



# City of Huntington Beach

File #: 22-942

MEETING DATE: 1/18/2023

## PUBLIC WORKS COMMISSION INFORMATIONAL ITEM

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

**SUBMITTED BY:** Sean Crumby, PE, Director of Public Works

**PREPARED BY:** Sarah Whitecotton, Administrative Aide

**Subject:**

Planned Local Drainage Facilities Fund Annual Compliance Report for Fiscal Year 2021/22.

**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 report was presented as item 22-1063 on the December 20, 2022 City Council agenda.

**Funding Source:**

No funding is required for this action.

**Recommended Action:**

No action is required.

**Alternative Action(s):**

No alternative action is required.

**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 (FY) 2021/22.

**Fiscal Status**

The Drainage Fund advanced \$250,000 to the Redevelopment Agency for improvements in 1987. With interest accrual of \$676,302, the debt amount is currently \$926,302. As a result, the Fund maintained a negative balance over a period of

ten years until FY 12/13, when the fund ended with a positive balance. In FY 2021/22, the Drainage Fund ended the year with a balance of \$3,695,638

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**

Total revenue for FY 2021/22 was \$765,598. Development fees contributed \$963,138. The fund also realized \$23,951 in interest, however a negative market adjustment was made to the fund of (\$197,540).

**Expenditures**

Expenditures for the fund in FY 2021/22 totaled \$668 for engineering work on the McCallen Storm Drain project.

**Current Fiscal Year**

Budgeted expenditures for FY 2022/23 include continued work on flood control station forebay improvements (\$575,000), repairs of half round grates (\$550,000), general repairs and maintenance (\$50,000), an update of the storm drain master plan (\$195,000), repairs to storm drain channels (\$161,100) and a portion of the construction cost for the Heil Pump Station (\$2,000,000). Total budgeted expenditures are \$3,531,100.

**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.

<b>Beginning Balance 7/1/21</b>	<b>\$2,721,894</b>
<b>Revenue</b>	
Developer Fees	963,138
Interest, market adjustments	(197,540)
<b>Total Revenue</b>	<b>765,598</b>
<b>Total Expenditures</b>	<b>(668)</b>
<b>Ending Balance 6/30/22</b>	<b>\$3,486,824</b>

**Rate Schedule**

The Drainage Fee for FY 2021/22 was \$14,888 per acre.

**Attachment(s):**

1. None.