

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

Item No. PW 14-03

SUBMITTED TO: Chairperson and Members of the Commission

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

DATE: February 19, 2014

SUBJECT: Sanitary Sewer Facilities Fund Annual Compliance Report
Fiscal Year 2012/13

Statement of Issue: In accordance with Section 14.36 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Sanitary Sewer Facilities Fund (Sanitary Sewer Fund) for the City Council. The process provides an opportunity for the Public Works Commission to review planned projects, revenues and expenditures under the program.

Funding Source: No funding is required for this action.

Impact on Future Maintenance Costs: Not applicable.

Recommended Action: Motion to recommend to the City Council the approval of the Annual Sanitary Sewer Facilities Fund Compliance Report for Fiscal Year 2012/13.

Alternative Action(s): Recommend revisions to the report.

Analysis: The Sanitary Sewer Fund is a development fee that is restricted to use for sewer capacity enhancements. The fee is unrelated to the monthly Sewer Service Charge used for operations and maintenance of the existing sewer system.

Section 14.36.070 (d) requires the City Council to review the status of compliance with this Chapter, including the revenues collected and the funds expended. The following information conforms to the requirements of the HBMC regarding revenues and expenditures of the Sanitary Sewer Fund. Although this requirement became effective with the adoption of the revised ordinance in

July 2003, the Sewer Facilities Fund has existed since 1988. The following information covers Fiscal Year 2012/13.

Fiscal Status

Revenues and expenditures are summarized below for the past fiscal year. The fund balance as of September 30, 2013 was \$4,524,555.

Not included in this figure are monies owed the Sanitary Sewer Facilities Fund by the Huntington Beach Redevelopment Agency. The original advance was \$131,000. With interest accrual of \$318,853, the debt amount for the fiscal year end was \$449,853.

On June, 29, 2011, the State of California enacted AB1X26, which dissolves redevelopment agencies and designates Successor Agencies to “wind-down” activities of the former redevelopment agencies under supervision of newly created Oversight Boards. On January, 31, 2012, the City’s Redevelopment Agency presented an initial draft Recognized Obligation Payment Schedule (ROPS) to the Successor Agency. In this case, the City has elected to become the Successor Agency. The debt noted above is included in the list of obligations; however, no payments are scheduled to the Sanitary Sewer Facilities Fund within the presented time frame.

Revenues

Total revenue for FY 2012/13 was \$2,727,171. Residential and commercial developer fees contributed \$93,737 and \$2,607,783 respectively. Miscellaneous revenue totaled \$24,620. The fund was credited \$1,031 in interest.

Expenditures

Fiscal Year 2012/13

Expenditures for the fund in FY 12/13 included \$73,359 in salaries charged to the Trinidad Lift Station and Warner Avenue Gravity Sewer projects and \$108,791 in engineering design related to the Trinidad station for a total of \$182,150.

Fiscal Year 2013/14

Budgeted expenditures for the current fiscal year include \$486,960 in encumbrance rollovers and \$400,000 in new funds for lift station design. In addition, \$392,000 for Trinidad Lift Station was carried over from FY 2012/13 to FY 2013/14. Total budgeted expenditures are \$1,278,960.

Conformance with Program Goals and Objectives

The Sanitary Sewer Facilities Fund is intended to implement the goals and objectives of the current Sewer Master Plan. Funds collected and deposited to

the fund may be expended solely for the construction or reimbursement for construction of sanitary sewer facilities. The Fund is in compliance with these requirements.

Environmental Status: Not applicable.

**Summary of Revenue and Expenditures
Sanitary Sewer Facilities Fund**

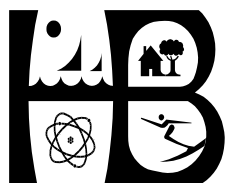
Beginning Balance 10/12	\$1,979,534
Revenue	
Developer fees (residential)	93,737
Developer fees (commercial)	2,607,783
Miscellaneous revenue	24,620
Interest earned	1,031
Total Revenue	\$ 2,727,171
Expenditures	
Salaries and Benefits	(73,359)
Design services	(108,791)
Total Expenditures	(\$182,150)
Beginning Balance 10/13	\$4,524,555
Budgeted revenues	115,000
Budgeted expenditures	(1,278,960)
Estimated Balance 10/14	\$3,360,595

Rate Structure Fiscal Year 2011/12

CITY SEWER CONNECTION FEES		Effective October 1, 2013
Single Family Dwelling Unit	\$	2,256

Multiple Family Dwelling Unit		\$	1,845
Non-Residential (based on water meter size relationship to Equivalent Dwelling Unit, EDU)			
Meter Size & Type	EDU's		Charge
3/4"	1	\$	2,564
1"	2	\$	5,129
1 1/2"	3	\$	7,693
2"	5	\$	12,824
3"	11	\$	28,212
4" Compound	17	\$	43,599
4" Domestic & Turbine	33	\$	84,634
6" Compound	33	\$	84,634
6" Domestic & Turbine	67	\$	171,830
8" Domestic	117	\$	300,061
10" Domestic	183	\$	466,642

Attachments: None



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

Item No. PW 14-04

SUBMITTED TO: Chairperson and Members of the Commission

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

DATE: February 19, 2014

SUBJECT: Planned Local Drainage Facilities Fund Annual Compliance Report *Fiscal Year 2012/13*

Statement of Issue: In accordance with Section 14.48 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Planned Local Drainage Facility Fund (Drainage Fund) for the City Council. The process provides an opportunity for the Public Works Commission to review planned projects, revenues and expenditures under the program.

Funding Source: No funding is required for this action.

Impact on Future Maintenance Costs: Not applicable.

Recommended Action: Motion to recommend to the City Council the approval of the Planned Local Drainage Facility Fund Compliance Report for Fiscal Year 2012/13.

Alternative Action(s): Recommend revisions to the report.

Analysis: The Planned Local Drainage Facilities Fund (Drainage Fund) is a development fee that is restricted to use for drainage system enhancements. Section 14.48.050 (d) requires the City Council to review the status of compliance with this Chapter, including the revenues collected and the funds expended. The following information conforms to the requirements of the HBMC regarding revenues and expenditures of the Drainage Fund. Although the reporting requirement became effective with the adoption of the revised ordinance in September 2006, the Drainage Fund has existed since 1975. The following information covers Fiscal Year 2012/13.

Fiscal Status

The Drainage Fund advanced \$250,000 to the Redevelopment Agency for improvements in 1987. With interest accrual of \$601,854, the debt amount is currently \$851,854. As a result, the Fund maintained a negative balance over the last ten years. In Fiscal Year 2012/13, revenue from developer fees exceeded expectations and the Drainage Fund ended the year with a positive balance of \$40,917.

On June, 29, 2011, the State of California enacted AB1X26, which dissolves redevelopment agencies and designates Successor Agencies to “wind-down” activities of the former redevelopment agencies under supervision of newly created Oversight Boards. On January, 31, 2012, the City’s Redevelopment Agency presented an initial draft Recognized Obligation Payment Schedule (ROPS) to the Successor Agency. In this case, the City has elected to become the Successor Agency. The debt noted above is included in the list of obligations; however, no payments are scheduled to the Drainage Fund within the presented time frame.

Revenues

Revenue for FY 2012/13 from development was \$316,999. Interest to the fund was debited for a reduction of (\$952). Now that the fund is at a positive balance, interest revenue will be credited going forward.

Expenditures

No expenditures were made in FY 2012/13. Staff will monitor the fund as revenue is received and assess the need for future drainage projects.

Conformance with Program Goals and Objectives

The Drainage Fund is intended to implement the goals and objectives of the current Drainage Master Plan. Funds collected and deposited to the fund may be expended solely for the construction or reimbursement for construction of drainage facilities. The Fund is in compliance with these requirements.

Beginning Balance 10/12	(\$275,130)
Revenue	
Developer fees	316,999
Interest earned	(952)
Total Revenue	\$ 316,047
Expenditures	
Total Expenditures	0
Beginning Balance 10/13	\$40,917
Budgeted revenues	90,000
Budgeted expenditures	0
Estimated Balance 10/14	\$130,917

Rate Schedule Fiscal Year 2012/13

Drainage Fees: \$13,880 per acre.

Environmental Status: Not applicable

Attachments: None