



## AGENDA

### PUBLIC WORKS COMMISSION CITY OF HUNTINGTON BEACH

Wednesday July 18, 2012 – 5:00 PM  
City Council Chambers  
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. Minutes of June 20, 2012

#### 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

E-1. Updated CIP Summary Sheets – At the June meeting, Commissioners were presented the draft CIP for FY 2012/13. Since the meeting, some changes have been made to the CIP. Updated sheets will be provided to the Commissioners.

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**PUBLIC WORKS COMMISSION**  
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**F. INFORMATION ITEMS**

- F-1. 15% Infrastructure Calculation History – In accordance with City Charter Section 617 Infrastructure Fund, the City budget is required to maintain expenditures for infrastructure not less than 15% of general fund revenues. The Accounting Manager will present information including calculation and methodology.
- F-2. Upcoming City Council Study Sessions - The City Council conducts public Study Sessions on the evenings of City Council meetings, normally beginning at 4:00 p.m., in Room B-8. A tentative listing of upcoming sessions is submitted for the Commission's information.
- F-3. 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 2011/12 Capital Improvement Program notebook, or on the city's website under Government, Current [Budget](#) information.

**G. ADMINISTRATIVE ITEMS**

- G-1. Recommendation to Remove Five Crosswalks at Three Intersections near Kettler School - The existing marked school crosswalks at three intersections near Kettler School are recommended for removal in conjunction with the closure of Kettler School by the Huntington Beach City School District. State law requires that the public is notified and provided the opportunity to respond prior to elimination of any marked crosswalk.

Funding Source: The recommended action requires no funding, since these crosswalks were, or will be, removed as part of the Residential Overlay Program, CC-1417. The Residential Overlay Program either performed a pavement overlay or will place a slurry seal along all streets within this area. These striped crosswalks will be temporarily restored utilizing construction grade striping tape pending this action. If the Commission determines that the striped crosswalks will be maintained, then the construction grade tape will be replaced with paint, installed as a function of the City's striping forces.

Recommended Action: Motion to direct staff to take the necessary steps to remove the school crosswalk across the east leg of the intersection of Dorsett Drive and Miramar Lane, the south leg of the intersection of Dorsett Drive and Miramar Lane, the north leg of the intersection of Dorsett Drive and Barbados Circle, the east leg of the intersection of Dorsett Drive and Barbados Circle, and the north leg of the intersection of Poston Lane and Stilwell Drive.

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- G-2. Approve Infrastructure Fund Annual Report for Fiscal Year 2011/12 - The City Charter requires an annual review and performance audit of the Infrastructure Fund, and a report of the findings to the City Council. This review covers the current fiscal year (FY) 2011/12.

Funding Source: Infrastructure Fund No. 314

Recommended Action: Motion to recommend to City Council approval of the Infrastructure Fund Annual Report.

- G-3. Sewer Service User Charge Adjustment for 2012/13 - The Huntington Beach Municipal Code requires an annual adjustment to the Sewer Service User Charge. The Commission's concurrence is requested in recommending the proposed charge for City Council approval.

Funding Source: Estimated service charge revenue for 2012/13 is \$10,850,000.

Recommended Action: Motion to recommend to City Council the programmed increase to the Sewer Service User Charge be suspended for Fiscal Year 2012/13.

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

<p><b>NEXT PUBLIC WORKS COMMISSION MEETING</b> <i>August 15, 2012, 5:00 PM, City Council Chambers</i></p>
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## MINUTES

### CITY OF HUNTINGTON BEACH PUBLIC WORKS COMMISSION JUNE 20, 2012

**Call to Order/** The meeting was called to order at 3:00 p.m. by  
**Pledge of Allegiance:** Chairman Herbel, who led Commissioners and the audience  
in the Pledge of Allegiance to the Flag.

The meeting then recessed for a tour of Public Works projects.

#### B. RECESS MEETING TO PECK RESERVOIR COMPLEX

##### 3:20 PM – RECONVENE MEETING AT PECK RESERVOIR COMPLEX

Jay Kleinheinz gave an overview of Peck Reservoir. Peck Reservoir will have dual drive capabilities installed along with other facility modifications. Dual drive will allow electrical power along with natural gas that is currently used.

RECESS MEETING TO 3:45 PM - INTERSECTION OF McFADDEN AVENUE AND HANOVER LANE

##### 3:45 PM – RECONVENE MEETING AT INTERSECTION OF McFADDEN AVENUE AND HANOVER LANE

Hanover Lane is a tree petition street and proposed for full street rehabilitation of sidewalk, curb and gutter, pavement and tree replacement. Mr. Bill Morgan, a resident on Hanover Lane, attended this portion of the tour and requests his parkway tree be saved if possible.

RECESS MEETING TO 4:00 PM - INTERSECTION OF WHITNEY DRIVE AND CASCADE LANE

##### 4:00 PM RECONVENE MEETING AT THE INTERSECTION OF WHITNEY DRIVE AND CASCADE LANE

This location is an example of a completed tree petition street with full rehabilitation.

RECESS MEETING TO 4:20 PM – INTERSECTION OF SANDPIPER LANE AND CRANE CIRCLE

##### 4:20 PM RECONVENE MEETING AT THE INTERSECTION OF SANDPIPER LANE AND CRANE CIRCLE

This location is an example of a completed tree petition street using spot repair as necessary then paved and slurry sealed.

RECESS MEETING TO 5:00 PM - CITY COUNCIL CHAMBERS

**5:00 PM – RECONVENE REGULAR MEETING FOR BUSINESS IN CITY COUNCIL CHAMBERS**

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

**Commissioners Absent:** Spencer

**Others Present:** Travis Hopkins, Director of Public Works  
Tony Olmos, City Engineer  
Bob Stachelski, Transportation Manager  
Jerry Thompson, General Services Manager  
Denny Bacon, Maintenance Operations Manager  
Brian Ragland, Utilities Manager  
Dave Dominguez, Community Services  
Todd Broussard, Principal Civil Engineer  
Duncan Lee, Principal Civil Engineer  
Bill Janusz, Principal Civil Engineer  
Andy Ferrigno, Senior Civil Engineer  
Jim Wagner, Senior Civil Engineer  
Joseph Fuentes, Civil Engineering Assistant  
Joyce Greene, Administrative Assistant

**C. PRESENTATIONS-COMMENDATIONS**

None

**D. MINUTES**

Motion by Commissioner O’Connell, seconded by Commissioner McGovern to approve the minutes of May 16, 2012 as presented.

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

**E ORAL COMMUNICATIONS**

None

**F. DIRECTOR'S ITEMS**

- F-1. Proposed Crosswalk Removal – Travis Hopkins provided information on an item that will come before the Commission at the July meeting. Staff is recommending the removal of six school area crosswalks. Four crosswalks are adjacent to the closed Kettler School and two other crosswalks that were formerly a part of a series of crosswalks along the path to Kettler School.
- F-2. Pavement Blue Ribbon Committee Update – The Committee held its last meeting. The August 6, 2012 City Council Study Session will be on the Pavement Blue Ribbon Committee recommendations. The committee is in favor of continuing the study with the next step being the mailing of approximately 10,000 ballots for a good cross section representation.

**G. INFORMATION ITEMS**

- G-1. Upcoming City Council Study Sessions – The July 2, 2012 Study Session will be the OCTA I-405 project.
- G-2. Active Capital Project Report - Tony Olmos provided updates on various projects and then asked the Commissioners for any questions.

**H. ADMINISTRATIVE ITEMS**

- H-1. Algonquin Lift Station No. 10 Replacement and Algonquin Force Main and Heil Force Main Replacement, CC 1415 – Andy Ferrigno presented the project. The original lift station was constructed 49 years ago and is in need of replacement. The project will replace the lift station and two existing 8-inch force mains which provide flexibility to transmit flow to alternate lift stations if needed.

Motion by Commissioner Cook, seconded by Commissioner O’Connell to recommend to the City Council, approval of Algonquin Lift Station No. 10 Replacement, and Algonquin Force Main and Heil Force Main Replacement, Project CC No. 1415.

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

- H-2. Springdale Street 36-inch Water Main Corrosion Control and Rehabilitation and Arterial Street Rehabilitation Project, from Warner Avenue to the north City Limit Line, CC 1330 – Andy Ferrigno presented the project. The project is cathodic joint bonding inside the 36-inch pipeline protecting the outside of the pipeline from external corrosion. This project is the last of the large diameter pipe cathodic protection retrofit projects. The project will also include rehabilitation of existing valves and other appurtenances.

The second part of the project is arterial street rehabilitation at various locations on Springdale. The reason for combining the projects is to ensure all underground work is completed prior to paving.

Motion by Commissioner O’Connell, seconded by Commissioner Thomas to recommend to the City Council approval of Springdale Street 36-inch Water Main Corrosion Control and Rehabilitation and Arterial Street Rehabilitation Project, From Warner Avenue to the north City Limit Line, CC 1330.

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

- H-3. FY 2012/13 Capital Improvement Program – Tony Olmos provided a brief overview of the Capital Improvement Program (CIP) binder with new fiscal year and current fiscal year carry over projects. Updates were made to the CIP after distribution of the notebooks to the Commissioners. The Commissioners were provided supplemental and updated information for their notebooks. Additional projects have been added. Tony Olmos then turned the meeting over to Todd Broussard who gave a PowerPoint presentation.

The proposed FY 2012/13 CIP recommended projects are based on available funding. The total of new appropriations for next fiscal year is \$23,245,029, with continuing appropriations of \$14,720,839. The CIP will be presented to the City Council during a Study Session in August. The public hearing and first opportunity for adoption will be September 4, 2012 with a possible continuance to the September 17, 2012 meeting.

Commissioner Siersema stated he is hearing issues at his place of work about SCADA security and possible security threats referred to as Advanced Persistent Threat (APT). Travis Hopkins and Brian Ragland responded the city has a consultant it works with. Brian Ragland will contact the consultant and see if they have heard anything similar.

Commissioner McGovern inquired about the funding coming from the General Fund and the 15% Infrastructure calculation. Travis Hopkins responded just under \$3 million was allocated to infrastructure from the General Fund. Finance will provide the 15% infrastructure calculation to the Public Works Commission at the July meeting. Discussion held.

Chair Herbel inquired if the Residential Pavement project and the Keelson Lane rehabilitation project could be combined for cost effectiveness. Tony Olmos responded the Keelson Lane project is funded by CDBG monies and must be kept separate for reporting and audit purposes.

Commissioner O'Connell left at 5:50 PM.

Chair Herbel then inquired if the \$50,000 being spent in Sunset Beach is coming from the General Fund. Travis Hopkins responded Sunset Beach is now a part of Huntington Beach. During the annexation process the city reviewed funding sources and received money from the county and other sources during the annexation and will continue to receive revenue from Sunset Beach.

During the annexation meetings with residents, the city agreed to some items including entry signage identifying Sunset Beach. The city also agreed to landscape improvements in the Warner Turnaround Median.

Chair Herbel requested the Commission be provided the study that shows what funds the city received with the annexation of Sunset Beach. Travis Hopkins will provide that information to the Commissioners by email.

Chair Herbel commented the Five-Year CIP does not show future unfunded projects and feels it is important that unfunded projects be included. Discussion held.

Motion by Chair Herbel, seconded by Commissioner Cook to amend the recommended motion to approve to include future unfunded projects to the CIP before presentation to the City Council.

VOTE: The motion carried.  
AYES: 5  
NOES: 0  
ABSENT: 2 (O'Connell, Spencer)  
ABSTENTIONS: 0

Chair Herbel inquired about the new Sewer Replacement Project in Beach Boulevard being in a newly paved area. Tony Olmos responded this segment of Beach Boulevard was paved four years ago and will be five years before actual construction starts. Caltrans will allow a "T" patch.

Travis Hopkins added staff is being conscientious of coordinating city and other agency projects to avoid disturbing new pavement whenever possible.

Commissioner Siersema inquired about the Gun Range cleanup. Dave Dominguez responded the completion of the EIR and the RAP is needed prior to mitigating the site. There are some possible scoping changes.

**Ammended Motion by Commissioner Thomas, seconded by Commissioner Siersema, to recommend to City Council approval of the Fiscal Year 2012/13 Capital Improvement Program and include unfunded needs for the next fiscal year.**

VOTE: The amended Motion carried  
AYES: 5  
NOES: 0  
ABSENT: 2 (Spencer, O'Connell)  
ABSTENTIONS: 0

Commissioner McGovern thanked staff for the Capital Improvement Program report being well prepared.

**I. WRITTEN COMMUNICATIONS**

None

**J. COMMISSION AND STAFF COMMENTS**

Travis Hopkins stated he neglected to include in his Director Items the Bikeway Master Plan Project Development Meeting that is being held this evening, June 20, 2012, from 6:00-8:00 PM at the Huntington Beach Central Library in the Talbert Room.

Chair Herbel stated he had heard about a signal coordination project along PCH from Huntington Beach to Dana Point and asked if staff knew anything about it. Bob Stachelski responded the idea is being reviewed by different agencies along the corridor. There will be many challenges to the project in addition to the path falling within the Coastal Zone, wetland area, etc. PCH is a State highway with very few communication devices along the route.

**K. ADJOURNMENT**

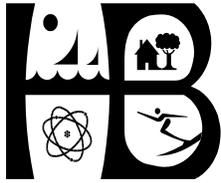
The meeting adjourned at 6:08 PM to July 18, 2012, in City Council Chambers.

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Tom Herbel  
Chair

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Joyce Greene  
Administrative Assistant



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

Item No. PWC 12-25

**SUBMITTED TO:** Chairman Herbel and Members of the Commission  
**SUBMITTED BY:** Travis K. Hopkins, PE, Director of Public Works  
**DATE:** July 18, 2012  
**SUBJECT:** 15% Infrastructure Calculation History

**Analysis:** In accordance with City Charter Section 617 Infrastructure Fund, the City budget is required to maintain expenditures for infrastructure not less than 15% of general fund revenues. The Accounting Manager will present information including calculation and methodology.

Components of the 15% calculation were established by the Infrastructure Advisory Committee and the Infrastructure Planning Committee. General Fund expenditures related to infrastructure include various percentages of Public Works, Community Services, Library Maintenance, and GIS program accounts (Business Units) and infrastructure related debt service. An *infrastructure factor* is applied to various accounts to reflect a percentage of that account dedicated to infrastructure. Percentages range from 25% for Community Services Administration to 100% for most Public Works, maintenance and debt service programs.

The Finance Department has completed a review of past practices used in the Infrastructure Calculation. The review with findings will be presented for Public Works Commission discussion.

City Charter Section 617 Infrastructure Fund

b) Revenues placed in the Infrastructure Fund shall not supplant existing infrastructure funding. The average percentage of general fund revenues utilized for infrastructure improvements and maintenance, for the five- (5) year period of 1996 to 2001, is and was 14.95%. Expenditures for infrastructure improvements and maintenance, subsequent to 2001, shall not be reduced below 15% of general fund revenues based on a five- (5) year rolling average.

# **ATTACHMENT #1**

# Infrastructure Calculation FY 2007/08 to FY 2014/15

in thousands	Actual FY 08/09	Actual FY 09/10	Actual FY 10/11	Projected FY 11/12	Proposed Budget FY 12/13	2008-2013 Total 5 Yrs	2008-2013 Avg 5 Yrs	15% of Revenue
<b>REVENUES</b>								
General Fund Revenues	\$ 171,729	\$ 172,343	\$ 179,400	\$ 179,675	\$ 181,577	\$ 884,724	\$ 176,945	\$ 26,542
Gas Tax Fund Transfers to General Fund	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 4,500	\$ 900	\$ 135
Interest Income from RDA Debt Svc Pmts	\$ 2,846	\$ 1,748	\$ 3,090	\$ -	\$ -	\$ 7,684	\$ 1,537	\$ 231
One Time Revenue Squirrel Case	\$ -	\$ -	\$ (731)	\$ -	\$ -	\$ (731)	\$ (146)	\$ (22)
<b>Total General Fund Revenues Subject to Calc</b>	<b>\$ 175,475</b>	<b>\$ 174,991</b>	<b>\$ 182,659</b>	<b>\$ 180,575</b>	<b>\$ 182,477</b>	<b>\$ 896,177</b>	<b>\$ 179,235</b>	<b>\$ 26,885</b>
<b>EXPENDITURES</b>								
Public Works	\$ 18,191	\$ 16,311	\$ 14,882	\$ 17,594	\$ 18,453	\$ 85,432	\$ 17,086	
Community Services	\$ 2,030	\$ 1,986	\$ 1,876	\$ 1,973	\$ 2,044	\$ 9,909	\$ 1,982	
Library Services	\$ 216	\$ 233	\$ 188	\$ 171	\$ 171	\$ 980	\$ 196	
Information Services	\$ 178	\$ 185	\$ 137	\$ 137	\$ 137	\$ 774	\$ 155	
General Fund Non Dept Capital Projects	\$ 358	\$ 360	\$ 35	\$ 787	\$ -	\$ 1,540	\$ 308	
General Fund Infrastructure Debt	\$ 5,514	\$ 5,677	\$ 5,332	\$ 4,248	\$ 5,141	\$ 25,913	\$ 5,183	
Equipment for Infrastructure Purpose	\$ 1,077	\$ -	\$ 10	\$ 1,579	\$ 2,000	\$ 4,667	\$ 933	
Transfers to Infrastructure Fund	\$ 44	\$ -	\$ -	\$ -	\$ 640	\$ 684	\$ 137	
Solar Project General Fund Debt Service	\$ -	\$ -	\$ 1,675	\$ -	\$ -	\$ 1,675	\$ 335	
Capital Improvement Reserve - Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,700	\$ 1,700	\$ 340	
Annual Street Repairs	\$ -	\$ -	\$ -	\$ 1,300	\$ 1,300	\$ 2,600	\$ 520	
<b>Total Expenditures</b>	<b>\$ 27,609</b>	<b>\$ 24,752</b>	<b>\$ 24,136</b>	<b>\$ 27,789</b>	<b>\$ 31,586</b>	<b>\$ 135,873</b>	<b>\$ 27,175</b>	
<b>Infrastructure Exp as a % of General Fund</b>								
<b>Revenues</b>	15.7%	14.1%	13.2%	15.4%	17.3%			
<b>5 Year Rolling Average</b>	17.1%	17.0%	16.1%	15.5%	15.2%			
<b>Expenditures Over (Under) 15% of Revenue</b>								
			<b>Cumulative</b>	\$ 4,559	\$ 1,446			
			<b>Annual</b>	\$ 703	\$ 4,215			



# ~2012~ CITY COUNCIL STUDY SESSIONS & SPECIAL SESSIONS

*This information is for agenda scheduling purposes only and is subject to change on a daily basis.  
Subjects listed below are not guaranteed to appear on a City Council agenda.*

COUNCIL MEETING	TIME	SUBJECT	DEPT HEAD
<b>2012</b>			
Jan. 9, 2012		<i>Impact Fees</i>	<i>Hall</i>
Jan. 17, 2012		<i>Finance Year-End Report / Five-Year Financial Plan</i>	<i>Farrell</i>
Feb. 6, 2012		<i>-AES Presentation</i>	<i>Hess</i>
Feb. 21, 2012		<i>Investment Advisory Board / Street Maintenance Assessment District Public Opinion Survey.</i>	<i>Cutcheon / Hopkins</i>
Mar. 5, 2012			
Mar. 19, 2012		<i>PD Staffing Review</i>	<i>Small</i>
April 2, 2012		<i>Rainbow Commercial Recycling</i>	<i>Hopkins</i>
April 16, 2012		<i>Economic Development Update</i>	<i>Hall</i>
May 7, 2012		<i>Circulation Element Update</i>	<i>Hopkins</i>
May 21, 2012			
June 4, 2012		<i>Mid Year Budget Review</i>	<i>Farrell</i>
June 18, 2012		<u><i>CDBG Recommendations</i></u>	<i>Hall</i>
July 2, 2012		OCTA I405 (tentative)	Hopkins
July 16, 2012		Budget	Farrell
Aug. 6, 2012	New	Infrastructure (CIP) / Street Light Update	Hopkins / Hall
Aug. 20, 2012	New	Budget / Pavement Blue Ribbon Committee Recommendations	Farrell / Hopkins
Sept. 4, 2012		Budget	Farrell
Sept. 17, 2012		Storm Drain Master Plan Update	Hopkins
Oct. 1, 2012			
Oct. 15, 2012			
Nov. 5, 2012			
Nov. 19, 2012			
Dec. 3, 2012		<b>No Study Session – Mayor Transition</b>	
Dec. 17, 2012			

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

Tue 7/10/12

ID	Task Name	Duration	Start	Finish	Resource	Budget	Comments	Gantt Chart																											
								011	2012			2013			2014																				
								6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6									
1	<b>ARTERIAL</b>	1430 days	Mon 1/5/09	Fri 6/27/14																															
2	<b>CC-1319 Atlanta Avenue Widening (Huntington to Delaware)</b>	1430 days	Mon 1/5/09	Fri 6/27/14	Eng	\$3,300,000	Preparation of Recirculated MND underway.																												
3	Preliminary & Final Design	975 days	Mon 1/5/09	Fri 9/28/12																															
4	Council approval of Relocation Plan	0 days	Mon 12/19/11	Mon 12/19/11																															
5	Revise MND	150 days	Mon 5/14/12	Fri 12/7/12																															
6	Council approval of Revised MND	0 days	Mon 1/7/13	Mon 1/7/13																															
7	Right-of-Way Acquisition Process	185 days	Mon 10/1/12	Fri 6/14/13																															
8	Construction	100 days	Mon 2/10/14	Fri 6/27/14																															
9																																			
10	<b>CC-1356 Bridge Rehabilitation BPMP Program (Warner, Magnolia, &amp; Brookhurst)</b>	540 days	Mon 5/30/11	Fri 6/21/13	Eng	\$1,500,000	Design underway.																												
11	Design	285 days	Mon 5/30/11	Fri 6/29/12																															
12	Caltrans Authorization to Construct (Warner)	120 days	Mon 4/9/12	Fri 9/21/12																															
13	Construction (Warner)	120 days	Mon 1/7/13	Fri 6/21/13																															
14																																			
15	<b>CC-1356A Bridge Rehabilitation HBRR Program (Admiralty, Humbolt, Davenport, Gilbert)</b>	345 days	Mon 12/5/11	Fri 3/29/13	Eng	\$600,000	Received authorization from Caltrans.																												
16	Caltrans Authorization to Design	135 days	Mon 12/5/11	Fri 6/8/12																															
17	Design (Admiralty, Humbolt)	200 days	Mon 6/25/12	Fri 3/29/13																															
18																																			
19	<b>CC-1376 Beach / Warner Improvements</b>	565 days	Mon 6/21/10	Fri 8/17/12	Trans/Eng	\$440,000	Study underway.																												
20	Preliminary Design & MND	565 days	Mon 6/21/10	Fri 8/17/12																															
21																																			
22	<b>CC-1377 Brookhurst / Adams Improvements</b>	695 days	Mon 6/21/10	Fri 2/15/13	Trans/Eng	\$500,000	Study underway.																												
23	Preliminary Design & EIR	550 days	Mon 6/21/10	Fri 7/27/12																															
24	Final Design	145 days	Mon 7/30/12	Fri 2/15/13																															
25																																			
26	<b>CC-1403 Bushard / Adams Improvements</b>	380 days	Mon 3/14/11	Fri 8/24/12	Trans/Eng	\$100,000	Study underway.																												
27	Traffic Analysis Report	380 days	Mon 3/14/11	Fri 8/24/12																															
28																																			
29	<b>CC-1397 Arterial Rehabilitation: Springdale (Bolsa to Chinook), Argosy (Bolsa Chica to Graham), Garfield (Magnolia to Bushard), Yorktown (Main to Goldenwest), 6th (Walnut to Orange)</b>	120 days	Mon 3/5/12	Fri 8/17/12	Eng	\$200,000	Design underway.																												
30	Design	120 days	Mon 3/5/12	Fri 8/17/12																															
31																																			
32	<b>CC-1397 Arterial Rehabilitation: Garfield (Beach to Delaware), Main (Utica to Adams)</b>	100 days	Mon 7/9/12	Fri 11/23/12	Eng	\$1,550,000	Contract prep underway.																												
33	Construction	100 days	Mon 7/9/12	Fri 11/23/12																															
34																																			
35	<b>CC-1413 Arterial Rehabilitation: Magnolia (Adams to Indianapolis), Center (I405 to Railroad Tracks), Heil (Silver to Gothard), Main (Yorktown to Utica)</b>	95 days	Mon 2/6/12	Fri 6/15/12	Eng	\$2,000,000	Construction substantially completed. Punch list only.																												
36	Construction	95 days	Mon 2/6/12	Fri 6/15/12																															
37																																			
38	<b>DRAINAGE &amp; WATER QUALITY</b>	530 days	Mon 3/26/12	Fri 4/4/14																															
39	<b>CC-1255A Talbert Lake Urban Runoff Diversion - Phase I</b>	80 days	Mon 3/26/12	Fri 7/13/12	Eng	\$1,000,000	Study nearing completion.																												
40	Talbert Lake Water Study	80 days	Mon 3/26/12	Fri 7/13/12																															
41																																			
42	<b>CC-1293 Heil Pump Station Rebuild</b>	460 days	Mon 7/2/12	Fri 4/4/14	Eng	\$1,950,000	Design completed. Federal grant likely. Property acquisition to resume.																												

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

Tue 7/10/12

ID	Task Name	Duration	Start	Finish	Resource	Budget	Comments	2012												
								01	02	03	04	05	06	07	08	09	10	11	12	
43	Right-of-Way Acquisition	200 days	Mon 7/2/12	Fri 4/5/13				6	7	8	9	10	11	12	1	2	3	4	5	6
44	Construction	240 days	Mon 5/6/13	Fri 4/4/14																
45																				
46	<b>FACILITY</b>	<b>435 days</b>	<b>Mon 6/20/11</b>	<b>Fri 2/15/13</b>																
47	<b>ADA IMPROVEMENTS</b>	<b>435 days</b>	<b>Mon 6/20/11</b>	<b>Fri 2/15/13</b>																
48	Oakview Community Center ADA	375 days	Mon 6/20/11	Fri 11/23/12	Facilities	\$66,000	To be packaged along with Central Park and Banning Library. Bid prep underway.													
49	Design	250 days	Mon 6/20/11	Fri 6/1/12																
50	Bidding & Construction	115 days	Mon 6/18/12	Fri 11/23/12																
51																				
52	Central Park Restrooms ADA	375 days	Mon 6/20/11	Fri 11/23/12	Facilities	\$170,000	To be packaged with Oakview and Banning Library. Bid prep underway.													
53	Design	250 days	Mon 6/20/11	Fri 6/1/12																
54	Bidding & Construction	115 days	Mon 6/18/12	Fri 11/23/12																
55																				
56	Banning Library ADA	375 days	Mon 6/20/11	Fri 11/23/12	Facilities	\$26,000	To be packaged along with Oakview and Central Park. Bid prep underway.													
57	Design	250 days	Mon 6/20/11	Fri 6/1/12																
58	Bidding & Construction	115 days	Mon 6/18/12	Fri 11/23/12																
59																				
60	City Hall ADA - Phase I & Phase II	425 days	Mon 7/4/11	Fri 2/15/13	Facilities	\$339,000	Currently obtaining permits.													
61	Design	265 days	Mon 7/4/11	Fri 7/6/12																
62	Bidding & Construction	150 days	Mon 7/23/12	Fri 2/15/13																
63																				
64	<b>ENERGY EFFICIENCY IMPROVEMENTS</b>	<b>315 days</b>	<b>Mon 8/15/11</b>	<b>Fri 10/26/12</b>																
65	HVAC Measures, Interior Lighting Re-design & Retrofit, Additional Building Controls, Energy Information Management System, Server Virtualization & HVAC, Downtown Lighting Master Plan	315 days	Mon 8/15/11	Fri 10/26/12	Adm/Facilities	\$3,069,000	Construction underway. Lighting retrofit completed. HVAC underway.													
66	Bidding & Construction	315 days	Mon 8/15/11	Fri 10/26/12																
67																				
68	<b>LOCAL STREET</b>	<b>225 days</b>	<b>Mon 10/31/11</b>	<b>Fri 9/7/12</b>																
69	CC-1418 Tree Petition Street (11/12) - Aulnay Lane	225 days	Mon 10/31/11	Fri 9/7/12	Eng/Streets	\$500,000	Award in August '12.													
70	Design	130 days	Mon 10/31/11	Fri 4/27/12																
71	Construction	25 days	Mon 8/6/12	Fri 9/7/12																
72																				
73	CC-1417 Residential Pavement (11/12)	55 days	Mon 5/14/12	Fri 7/27/12	Streets/Eng	\$2,020,000	Substantially completed.													
74	Construction	55 days	Mon 5/14/12	Fri 7/27/12																
75																				
76	<b>NEIGHBORHOOD</b>	<b>320 days</b>	<b>Mon 11/7/11</b>	<b>Fri 1/25/13</b>																
77	Concrete Replacement (11/12)	170 days	Mon 2/6/12	Fri 9/28/12	Streets	\$500,000	Construction underway.													
78	Construction	170 days	Mon 2/6/12	Fri 9/28/12																
79																				
80	ADA Ramps (11/12)	100 days	Mon 9/10/12	Fri 1/25/13	Streets	\$75,000	Award in August '12.													
81	Construction	100 days	Mon 9/10/12	Fri 1/25/13																
82																				
83	CC-1425 Street Light Replacement - 7th St. (PCH to Palm)	320 days	Mon 11/7/11	Fri 1/25/13	Trans	\$378,000	Design completed.													
84	Design	145 days	Mon 11/7/11	Fri 5/25/12																
85	Construction	80 days	Mon 10/8/12	Fri 1/25/13																



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

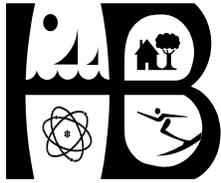
Tue 7/10/12

ID	Task Name	Duration	Start	Finish	Resource	Budget	Comments	2012														
								01	02	03	04	05	06	07	08	09	10	11	12			
129	CC-1421 Signal Synchronization - Goldenwest (SR22 to PCH)	230 days	Mon 7/9/12	Fri 5/24/13	OCTA	\$317,000	Awaiting Caltrans approval to design.															
130	Design	60 days	Mon 7/9/12	Fri 9/28/12																		
131	Construction	75 days	Mon 2/11/13	Fri 5/24/13																		
132																						
133	CC-1422 Signal Synchronization - Talbert/Macarthur (Beach to SR55)	230 days	Mon 7/9/12	Fri 5/24/13	OCTA	\$29,000	Awaiting Caltrans approval to design.															
134	Design	60 days	Mon 7/9/12	Fri 9/28/12																		
135	Construction	75 days	Mon 2/11/13	Fri 5/24/13																		
136																						
137	CC-1423 Signal Synchronization - Warner (PCH to Red Hill)	230 days	Mon 7/9/12	Fri 5/24/13	OCTA	\$343,000	Awaiting Caltrans approval to design.															
138	Design	60 days	Mon 7/9/12	Fri 9/28/12																		
139	Construction	75 days	Mon 2/11/13	Fri 5/24/13																		
140																						
141	<b>WATER</b>																					
142	CC-1175 Southeast Reservoir & CC-1191 Southeast Transmission Main (Planning Phase Only)	1015 days	Mon 12/7/09	Fri 10/25/13	Eng	\$185,000	Transmission main alignment study underway.															
143	Study	683 days	Wed 2/17/10	Fri 9/28/12																		
144																						
145	CC-XXXX Well No. 8 Irrigation Project	830 days	Mon 2/1/10	Fri 4/5/13	Eng	\$100,000	Design scope may change based on Talbert Lake scope change.															
146	Design	785 days	Mon 2/1/10	Fri 2/1/13																		
147	Permits (Building, and may need DPH & OCWD approval)	350 days	Mon 12/5/11	Fri 4/5/13																		
148																						
149	Security Improvements	260 days	Mon 10/3/11	Fri 9/28/12	Ops	\$500,000	Ongoing throughout year.															
150	Construction	260 days	Mon 10/3/11	Fri 9/28/12																		
151																						
152	Variable Frequency Drive at Peck Reservoir	895 days	Mon 3/1/10	Fri 8/2/13	Ops/Eng	\$250,000	Design underway. Working on power issue with SCE.															
153	Conceptual Study	355 days	Mon 3/1/10	Fri 7/8/11																		
154	Final Design	320 days	Mon 7/11/11	Fri 9/28/12																		
155	Construction	110 days	Mon 3/4/13	Fri 8/2/13																		
156																						
157	Well #9 GAC Filtration	645 days	Mon 3/15/10	Fri 8/31/12	Eng/Ops	\$250,000	Operations studying alternate ways for filtration.															
158	Conceptual Study	645 days	Mon 3/15/10	Fri 8/31/12																		
159																						
160	<b>CORROSION CONTROL</b>	575 days	Mon 8/15/11	Fri 10/25/13																		
161	CC-1330 Corrosion Protection 36" Steel on Springdale. Paving from North City Limit to Warner	575 days	Mon 8/15/11	Fri 10/25/13	Eng	\$6,000,000	Award in Aug.'12.															
162	Design	220 days	Mon 8/15/11	Fri 6/15/12																		
163	Construction	260 days	Mon 10/29/12	Fri 10/25/13																		
164																						
165	<b>WATER MAIN REPLACEMENT</b>	160 days	Mon 10/29/12	Fri 6/7/13																		
166	CC-1412 Water Main Replacement @ Sunset Beach Area - Phase I	160 days	Mon 10/29/12	Fri 6/7/13	Eng	\$1,400,000	Award in August '12.															
167	Construction	160 days	Mon 10/29/12	Fri 6/7/13																		
168																						
169	<b>WATER MASTER PLANNING STUDIES</b>	480 days	Mon 11/1/10	Fri 8/31/12																		
170	Update to the Water Master Plan	480 days	Mon 11/1/10	Fri 8/31/12	Eng/Ops	\$350,000	Study underway.															
171	Study	480 days	Mon 11/1/10	Fri 8/31/12																		
172																						

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

Tue 7/10/12

ID	Task Name	Duration	Start	Finish	Resource	Budget	Comments	Gantt Chart																		
								011	2012						2013											
								6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6
173	<b>WATER SYSTEM RELIABILITY STUDIES</b>	755 days	Mon 12/7/09	Fri 10/26/12				[Gantt bar from 12/7/09 to 10/26/12]																		
174	<b>Study Elimination of Potential Choke Points Near Overmyer Reservoir</b>	755 days	Mon 12/7/09	Fri 10/26/12	Eng	\$75,000	Study underway.	[Gantt bar from 12/7/09 to 10/26/12]																		
175	Study	755 days	Mon 12/7/09	Fri 10/26/12				[Gantt bar from 12/7/09 to 10/26/12]																		
176								[Gantt bar from 12/7/09 to 10/26/12]																		
177	<b>Study to Create Potential Redundancy of the Northern End of the 36" Main OC-35</b>	735 days	Mon 1/4/10	Fri 10/26/12	Eng	\$75,000	Study underway. Need field testing during Summer 2012.	[Gantt bar from 1/4/10 to 10/26/12]																		
178	Study	735 days	Mon 1/4/10	Fri 10/26/12				[Gantt bar from 1/4/10 to 10/26/12]																		
179								[Gantt bar from 1/4/10 to 10/26/12]																		
180	<b>Study to Utilize 21" Steel OC-9 for Dedicated Well Water Transmission</b>	240 days	Mon 10/3/11	Fri 8/31/12	Eng	\$200,000	Study underway.	[Gantt bar from 10/3/11 to 8/31/12]																		
181	Study	240 days	Mon 10/3/11	Fri 8/31/12				[Gantt bar from 10/3/11 to 8/31/12]																		



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

Item No. PW 12-24

**SUBMITTED TO:** Chairman Herbel and Members of the Commission

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

**DATE:** July 18, 2012

**SUBJECT:** Recommendation to Remove Five Crosswalks at Three Intersections near Kettler School

**Statement of Issue:** The existing marked school crosswalks at three intersections near Kettler School are recommended for removal in conjunction with the closure of Kettler School by the Huntington Beach City School District. State law requires that the public is notified and provided the opportunity to respond prior to elimination of any marked crosswalk.

**Funding Source:** The recommended action requires no funding, since these crosswalks were, or will be, removed as part of the Residential Overlay Program, CC-1417. The Residential Overlay Program either performed a pavement overlay or will place a slurry seal along all streets within this area. These striped crosswalks will be temporarily restored utilizing construction grade striping tape pending this action. If the Commission determines that the striped crosswalks will be maintained, then the construction grade tape will be replaced with paint, installed as a function of the City's striping forces.

**Impact on Future Maintenance Costs:** Reduced maintenance costs due to elimination of five sets of crosswalk stripes.

**Recommended Action:** Motion to direct staff to take the necessary steps to remove the school crosswalk across the east leg of the intersection of Dorsett Drive and Miramar Lane, the south leg of the intersection of Dorsett Drive and Miramar Lane, the north leg of the intersection of Dorsett Drive and Barbados Circle, the east leg of the intersection of Dorsett Drive and Barbados Circle, and the north leg of the intersection of Poston Lane and Stilwell Drive.

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

**Analysis:** In May 2012, the City Council awarded a construction contract that included pavement rehabilitation and slurry seal in the area near Kettler Elementary School. Kettler School was closed by the Huntington Beach City School District at the end of the 2005 school year.

Within this area are five striped crosswalks that were installed for Kettler Elementary School. These five crosswalks are no longer consistent with the City's practice for striping crosswalks in residential neighborhoods since the school is closed.

Typically, school crosswalks are striped in areas where there is a significant conflict between vehicle and pedestrian movements, significant concentrations of school pedestrians occur, and school pedestrians could not otherwise recognize the proper place to cross. None of this criterion applies in this area with the school closed.

Observations were made at the two intersections along Dorsett Drive to evaluate what level of pedestrian activity remains with the school closure. The elementary school students living in this area have been reassigned to Moffett School, a walk in excess of one mile from these intersections. Edison High School is approximately a one-half mile walk to the east.

During the morning period, only one school-age pedestrian was observed, riding a skateboard and crossing Dorsett Drive diagonally across the Barbados Circle intersection. The only other pedestrian activity was an adult pedestrian walking southbound along Miramar Lane. The afternoon observations also resulted in minimal pedestrian volumes, with no pedestrians observed utilizing crosswalks crossing Dorsett Drive, although five were observed crossing diagonally in front of the school site and midblock between Barbados Circle and Miramar Lane. One pedestrian crossed Barbados Circle across the north leg. Vehicular volumes were very minimal and no pedestrian experienced any difficulty crossing any street.

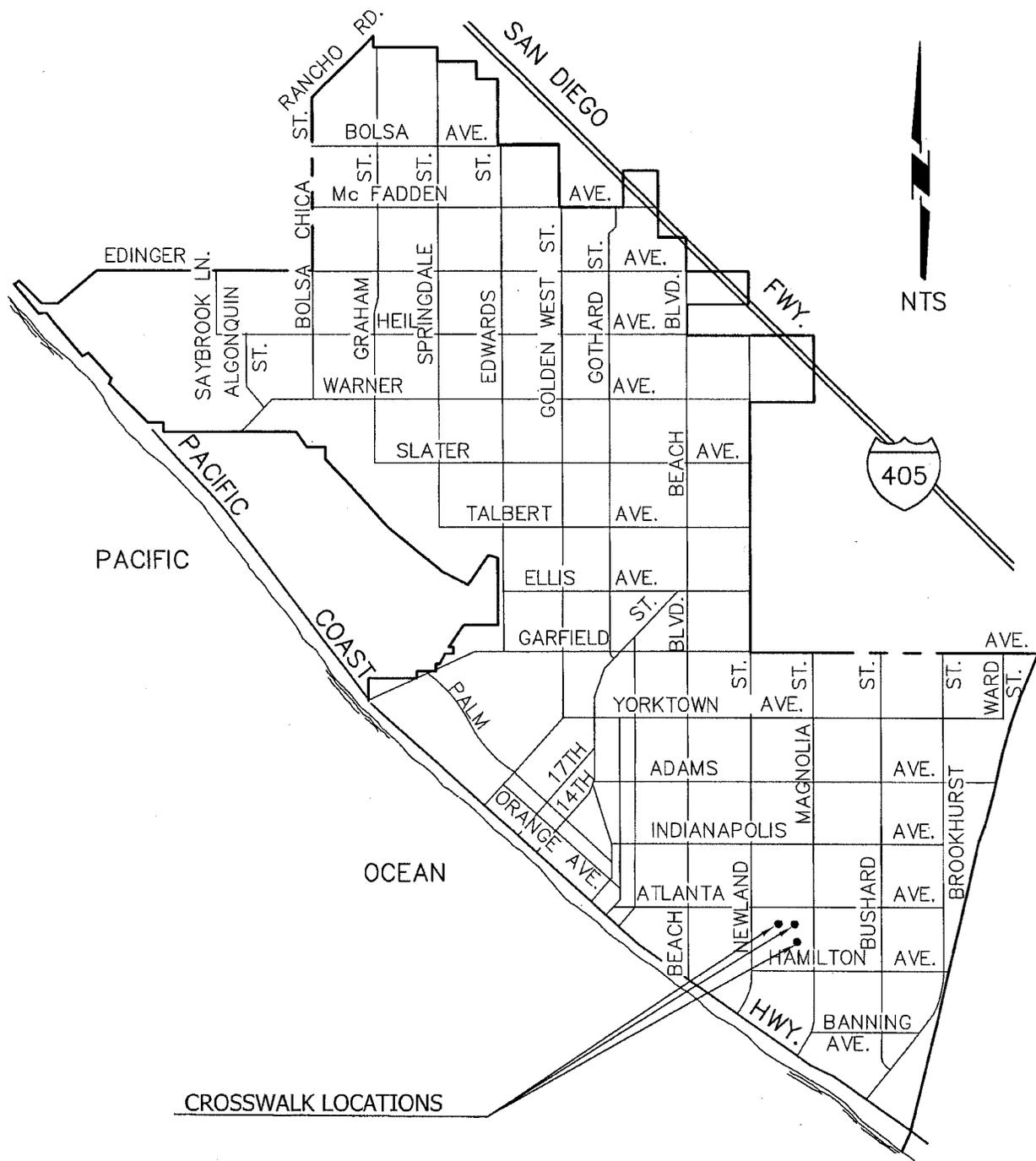
California law requires a local agency to provide a minimum of 30 days advance notice and an opportunity to be heard by the public prior to removing an existing marked crosswalk. Municipal Code Section 2.111.030(j) establishes the Public Works Commission as the public body authorized to conduct initial public meetings on this subject.

As required by California law, public notices have been posted at the existing crosswalks since June 11, 2012, identifying the City's intent to consider removal of the marked crosswalks. The Huntington Beach City School District was also notified of City's consideration of removing the marked crosswalks. The school district expressed no objection, but requested that the City consider restriping of the crosswalks if the school should be reopened by the District. As of the date of preparation of this report, the City has received no written or verbal communication with respect to the crosswalk removal notices that have been posted at the intersections.

**Attachments:**

1. Vicinity Map
2. Crosswalk Location Map
3. Pedestrian Volumes
4. Public Notification Sign

# **ATTACHMENT #1**



CITY OF HUNTINGTON BEACH \* PUBLIC WORKS \* TRAFFIC ENGINEERING

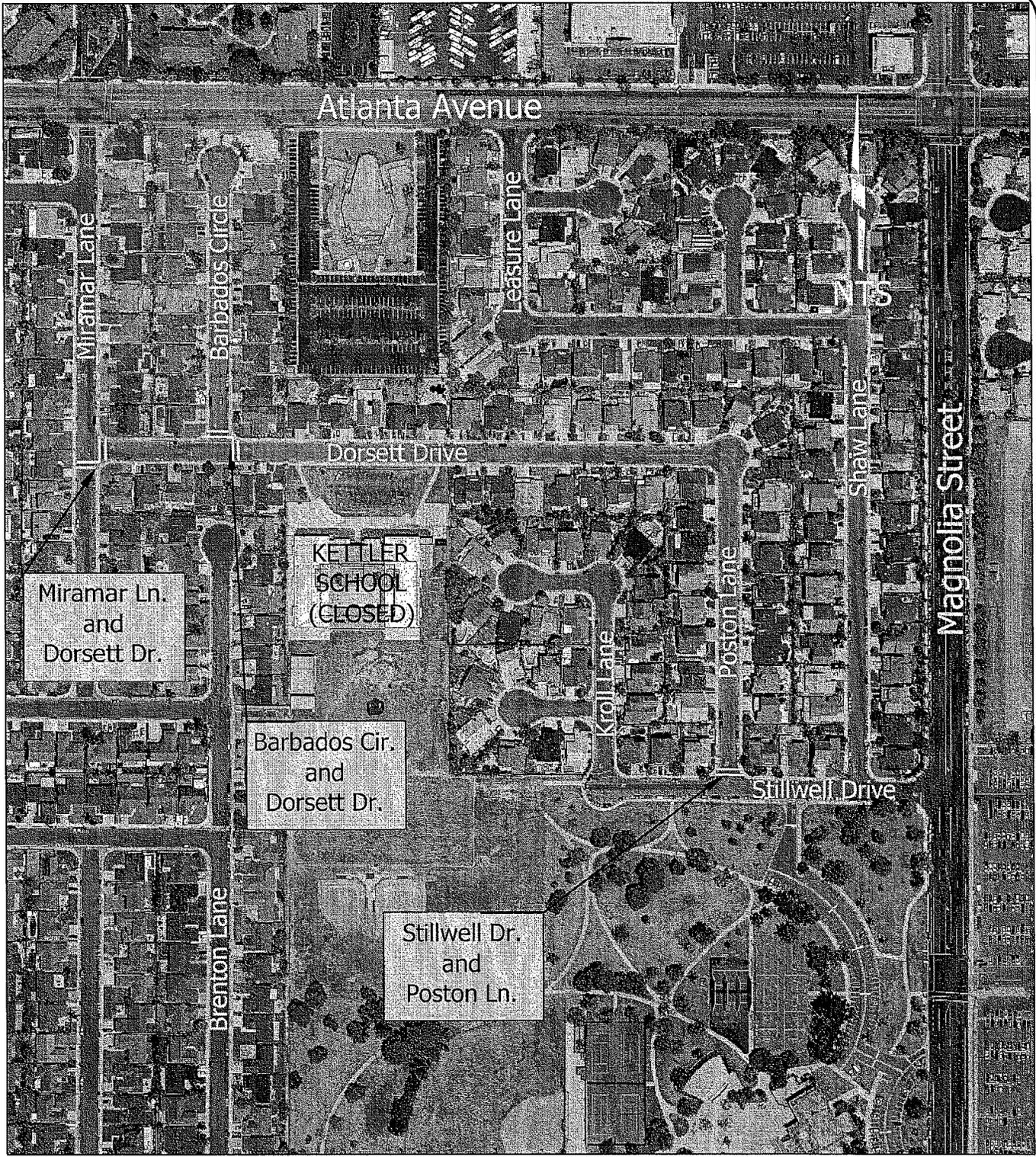


# VICINITY MAP

ATTACHMENT

1

# **ATTACHMENT #2**



CITY OF HUNTINGTON BEACH \* PUBLIC WORKS \* TRAFFIC ENGINEERING

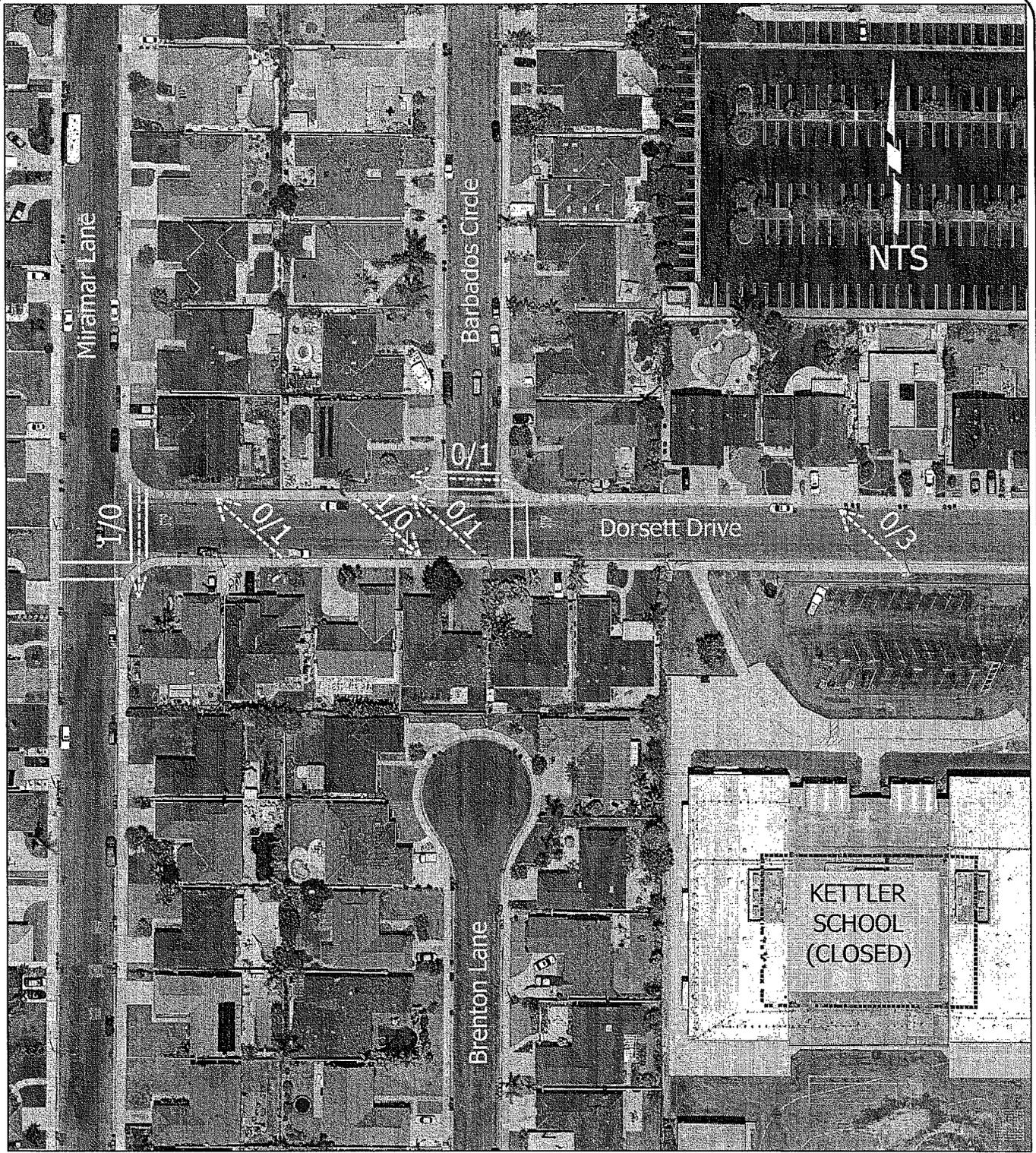


# CROSSWALK LOCATION MAP

ATTACHMENT

2

# **ATTACHMENT #3**



CITY OF HUNTINGTON BEACH \* PUBLIC WORKS \* TRAFFIC ENGINEERING



PEDESTRIAN VOLUMES  
MORNING/AFTERNOON

ATTACHMENT

3

# **ATTACHMENT #4**

# **PUBLIC NOTICE**

## **PROPOSED MARKED CROSSWALK REMOVAL**

The Public Works Commission of the City of Huntington Beach will consider the permanent removal of THIS MARKED CROSSWALK at its July 18, 2012 regular meeting beginning at 5:00 p.m. in the City Council Chambers, 2000 Main Street, Huntington Beach, California. The public is encouraged to attend this meeting to express their opinions regarding the recommended proposed removal or present their opinions in writing. Removal is being considered due to the Kettler School closure.

Written comments may be submitted to:

City of Huntington Beach  
Department of Public Works  
2000 Main Street  
Huntington Beach, CA 92648

If you have any questions regarding the recommended marked crosswalk removal please call Transportation Engineering at (714) 536-5431

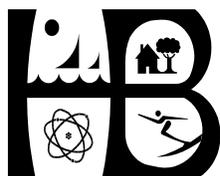
CITY OF HUNTINGTON BEACH \* PUBLIC WORKS \* TRAFFIC ENGINEERING



PUBLIC NOTIFICATION SIGN

ATTACHMENT

4



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

Item No. PW 12-22

**SUBMITTED TO:** Chairman Herbel and Members of the Commission

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

**DATE:** July 18, 2012

**SUBJECT:** Approve Infrastructure Fund Annual Report  
for Fiscal Year 2011/12

**Statement of Issue:** The City Charter requires an annual review and performance audit of the Infrastructure Fund, and a report of the findings to the City Council. This review covers the current fiscal year (FY) 2011/12.

**Funding Source:** Infrastructure Fund No. 314

**Recommended Action:** Motion to recommend to City Council approval of the Infrastructure Fund Annual Report.

**Alternative Action(s):** Direct staff to modify the Annual Report.

**Analysis:** The Infrastructure Fund was established in 2002, by City Charter Section 617. "... (c) The City Council shall by ordinance establish a Citizens Infrastructure Advisory Board to conduct an annual review and performance audit of the Infrastructure Fund and report its findings to the City Council prior to adoption of the following fiscal-year budget."

The single substantial revenue source to the fund was General Fund excess fund balance per the Financial Policy adopted in Fiscal Year 2006/07. The Policy was revised beginning in Fiscal Year 2009/10 to allow for an Economic Uncertainties Reserve commitment. Excerpts addressing the Infrastructure Fund for the previous and current policies are shown in Attachment 1.

**Revenue**

1. A \$600,000 distribution was made to the Infrastructure Fund from the General Fund at the end of FY 2010/11.
2. The maintenance agreement for the traffic signal at Beachmont Plaza provides annual revenue of approximately \$10,000.
3. Interest is paid in proportion to the citywide investments and fund balance.

## Expenditures

Budgeted expenditures for FY 2011/12 consisted of carry over projects from 2010/11, including:

- Water Quality Improvements at Greer and Carr Lakes – The expenditures represent charges for the regular dredging of the lakes. The unexpended encumbered balance was carried over into FY 2011/12 and is anticipated it will be 100% spent by the end of the fiscal year.
- Energy Efficiency Improvements – \$150,000 was encumbered prior to the end of FY 2010/11 for a portion of the design/build of the improvements at City facilities. It is anticipated that the project will be substantially completed by the end of the fiscal year. A clerical error resulted in an additional \$150,000 being included in the annual CIP carry over appropriation. This additional \$150,000 reflected in the budget will not be spent and will remain in the fund balance at the end the current fiscal year.
- \$46,750 was included in the annual CIP carry over for City Yard Building Improvements. It is anticipated that these funds will be spent by the end of the fiscal year.
- Heil Pump Station Property Acquisition – It is anticipated that the funds will be carried forward into the new fiscal year. A Hazard Mitigation Grant that would provide \$2,250,000 in funding to complete the project is pending.

No additional projects are proposed for FY 2012/13.

**INFRASTRUCTURE FUND (314)***Summary Report for FY 2011/12*

	Budget FY 2011/12	Total Projected Revenue and Expenditures	Projected Budget/Carry Over to FY 2012- 13
Beginning Fund Balance 9/30/11		<b>\$1,553,997</b>	
Projected Fund Balance 9/30/2012			<b>\$1,913,826</b>
<b>Revenue</b>			
Transfer from General Fund		\$600,000	\$600,000
Hazard Mitigation Grant (pending)			\$2,250,000
Interest	\$15,300	\$20,450	\$15,000
Market Adjustments		(\$11,546)	
Maintenance Agreement - Beachmont Plaza		\$10,000	\$10,000
<b>Total Revenue</b>		<b>\$618,904</b>	<b>\$2,875,000</b>
<b>Expenditures</b>			
Water Quality Improvements @ Greer and Carr Lakes	(\$62,325)	(\$62,325)	\$0
Energy Efficiency Improvements	(\$300,000)	(\$150,000)	\$0
City Yard Building Improvements	(\$46,750)	(\$46,750)	\$0
Heil Pump Station Property Acquisition	(\$1,029,200)	\$0	(\$1,029,200)
Heil Pump Station Construction			(\$2,250,000)
<b>Total Expenditures</b>		<b>(\$259,075)</b>	<b>(\$3,279,200)</b>
Projected Fund Balance 9/30/2012		<b>\$1,913,826</b>	
Projected Fund Balance 9/30/2013			<b>\$1,509,626</b>

**Attachments:**

1. Excerpts from Financial Policy adopted FY 2006/07 and 2009/10

# **ATTACHMENT #1**

# City of Huntington Beach

## Financial Policies

### Adopted FY 2006/07

#### **FINANCIAL REPORTING AND ACCOUNTING STANDARDS**

- . The City's accounting system will be maintained in accordance with generally accepted accounting practices and the standards of the Government Accounting Standards Board and the Government Finance Officers Association.
- . The annual financial report will be prepared within six months of the close of the previous fiscal year. The City will use generally accepted accounting principles in preparing the annual financial statements and will attempt to qualify for the Government Finance Officers Association's Excellence in Financial Reporting Program.
- . The City will strive for an unqualified audit opinion. An unqualified opinion is rendered without reservation by the independent auditor that financial statements are fairly presented.
- . The City will contract for an annual audit by a qualified independent certified public accounting firm. The independent audit firm will be selected through a competitive process at least once every five years. The contract period will be for an initial period of three years, with two one-year options.

#### **BUDGETING**

- . The budget will be prepared consistent with the standards developed by the Government Finance Officers Association and California Society of Municipal Finance Officers. In addition, a summary version will be provided to the public in a user-friendly format.
- . The City will maintain a balanced operating budget for all funds with estimated revenues being equal to, or greater than, estimated expenditures, and with periodic City Council reviews and necessary adjustments to maintain balance.
- . On-going revenues will support on-going expenditures. Revenues from one-time or limited duration sources will not be used to balance the annual operating budget.
- . Support function appropriations will be placed in the department in which they are managed.

#### **GENERAL FUND BALANCE**

- . The General Fund reserve (designation) will be a minimum of seven percent of the General Fund budget. In addition, a second tier reserve will consist of the net accumulation of amounts that were in excess of the seven percent reserve (designation) and remained in the General Fund after application of the financial policy that immediately follows. This second tier reserve will be used to balance budget fluctuations.
- . Allocation of the audited General Fund balance in excess of the above reserves (designations) may be as follows:
  - . 25 percent for capital projects (transferred to the Capital Improvement Reserve)
  - . 25 percent for Infrastructure (transferred to the Infrastructure Fund)
  - . 50 percent to increase the 2<sup>nd</sup> tier reserve
- . All supplemental appropriations from the General Fund minimum reserve that cannot otherwise be funded during the current fiscal year operating budget must meet one of the three following criteria:
  - . It is an unanticipated emergency.
  - . It is required to implement a Memoranda of Understanding (MOU) or a mandate.
  - . It is a new expense that is offset by related revenues.



**City of Huntington Beach  
Financial Policies  
Adopted Budget – FY 2009/10**



**FINANCIAL REPORTING AND ACCOUNTING STANDARDS**

- The City's accounting system will be maintained in accordance with generally accepted accounting practices and the standards of the Government Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
- The annual financial report will be prepared within six months of the close of the previous fiscal year. The City will use generally accepted accounting principles in preparing the annual financial statements and will attempt to qualify for the Government Finance Officers Association's Excellence in Financial Reporting Program.
- The City will strive for an unqualified audit opinion. An unqualified opinion is rendered without reservation by the independent auditor that financial statements are fairly presented.
- The City will contract for an annual audit by a qualified independent certified public accounting firm. The independent audit firm will be selected through a competitive process at least once every five years. The contract period will be for an initial period of three years, with two one-year options.

**BUDGETING**

- The budget will be prepared consistent with the standards developed by the Government Finance Officers Association and California Society of Municipal Finance Officers (CSMFO). In addition, a summary version will be provided to the public in a user-friendly format.
- The City will maintain a balanced operating budget for all funds with estimated revenues being equal to, or greater than, estimated expenditures, and with periodic City Council reviews and necessary adjustments to maintain balance.
- On-going revenues will support on-going expenditures. Revenues from one-time or limited duration sources will not be used to balance the annual operating budget.
- Support function appropriations will be placed in the department in which they are managed.

**GENERAL FUND BALANCE**

- There will be an established Economic Uncertainties Reserve commitment in the General Fund. The goal is to have an Economic Uncertainties Reserve commitment equal to the value of two months of the General Fund expenditure adopted budget amount.
- Once established, appropriations from the Economic Uncertainties Reserve commitment can only be made by formal City Council action. Generally, appropriations and access to these funds will be reserved for emergency situations. Examples of such emergencies include, but are not limited to:
  - An unplanned, major event such as a catastrophic disaster requiring expenditures over 5% of the General Fund adopted budget
  - Budgeted revenue taken by another government entity
  - Drop in projected/actual revenue of more than 5% of the General Fund adopted revenue budget
- Should the Economic Uncertainties Reserve commitment be used, and its level falls below the minimum amount of two months of General Fund expenditures adopted budget, the goal is to replenish the fund within three fiscal years.



## City of Huntington Beach Financial Policies Adopted Budget – FY 2009/10



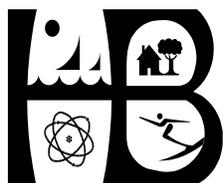
- Allocation of the audited General Fund unassigned fund balance will be done as follows if, and until, the Economic Uncertainties Reserve commitment is fully funded (i.e., two months of General Fund expenditures):
  - 50% to Economic Uncertainties Reserve commitment
  - 25% for Infrastructure Fund
  - 25% to Capital Improvement Reserve (CIR) commitment
- Once the Economic Uncertainties Reserve commitment attains full funding, unassigned fund balance will be divided as follows:
  - 25% for Infrastructure Fund
  - 25% to Capital Improvement Reserve (CIR) commitment
  - 50% to Equipment Replacement commitment
- Any unanticipated and unrestricted revenues received during the fiscal year will be added to the fund balance of the General Fund.

### FUND BALANCE CLASSIFICATION

- The City's fund balance is made up of the following components:
  - Nonspendable fund balance typically includes inventories, prepaid items, and other items that, by definition cannot be appropriated.
  - The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
  - The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has authority to establish, modify, or rescind a fund balance commitment.
  - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Administrator or designee has the authority to establish, modify, or rescind a fund balance assignment.
  - Unassigned fund balance is the residual classification for the City's funds and includes all spendable amounts not contained in the other classifications.
- The City considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.
- The City's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

### APPROPRIATION AUTHORITY

- The City Council is the appropriation authority for the City Budget. As required by state law, appropriations expire at the end of each fiscal year.



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

Item No. PW 12-23

**SUBMITTED TO:** Chairman Herbel and Members of the Commission

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

**DATE:** July 18, 2012

**SUBJECT:** Sewer Service User Charge Adjustment for 2012/13

**Statement of Issue:** The Huntington Beach Municipal Code requires an annual adjustment to the Sewer Service User Charge. The Commission's concurrence is requested in recommending the proposed charge for City Council approval.

**Funding Source:** Estimated service charge revenue for 2012/13 is \$10,850,000.

**Impact on Future Maintenance Costs:** Funds collected through the Sewer Service User Charge are used to fund the maintenance and operations and capital needs of the sanitary sewer system. This action would provide the same funding level as Fiscal Year 2011/12.

**Recommended Action:** Motion to recommend to City Council the programmed increase to the Sewer Service User Charge be suspended for Fiscal Year 2012/13.

**Alternative Action(s):** Motion to recommend that the City Council adopt a Sewer Service User Charge adjustment of 1.6 percent in accordance with Section 14.55.030.

**Analysis:** In accordance with Section 14.55.030 Annual CPIU Adjustments, each Sewer Service User Charge shall be adjusted to reflect the annual percentage adjustment in the Consumer Price Index for all Urban Consumers (CPIU) in Los Angeles, Orange and Riverside Counties established by the U.S. Bureau of Labor Statistics and available as of July 1 of each year. The CPIU available as of July 1, for the month of May 2012, reflects an annual increase of 1.6%.

Staff is recommending that the annual adjustment be suspended for Fiscal Year 2012/13 so that staff may continue to monitor the sewer lateral program and the revenue requirements and costs thereof. Staff is implementing an aggressive

Closed Circuit Television (CCTV) inspection program of the sewer mains located on the City's arterial and high traffic streets to identify defects before they potentially could become a major problem. The CCTV programs should be accomplished within the current funding levels of the Sewer Fund.

**Attachments:** Sewer Service Fund Performance Audit FY2011/12.

# **ATTACHMENT #1**

# City of Huntington Beach Public Works Department Sewer Service Fund Performance Audit *Review of Fiscal Year 2011/12*

## Introduction

On September 4, 2001, the Huntington Beach City Council adopted a Sewer Service User Charge and created the Sewer Service Fund. The Sewer Service Fund revenue is designated solely for the rehabilitation, replacement, repair and maintenance of City-owned sewers and lift stations. This is in accordance with the California Health and Safety Code Section 5470, and is included in the ordinance that adds Chapter 14.54 to the Huntington Beach Municipal Code. The ordinance established the Huntington Beach Public Works Commission as both the oversight committee and the final appeals board.

The Sewer Service Fund shall be subject to an annual review and performance audit by the Public Works Commission. The information presented in this report complies with Section 14.54.070 Annual Program Review. In addition, the City Council shall receive, at a regularly scheduled meeting, the recommendations of the Public Works Commission concerning fees, rates and charges proposed to be modified or added to the sewer service user charge. A public hearing on proposed charges will be held annually in conjunction with the City's annual budget process and hearing.

## Program Overview

- Scheduled maintenance projects and minor emergency repairs will be completed within the allotted budget.
- Capital improvements including lift station design and construction work and the sewer lining program.
- The Municipal Code states that the Consumer Price Index for Urban Consumers (CPIU) that is available July 1 shall be used to calculate adjustments to sewer service rates.
- A Sewer Lateral Program was added effective January 3, 2008, and the sewer service charge was adjusted to cover the expense. The program transferred the responsibility to the City for sewer lateral repairs within the City-owned right-of-way. Initially, the cost of the program exceeded the additional revenue generated by the adjustment to the sewer service user charge. Fiscal year 2011/12 marks the fourth full year of the program and the Utilities Division has realized decreasing costs for the sewer lateral program.

- Closed Circuit Television Inspection and cleaning of sewer mains.
- Therefore, the overall budget is estimated to be neutral and it is recommended that the Consumer Price Index (CPI) adjustment required by the Municipal Code be suspended for Fiscal Year 2012/13 and that staff monitor the volume of repairs and costs thereof.

## **Review of 2011/12 Budget**

Personnel and operating expenditures account for approximately forty-five percent (45%) of the 2011/12 Sewer Service Fund budget and are directed toward preventative and routine maintenance. The budget includes salaries and benefits, sewer line maintenance, lift station services, manhole upgrades, the sewer lateral program and cost allocation charges to the General Fund. The balance of the expense budget is earmarked for capital equipment replacement and capital projects, including slip lining, pipeline rehabilitation, lift station replacement and capital equipment replacement. In general, the Sewer Maintenance Section of the Utilities Division expends the operating and equipment replacement budgets, and the Engineering Division is responsible for the implementation of capital projects.

Lift Stations: Construction of the Ranger Lift Station at Adams was completed this year. The Algonquin Lift Station and Force Main Project construction contract will be awarded this year with construction being completed in FY 2012/2013.

Sewer Lining: A construction contract for this year's Sewer Lining Project in the amount of \$100,000 will be awarded by the end of this fiscal year.

Warner Avenue Gravity Sewer (WAGS): This project has been delayed due to the unforeseen involvement of the Coastal Commission. The resulting necessity of certain permits/easements has hampered the initial time frame of this project but it appears to be back on schedule-albeit delayed.

CCTV Inspection: Sewer lines are inspected through the use of Closed Circuit Television inspection with specific focus during this time period on the Pavement Management Program area in Zone 4.

Warner Avenue at Rotterdam: In April 2012, a large void was discovered underneath the roadway at Warner Avenue just east of Beach Boulevard. An excavation depth greater than 20 feet was required to successfully replace a damaged manhole structure as well as to complete the repair of a City sewer line at the OCSD trunk line system point of connection. This was a large scale, unanticipated project with extensive material and labor charges involved.

Maintenance Activities : Current and projected year-end totals for various maintenance activities are presented below.

### Sewer Line Maintenance

- Routine cleaning of 882,867 linear feet of sewer pipe, projected to be 1,300,000 linear feet by year-end.
- Removal of 25,850 pounds of debris/grit, projected to be 30,000 pounds of debris removed by year-end.
- Clean 225 enhanced cleaning areas (areas of sewer line maintained from two times to twelve times per year).
- Fats, Oils and Grease (FOG) program has cleaned 284,816 linear feet of sewer line around food service establishments and other areas with high grease concentrations.
- Fats, Oils and Grease program removed 3,650 pounds of grease from sewer lines around food service establishments and other areas with high grease concentrations; projected to be 4,250 pounds removed by year-end.
- Fats, Oils, Grease program will inspect 46 food service establishments' sewer lateral sewer lines by year-end.
- Cleaned 66,350 linear feet of arterial sewer lines; projected to be 80,000 linear feet by year-end.
- Applied root control to 16,518 linear feet of sewer line.
- Lateral sewer line repair program received 384 concerns for repair, resolved 189 concerns, and completed 113 lateral point repairs.
- Inspected via Closed Circuit Television (CCTV) 191,084 lineal feet of residential mains; projected to complete 300,000 lineal feet by year-end
- Projected to complete 50,000 lineal feet of CCTV inspection of arterial main lines by year-end.

### Manhole Maintenance

- Cleaned and inspected 8,302 manholes.
- Approximately 20 manholes projected to be repaired and recoated by year-end.
- Sprayed insecticide for roaches in 130 manholes.
- Removed and replaced 20 manhole rings.

### Sewer Lift Station Maintenance

- 27 lift stations inspected three times a week and cleaned every two months.
- 236 check valves cleaned; projected to be 336 by year-end.
- 12 sewer pumps taken apart and rebuilt with new parts as needed. 3 of these are submersible which involves higher maintenance costs.
- Replaced 1 lift station sump pump.
- Primary and secondary telemetry system components utilized to measure wet well sewage elevations were replaced at all 27 stations. SCADA controllers were also replaced at each station.
- 23 sewer wet wells cleaned.

- Replaced 1 check valve and 3 gate valves

### Emergency Response

- 19 Sanitary Sewer Overflows to date (9 private, 10 City).
- 13 power outages requiring the use of generators to power the lift stations.
- 137 service requests from the public during business hours.
- 92 after hours lift station alarms and failures.
- 125 after hour call outs for miscellaneous sewer related problems.
- 9 emergency sewer line point repairs.

### Sewer Lateral Program

Under the Sewer Lateral Program, the City assumes responsibility for the repair of all sewer laterals from the City-owned sewer main through the public right-of-way to the private property line. The property owner remains responsible for all costs of repair and maintenance of that portion of the sewer lateral on private property. This program is response driven as all work orders are generated in response to calls from residents. Expenditures on the Sewer Lateral Program have decreased significantly since the program was initiated in Fiscal Year 2008/09.

Fiscal Year	2008/09	2009/10	2010/11	2011/12
Expenditures	\$2,221,870.58	\$1,334,680.34	\$451,494.46	\$385,000*

\*Fiscal Year 2011/12 Expenditures are projected

Staff has budgeted for the Sewer Lateral Program based on the expenditures in the first two years of the program. However, expenditures in Fiscal Year 2010/11 and Fiscal Year 2011/12 indicate that a more conservative budget could be adopted for this program.

*Sewer Service Fund Budget  
FY 2011/12 Projected Expenditures*

<b>Personnel</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Projected</b>
Salaries, Permanent	\$1,900,590	\$1,900,590	\$1,600,000
Salaries, Temporary	\$65,000	\$65,000	\$60,000
Salaries, Overtime	\$80,000	\$80,000	\$185,000
Benefits	\$944,749	\$944,749	\$868,000
<b>Total Personnel</b>	<b>\$2,990,339</b>	<b>\$2,990,339</b>	<b>\$2,713,000</b>
<b>Operating</b>			
Utilities	\$140,000	\$140,000	\$140,000
Equipment and Supplies	\$109,350	\$109,350	\$100,000
Repairs and Maintenance	\$1,842,000	\$1,976,613	\$1,700,000
Conferences and Training	\$4,000	\$4,250	\$4,000
Professional Services	\$115,000	\$482,131	\$482,131
Rental Expense	\$3,500	\$3,500	\$3,500
Interdepartmental Charges	\$1,173,376	\$1,173,376	\$1,173,376
Expense Allowance	\$6,300	\$6,300	\$6,300
Other Expenses	\$75,000	\$75,300	\$75,000
<b>Total Operating</b>	<b>\$3,468,526</b>	<b>\$3,970,820</b>	<b>\$4,084,037</b>
<b>Capital</b>			
Equipment	\$110,000	\$161,243	\$62,891
<b>Total Capital</b>	<b>\$110,000</b>	<b>\$161,243</b>	<b>\$62,891</b>
<b>CIP</b>			
Improvements	\$7,800,000	\$13,715,663	\$1,400,000
<b>Total CIP</b>	<b>\$7,910,000</b>	<b>\$13,886,906</b>	<b>\$1,462,891</b>
<b>Total</b>	<b>\$14,368,865</b>	<b>\$20,868,066</b>	<b>\$7,860,198</b>

<b>Beginning Balance 10/1/2010</b>	<b>\$16,470,000</b>
Actual Revenues FY10/11	\$10,747,014
Actual Expenditures FY 10/11	(\$6,338,323)
Unreserved Funds Available 10/1/2011	\$20,878,691

<b>Beginning Balance 10/1/2011</b>	<b>\$20,878,691</b>
Projected Revenues FY 11/12	\$10,850,000
Projected Expenditures FY 11/12	(\$7,860,198)
Unreserved Funds Available	\$23,868,493

<b>Projected Beginning Balance 10/1/2012</b>	<b>\$23,868,493</b>
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<u>Source</u>	<b>Revenue Detail</b>	
	<u>FY10/11</u> Actual	<u>FY 11/12</u> Projected
Customer Charges	\$10,390,137	\$10,700,000
Interest	\$256,856	\$250,000
Other	\$175,196	\$100,000
<b>Total</b>	<b>\$10,820,190</b>	<b>\$10,850,000</b>

## **Proposed FY 2012/13 Budget**

### **Sewer Service User Charge Adjustments**

In accordance with Section 14.55.030 Annual CPIU Adjustments, each Sewer Service User Charge shall be adjusted to reflect the annual percentage adjustment in Consumer Price Index for all Urban Consumers (CPIU) in Los Angeles, Orange and Riverside Counties established by the U.S. Bureau of Labor Statistics and available as of July 1 of each year. The purpose for annual adjustment of the rates is to ensure that the revenues continue to fully fund the needs of the program.

To accommodate the billing system, all service charge rates are calculated to four decimal places, and charged on a daily factor. The daily factor converts the monthly charge based on a 365-day year. This is a modification from the initially adopted rate schedule. The customer's bill reflects a charge based on the number of days between meter readings. A resolution was adopted by the City Council to authorize the daily rate methodology.

The percentage adjustment in the CPIU available as of July 1, 2012 for the month of May reflects an annual increase of 1.6%. Normally, this percentage would be calculated and included as the recommended adjustment to the Sewer Service User Charge effective October 1, 2012. However, as noted in the Program Overview, staff is recommending that the annual adjustment, in this case an increase, be suspended for Fiscal Year 2012/13 so that staff may continue to monitor the sewer lateral program and the revenue requirements and costs thereof. Staff is implementing an aggressive Closed Circuit Television (CCTV) inspection program of the sewer mains located on the City's arterial and high traffic streets to identify defects before they become a major problem. The CCTV programs should be accomplished within the current funding levels of the Sewer Fund. The following table shows the 1.6% increase. For purposes of comparison, the rates represent a monthly charge.

## Effect of CPI Adjustment on Current Sewer Service Charge

Customer Category	Charge Type	Unit	Current Charge	With CPI Increase
<b>Residential:</b> Single-family & townhouses with individual meters	Flat rate for all customers in category	per unit per month	\$10.6923	\$10.8634
<b>Apartment:</b> All apartments, mobile homes and townhouses served by common meters	Flat rate for all customers in category	per unit per month	\$8.8693	\$9.0112
<b>Regular Commercial/Industrial:</b> Most businesses, including private schools	Flat rate amount per Equivalent Dwelling Unit (EDU). EDU refers to either (1) the capacity of a customer's water meter in comparison to a standard ¾ inch meter, or (2) the number of tenant units that receive water service through the water meter, whichever is greater	per EDU per month	\$12.4089	\$12.6074
<b>High-Consumption Commercial/Industrial:</b> Businesses with high water consumption relative to their meter size	Flat rate per hundred cubic feet (CCF) of estimated sewer discharge	per CCF per year	\$2.3219	\$2.3591
<b>Public Schools:</b> All public K-8 and high school districts with schools in the City	Flat rate per student per year with a different rate per student for K-8 and for high schools  ADA - Average Daily Attendance	High School per ADA per year	\$3.4150	\$3.4696
		K-8 per ADA per year	\$2.1991	\$2.2343

*Sewer Service Fund Budget  
FY 2012/13 Proposed*

**Personnel**

Salaries, Permanent	\$1,799,217
Salaries, Temporary	\$65,000
Regular Overtime	\$80,000
Benefits	\$898,654

<b>Total Personnel</b>	<b>\$2,842,871</b>
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**Operating**

Utilities	\$140,000
Supplies	\$105,350
Repairs and Maintenance	\$1,842,000
Conferences and Training	\$4,000
Professional Services	\$165,000
Rental Expense	\$3,500
Cost Allocation	\$1,208,577
Auto Allowance	\$6,300
Contingency	\$75,000

<b>Total Operating</b>	<b>\$3,549,727</b>
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**Capital**

Equip, General/Vehicles	\$250,000
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<b>Total Capital</b>	<b>\$250,000</b>
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**CIP**

Lift Station	\$1,700,000
Slip Lining	\$250,000
Sewer Replacement Project	\$200,000

<b>Total CIP</b>	<b>\$2,400,000</b>
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<b>TOTAL</b>	<b>\$8,792,598</b>
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*Revenue Detail FY 12/13*

Customer Charges	\$10,350,000
Interest	\$180,000
Reimbursements	\$116,000

<b>Total</b>	<b>\$10,596,000</b>
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**Sewer Service Fund Projected Balance Sheet**

Beginning Balance 10/1/2012	\$23,868,493
Projected Revenues FY 12/13	\$10,596,000
Proposed Expenditures FY 12/13	(\$8,792,598)
Beginning Balance 10/1/2013	\$25,671,895

**Capital Projects FY 2012/13**

Lift Stations: Construction is planned in 2012/13 for the Algonquin/Boardwalk Lift Station. Design work is in progress for the Trinidad lift station, with construction tentatively scheduled to begin by the fall of 2013. Design work is also anticipated to begin on the Edgewater Lift Station later in the fiscal year.

Sewer Lining: Sewer lining in the amount of \$250,000 is programmed in FY 2012/13. A lining project is bid once a sufficient number of sewer defects are identified as part of the CCTV inspection program.

Warner Avenue Gravity Sewer (WAGS): The WAGS project will eliminate Lift Station "B" and replace Lift Station "C" in addition to constructing a new gravity sewer main at Pacific Coast Highway and Warner Avenue. This project has been delayed due to the unforeseen involvement of the Coastal Commission. The resulting necessity of certain permits/easements has hampered the initial time frame of this project but it appears to be back on schedule-albeit delayed.

Sewer Replacement Project: Design work will begin in Fiscal Year 2012-13 for replacing approximately 5,000 lineal feet of existing sewer main in Beach Boulevard.