



City of Huntington Beach

File #: 23-171

MEETING DATE: 3/21/2023

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Al Zelinka, City Manager

VIA: Sean Crumby, Director of Public Works

PREPARED BY: Chris Davis, Senior Administrative Analyst

Subject:

Approve the West Orange County Water Board (WOCWB) proposed budget for Fiscal Year 2023/24, with the City of Huntington Beach contributing a cost share of \$1,025,374

Statement of Issue:

The City is a member of the West Orange County Water Board (WOCWB) Joint Powers Authority. The individual member agencies of WOCWB need to approve the proposed WOCWB budget for FY 2023/24 prior to adoption by the Board as a whole, as stated in Section 5 of the Joint Powers Agreement.

Financial Impact:

The City's cost share of the WOCWB FY 2023/24 total proposed budget of \$1,557,000 is \$1,025,374, which represents the City's proportional share of 56.1%. The amount is comprised of \$46,002 for annual operations, \$418,372 for the City's share of a loan repayment for the OC-35 Pipeline Relocation Project, and \$561,000 for the Cathodic Protection Program. The FY 2023/24 proposed operating budget is included in the Water Fund business unit 50685801, the debt service is included in Water Master Plan business unit 50785006, and the Cathodic Protection Program is included in Water Master Plan business unit 50791006.

Recommended Action:

Approve the WOCWB proposed budget for Fiscal Year 2023/24, which includes the City's cost share of \$1,025,374.

Alternative Action(s):

Do not approve the proposed budget and direct staff accordingly. Failure to approve the budget would be a violation of the Joint Powers Agreement.

Analysis:

The WOCWB is a Joint Powers Authority comprised of the cities of Garden Grove, Seal Beach,

Westminster and Huntington Beach, for the purpose of purchasing water from the Municipal Water District of Orange County and transporting it via the OC-9 and OC-35 transmission mains, owned by the Joint Powers cities. Huntington Beach owns 56.1 percent of the system. The WOCWB is governed by five elected officials, one from each of the cities of Garden Grove, Seal Beach and Westminster, and two from the City of Huntington Beach. Mayor Tony Strickland and Mayor Pro Tem Gracey Van Der Mark represent the City of Huntington Beach.

The General Manager of the WOCWB, e.g. the City of Huntington Beach Deputy Director of Public Works-Utilities, submits a proposed budget to the Board for review at mid-year. Each member agency's City Councils must approve their share of the proposed budget before WOCWB approval of the Board's budget.

The total proposed budget for Fiscal Year 2023/24 is \$1,557,000. This includes \$82,000 for the operating budget which includes regular maintenance, electricity, and administrative costs (legal, insurance and audit costs); \$475,000 in debt service for the OC-35 realignment project reimbursement agreement with OCTA, and \$1,000,000 for the Cathodic Protection Program to extend the lifespan of both the OC-9 and OC-35 transmission mains. The proposed budget also requests approval to spend \$300,000 to begin design of the OC-9 Cathodic Protection Program using funds that already collected from member agencies.

The WOCWB reviewed the proposed budget at the January 18, 2023 regular meeting and were requested to have each agency approve their share of the budget. Upon approval by each agency, the Board will consider approval of the budget at the next regular meeting on April 19, 2023.

Environmental Status:

Pursuant to CEQA Guidelines Section 15378(b)(5), administrative activities of governments that will not result in direct or indirect physical changes in the environment do not constitute a project.

Strategic Plan Goal:

Infrastructure & Parks

Attachment(s):

1. West Orange County Water Board Proposed Fiscal Year 2023/24 Budget
2. PowerPoint Presentation