



City of Huntington Beach

File #: 22-941

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:

Sanitary Sewer Facilities Fund Annual Compliance Report Fiscal Year 2021/22.

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 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:

When development occurs within the City the amount of sewage is increased and components of the system have to be upsized to accommodate flow. The cost of these improvements is not borne by the existing rate payers in their monthly bills. Rather impact fees are charged to the developers of the property to fund those needed improvements.

The Sanitary Sewer Fund is comprised of those development fees charged when an increase in sewage flow occurs due to development of property. The use of those fees is restricted to increasing the capacity of the sewer system to accommodate the flow from that development. The fee is unrelated to the monthly Sewer Service Charge used for operations and maintenance of the existing sewer system.

Municipal Code 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 1998. The following information covers Fiscal Year (FY) 2021/22.

Fiscal Status

The Sanitary Sewer Facilities Fund advanced \$131,000 to the Redevelopment Agency for improvements in 1987. With interest accrual of \$358,165, the debt amount for the fiscal year end was \$489,165.

On June, 29, 2011, the State of California enacted AB1X26, which dissolved redevelopment agencies and designated 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 2021/22 was \$199,524. Residential and commercial developer fees contributed \$366,521. In addition, the City received \$12,310 from the Sunset Beach Sanitary District representing the agency's share for the construction of Lift Station D. The fund realized \$23,882 in interest, however a negative market adjustment was made to the fund of (\$203,189).

Expenditures

Expenditures for the fund in FY 2021/22 totaled \$2,163,140. Ongoing construction costs at Saybrook Lift Station totaled \$1,234,177. Ongoing construction costs at Slater Lift station totaled \$705,799. Final engineering and beginning construction cost at McFadden Lift Station totaled \$223,164. It should be noted that these projects are also partially funded by the Sewer Service Fund.

Current Fiscal Year

Budgeted expenditures for FY 2022/23 consist of the carryover of FY 21/22 funds for the Humboldt Lift Station (\$700,000).

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.

Summary of Revenue and Expenditures Sanitary Sewer Facilities Fund

Beginning Balance 7/1/21	\$4,234,329
Revenue	
Developer Fees	366,521
Sunset Beach SD	12,310
Interest, market adjustments	(179,307)
Total Revenue	199,524
Expenditures	
Slater Lift Station	(705,799)
Saybrook Lift Station	(1,234,177)

McFadden Lift Station	(223,163)
Total Expenditures	(\$2,163,139)
Ending Balance 6/30/22	\$2,270,713

Rate Structure Fiscal Year 2021/22

CITY SEWER CONNECTION FEES		Effective July 1, 2020
Single Family Dwelling Unit		\$2,380
Multiple Family Dwelling Unit		\$1,946
Non-Residential (based on water meter size relationship to Equivalent Dwelling Unit, EDU)		
Meter Size & Type	EDU's	Charge
3/4"	1	\$2,704
1"	2	\$5,409
1 1/2"	3	\$8,114
2"	5	\$13,526
3"	11	\$29,756
4" Compound	17	\$45,985
4" Domestic & Turbine	33	\$89,266
6" Compound	33	\$89,266
6" Domestic & Turbine	67	\$181,234
8" Domestic	117	\$316,483
10" Domestic	183	\$492,181

Attachment(s):

1. None.