89,000 will be reimbursed from the Rubberized Asphalt Concrete (RAC) grant after the projects are constructed. The engineer's estimate is \$2,750,000.

Impact on Future Maintenance Costs: Future maintenance costs are expected to be reduced as a result of the project.

Recommended Action: Motion to recommend to the City Council, the Arterial Highway Rehabilitation Project, CC-1384.

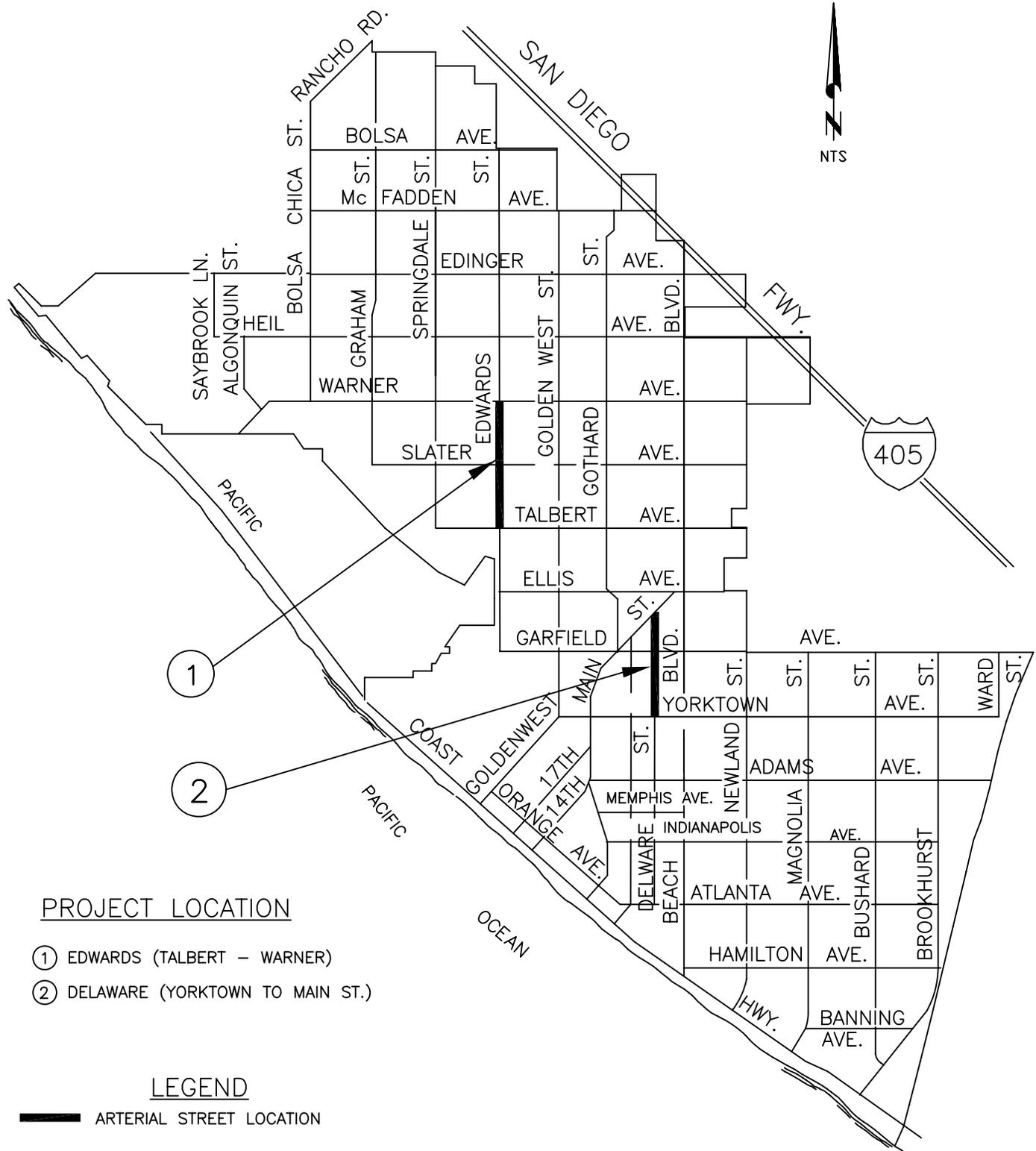
Alternative Action(s): Deny approval and recommend an alternative action.

Analysis: The project locations are Delaware Street, Yorktown Avenue to Main Street, and Edwards Street, Talbert Avenue to Warner Avenue. The projects consist of asphalt rehabilitation by either full depth reclamation or through conventional methods by grinding the existing pavement, removing failed roadway sections and overlaying the street with rubberized asphalt concrete. Limited replacement of concrete curb, gutter, and sidewalk and construction of access ramps will be installed where needed. Manholes, monitoring wells, survey monuments, and water valve assemblies will be adjusted to grade and traffic loops and striping will be replaced. Two small sections of Delaware Street will be improved, to match the full width street section, adjacent to the properties.

Attachments:

1. Project Location Map

ATTACHMENT #1



PROJECT LOCATION

- ① EDWARDS (TALBERT – WARNER)
- ② DELAWARE (YORKTOWN TO MAIN ST.)

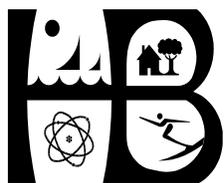
LEGEND

█ ARTERIAL STREET LOCATION

REV 3/31/11

ARTERIAL REHABILITATION
 CC-1384 PROJECT LOCATION MAP
 CITY OF HUNTINGTON BEACH
 DEPARTMENT OF PUBLIC WORKS





**CITY OF HUNTINGTON BEACH
PUBLIC WORKS COMMISSION
REQUEST FOR ACTION**

Item No. PWC 11-10

SUBMITTED TO: Chairman Siersema and Members of the Commission

SUBMITTED BY: Travis K. Hopkins, PE, Director of Public Works

DATE: April 13, 2011

SUBJECT: Landscaping at Well #2, Northwest Corner of Edinger Ave. and Springdale St., CC-1398

Statement of Issue: Plans and specifications for the Landscaping at Well#2, CC-1398 are in final preparation. Staff is seeking support for the project and the initiation of the competitive bid process.

Funding Source: Funds are available in the amount of \$135,000 from Fund 506 Water Fund CIP, Account No. 50685801.

Impact on Future Maintenance Costs: Maintenance will be provided on a monthly basis at a cost of \$1,440.00 annually.

Recommended Action: Motion to recommend to the City Council, Landscaping at Well #2, CC-1398.

Alternative Action(s): Deny approval and recommend an alternative action.

Analysis: In 2001, Water Well #2 was decommissioned due to its aged structure and diminishing water quality. Since that time, the City has received many complaints regarding the appearance of the abandoned well site. In an effort to provide a more pleasant appearance at this highly traveled intersection, the City Council authorized a project in the 2010/2011 Capital Improvement Program to visually enhance the abandoned well site.

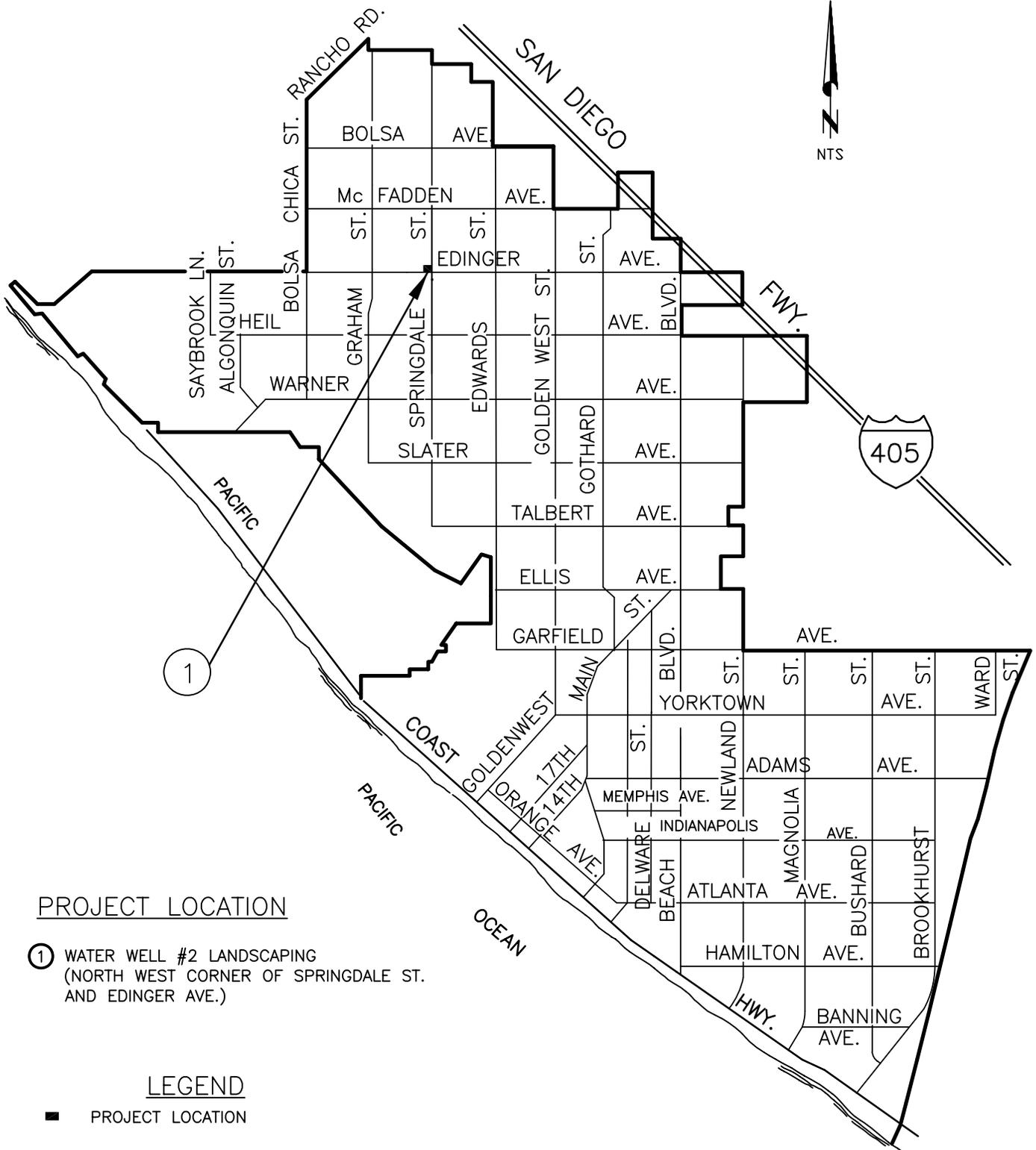
The project location is on the northwest corner of Edinger Avenue and Springdale Street, adjacent to Marina High School. Proposed construction at the site will include removal of existing damaged concrete, gravel, and guard rail, and replace it with new hardscape and landscaping. The hardscape will include a meandering concrete walk way, decorative colored concrete, curb replacement, sidewalks, and installation of a handicap access ramp. Landscaping will include a mix of King and Windmill palm trees, drought tolerant

shrubs and plants, and engineered wood fiber for groundcover. Irrigation will include a new water service, meter, and solar power controller. The contractor will be required to provide a 90 day plant establishment period on landscaping. The engineer's cost estimate for this project is \$135,000.

Attachments:

1. Project Location Map

ATTACHMENT #1



PROJECT LOCATION

- ① WATER WELL #2 LANDSCAPING
(NORTH WEST CORNER OF SPRINGDALE ST.
AND EDINGER AVE.)

LEGEND

■ PROJECT LOCATION

REV 3/22/11

WATER WELL#2 LANDSCAPING
 CC-1398 PROJECT LOCATION MAP
 CITY OF HUNTINGTON BEACH
 DEPARTMENT OF PUBLIC WORKS



1 OF 1