



**CITY OF HUNTINGTON BEACH
SUPPLEMENTAL COMMUNICATION
Joan L. Flynn, City Clerk
Office of the City Clerk**

TO: Honorable Mayor and City Councilmembers
FROM: Joan L. Flynn, City Clerk 
DATE: 6/17/2013
SUBJECT: SUPPLEMENTAL COMMUNICATIONS FOR THE JUNE 17, 2013,
REGULAR CITY COUNCIL/PFA MEETING

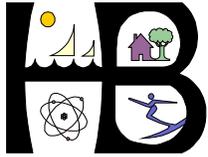
Attached are Supplemental Communications to the City Council (received after distribution of the Agenda Packet):

Study Session #1

PowerPoint presentation submitted by Bob Hall, Assistant City Manager, dated June 17, 2013, entitled *Joint Study Session, City Council, Community Development Block Grant*.

Study Session #2

PowerPoint presentation submitted by Travis Hopkins, Director of Public Works, dated June 17, 2013, entitled *Water Budget Rate Study*.



CITY OF HUNTINGTON BEACH

Interdepartmental Memo

TO: Honorable Mayor and Members of the City Council

VIA: Fred A. Wilson, City Manager

FROM: Bob Hall, Assistant City Manager

DATE: June 17, 2013

SUBJECT: **Supplemental Communication – Study Session Item #1: Joint meeting of the Citizen Participation Advisory Board (CPAB) and City Council to review recommendations for the 2013/2014 Action Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME)**

Attached is a Power Point presentation for the above-referenced study session item.

Joint Study Session

City Council

Community Development Block Grant

June 17, 2013

HUD Allocation

- Community Development Block Grant (CDBG)
 - **\$996,679** - 2013/14
 - A 5.5% and \$50,992 increase from FY 2012-13 allocation of \$945,747
- HOME Program
 - **\$395,451** – 2013/14
 - A 1.25% and \$5,355 reduction from FY 2012/13 allocation of \$400,806

CDBG Allocation Process

- ▶ Citizen Participation Advisory Board
 - Two Public Hearings conducted
 - Applications reviewed
 - Applicant Presentations
 - CPAB Recommendations



CPAB Recommendations



CPAB Recommendations

Public Services: 15% maximum of allocation

<i>Public Services</i>	<i>2012/13 Received</i>	<i>2013/14 Request</i>	<i>CPAB 2013/14 Recommendation</i>
City of HB - Community Services Dept / Oak View Community Center, Children's Bureau	\$36,862	\$48,000	\$46,167
City of HB - Community Services Dept / Project Self Sufficiency	\$4,800	\$20,000	\$18,167
City of HB - Community Services Dept / Seniors Outreach	\$34,000	\$42,000	\$40,167
City of HB - Library Services / Oakview Family Literacy	\$7,200	\$10,000	\$10,000
Alzheimer's Family Services Center	\$0	\$10,000	\$10,000

CPAB Recommendations

Public Services: 15% maximum of allocation

<i>Public Services</i>	<i>2012/13 Received</i>	<i>2013/14 Request</i>	<i>CPAB 2013/14 Recommendation</i>
<i>AltaMed HB Community Care Health Clinic</i>	<i>\$40,000</i>	<i>N/A</i>	<i>N/A</i>
<i>Community Services Programs, Inc. (CSP)</i>	<i>\$14,000</i>	<i>N/A</i>	<i>N/A</i>
Community SeniorServ, Inc. - Congregate Meals	\$5,000	\$10,000	\$10,000
Community SeniorServ, Inc. - Home Delivered Meals	\$8,000	\$10,000	\$10,000
AIDS Services Foundation OC	n/a	\$5,000	\$5,000
TOTAL:	\$141,862	\$155,000	\$149,502

CPAB Recommendations

Public Improvements

<i>Public Improvements</i>	<i>2013/14 Request</i>	<i>CPAB 2013/14 Recommendation</i>
ADA Renovations – Main St. Library	\$150,000	\$149,230
Total:	\$150,000	\$149,230

CPAB Recommendations

Administration/Housing/Other

	<i>2013/14 Request</i>	<i>CPAB 2013/14 Recommendation</i>
CDBG Administration (20% of allocation)	\$169,336	\$169,336
Fair Housing Foundation	\$30,000	\$30,000
TOTAL	\$199,336	\$199,336

	<i>2013/14 Request</i>	<i>CPAB 2013/14 Recommendation</i>
Special Code Enforcement	\$224,502	\$224,502
Housing Rehabilitation Loan Admin.	\$100,000	\$100,000
Section 108 Loan (Required)	\$174,109	\$174,109
TOTAL	\$498,611	\$498,611

2013/14 Allocation: HOME

<i>Home Program:</i>	
Home Administration	\$ 39,545
Affordable Housing Projects	\$355,906
Total HOME	\$395,451

Next Steps

- ▶ Public Review Period of Action Plan – July 3 to August 4
 - ▶ City Council Public Hearing – August 5
 - ▶ Submittal to the Department of Housing and Urban Development by August 15
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WATER BUDGET RATE STUDY

CITY COUNCIL STUDY SESSION

June 17, 2013





Agenda

1. Background of the Study
2. Rates in Orange County
3. Water Budget Rates
4. Study Status
5. Customer Impacts
6. Implementation



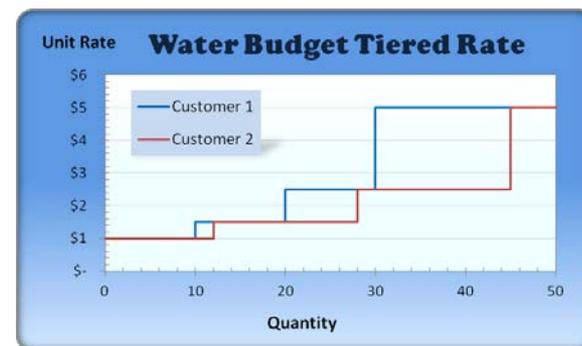
Background of the Study

- Prior Council Direction
- Orange County Grand Jury report recommended water budget rate structure
- Regulatory conservation goals (SB x7-7)
- Grant eligibility tied to conservation rate compliance
- Heightened concerns for future water supply restrictions



Rate Structures in Orange County

- **Uniform Rate**
 - One cost per unit of water
- **Inclining Tiered Rate**
 - Cost per unit increases with use
- **Water Budget Tiered Rate**
 - Customer is allocated an amount of water based on household size and landscape area, cost increases with use





Rate Structures in Orange County

Uniform	Inclining Tiered	Water Budget Tiered
Huntington Beach	Brea	El Toro WD
Anaheim	Buena Park	Emerald Bay SD
Mesa WD	Fountain Valley	IRWD
Newport Beach	Fullerton	Moulton Niguel WD
Serrano WD	Garden Grove	Laguna Beach WD
Yorba Linda WD	Golden State Water	San Clemente
	La Habra	San Juan Capistrano
	La Palma	
	Orange	
	Santa Ana	
	Santa Margarita WD	
	Seal Beach	
	South Coast WD	
	Tustin	
	Westminster	



Huntington Beach Rate

- Commodity - \$1.7535/ccf
 - ccf = 100 cubic feet or 748 gallons
- Monthly Meter Fee - \$11.24

Customer Class	# of Accounts	% of Total Accounts	Average % of Total Consumption
Single Family	44,412	84.41%	50.24%
Mult-Family	4,117	7.82%	22.62%
Commercial/Industrial	2,547	4.84%	16.32%
Dedicated Irrigation	966	1.84%	8.32%
Municipal Facilities	104	0.20%	0.67%
Municipal Irrigation	470	0.89%	1.84%
Total	52,616	100%	100%

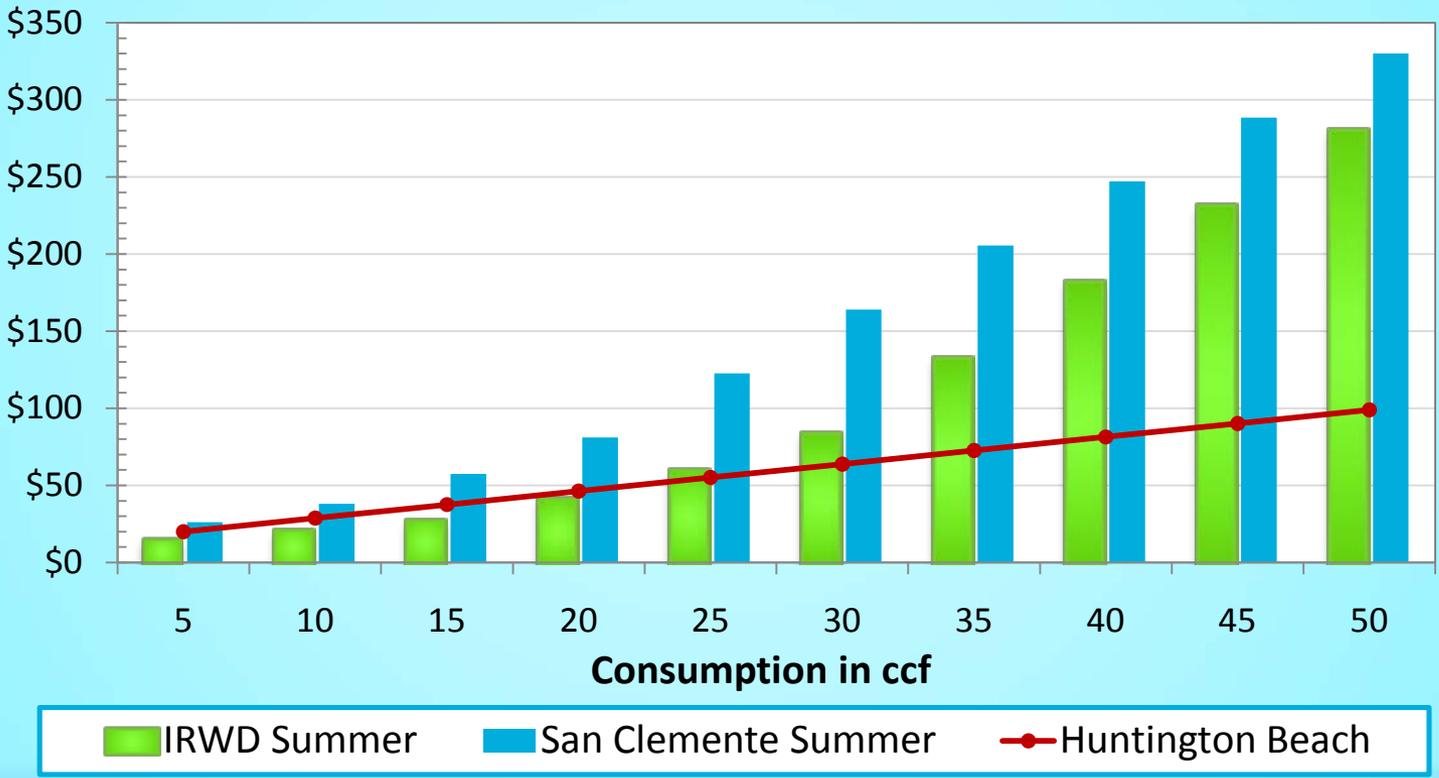


HB Uniform Rate vs. Water Budget

Water Bill Comparisons

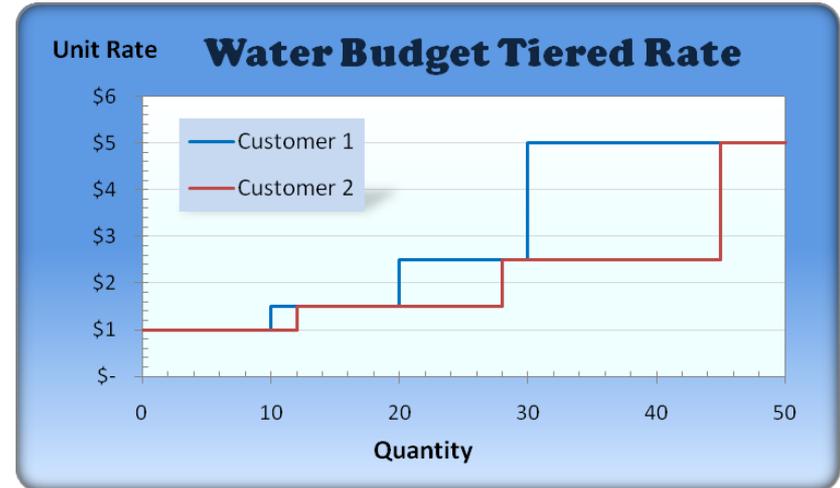
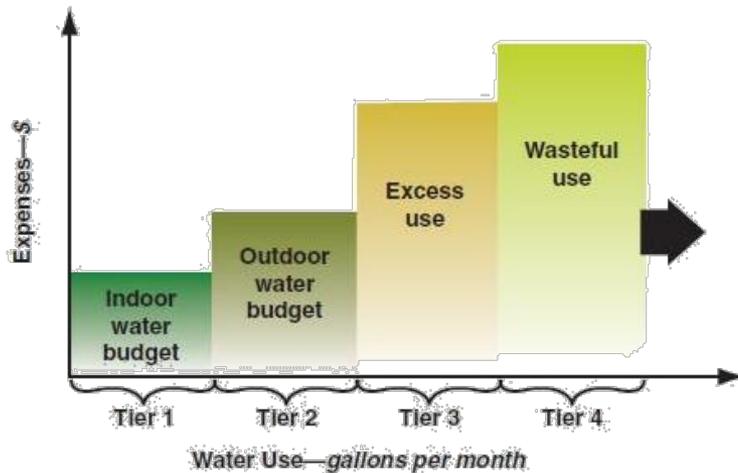
Monthly Bill

At different Usage Levels





What Is a Water Budget?



“Water budget rate is an increasing block rate structure in which the block definition is different for each customer based on an efficient level of water use by that customer.”

Source: American Water Works Association Journal, May 2008, Volume 100, Number 5



Conservation & Efficiency

Water Conservation

- Reducing water usage
- Rules and regulations
- Restricting water use

Water Efficiency

- Reducing water waste
- Target driven
- Appropriate water use



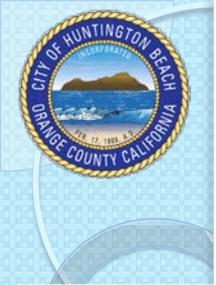
Water Budget Allocation

- Two components:
 1. Indoor Budget, which is determined by household size and gallons per capita per day (gpcd)
 2. Outdoor Budget, which is determined by landscape area estimate and weather



Factors to Consider

- Indoor Allocation
- Outdoor Allocation
- Formula for determining landscape allocation
- Seasonal Component
- Customer Classes to include
- Variances



Comparisons of WB Rate Structures

IRWD (Irvine Ranch area) and San Clemente

	IRWD	San Clemente
Indoor Water Budget		
GPCD	55	55
Default household size	4	4
Outdoor Water Budget		
Weather	Real time ET by zone (coastal, central, foothill)	Historical Seasonal Average
Default Landscape Area	Detached home: 1,300 sq ft	SFR (\leq 7,000 sq ft lot): 2,600 sq ft
<i>For Single Family Residential</i>		SFR ($>$ 7,000 sq ft lot): 5,000 sq ft
Tier Definitions		
<i>For Single Family Residential</i>	Low Volume: 0 – 40% TWB \$0.91	Tier 1: Indoor \$2.36
	Base Rate: 41 – 100% \$1.24	Tier 2: Outdoor \$3.86
	Inefficient: 101 – 150% \$2.76	Tier 3: Inefficient \$8.30
	Excessive: 151 – 200% \$4.70	
	Wasteful: above 200% TWB \$9.84	
Customers with WB Rates	All	SFR, Irrigation
Allowed Variances	Household size, landscape area, other special needs	None





Study Status

- Rate model completed and sample rates developed for SFR and dedicated irrigation
 - Dedicated irrigation – actual landscape area
 - SFR – Hybrid and Full Water Budget structures
 - 1. Hybrid Lot Size Bin Approach:** developed lot size “bin” approach (3 bins) with default landscape area based on which bin the lot is in
 - 2. Full Water Budget Rate Option:** alternate approach with estimated landscape area based on actual individual lot size



Justification of Tiered Rates

Components of Water Consumption Rates

Water Supply	Delivery Cost	Water Use Efficiency	Urban Run-off
Blended MWDOC / OCWD Supplemental Water Supply	Remaining costs of delivering water to customer (City's cost)	Water Efficiency / Conservation program costs	Treatment /Prevention

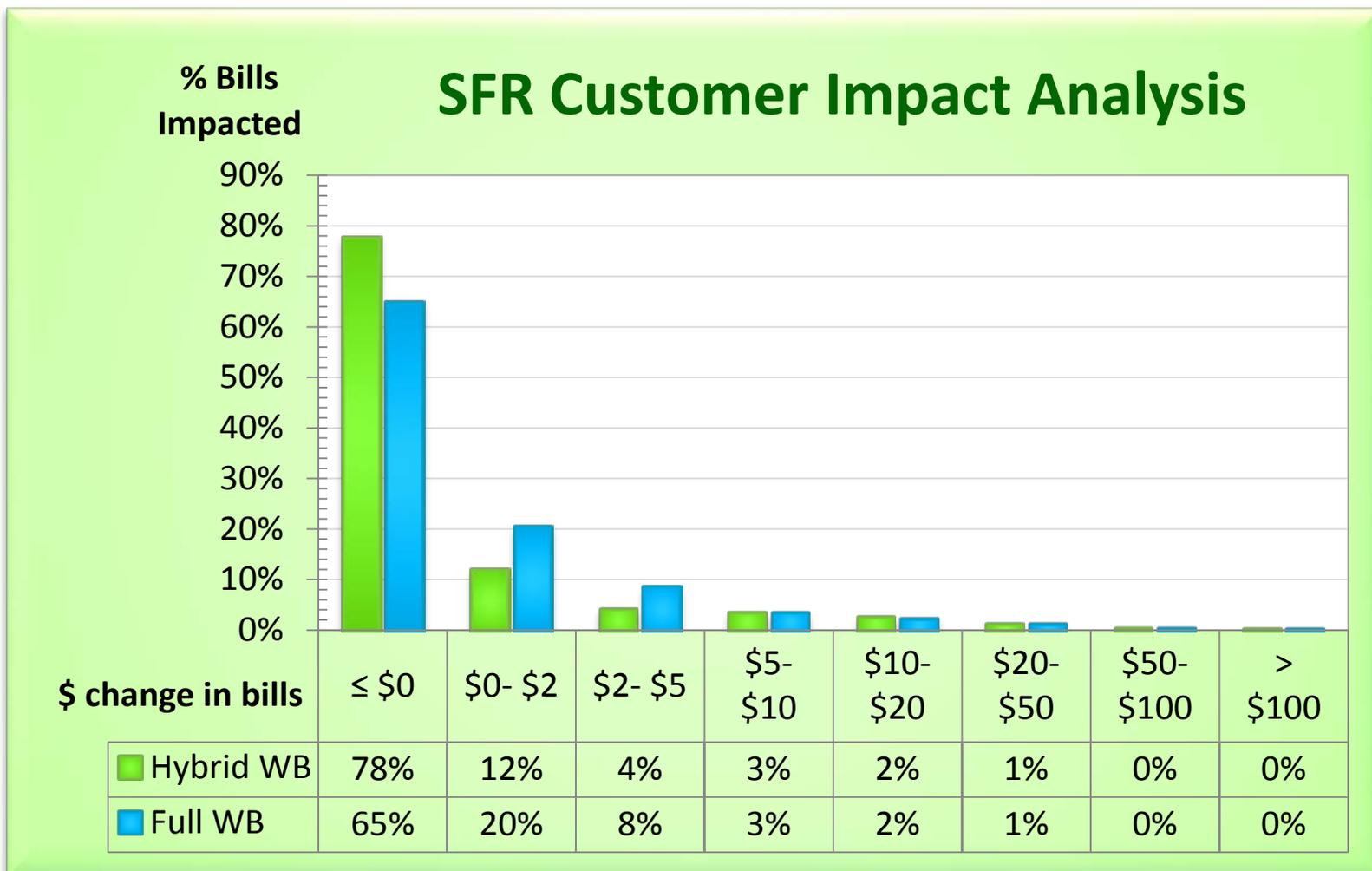


Rate Alternative Options

Water Consumption Charges	Current Rates	3-Tier Water Budget Rates	4-Tier Water Budget Rates
Tier 1	\$1.7535	\$1.6579	\$1.6885
Tier 2	\$1.7535	\$1.9100	\$1.9507
Tier 3	\$1.7535	\$2.9851	\$2.3772
Tier 4	\$1.7535		\$3.1962



Customer Impacts





Implementation

- Phased with overlapping steps
 - New cashiering system – 6 to 8 months
 - Field work – landscape area, multi-family – 9 to 12 months
 - Refine rate methodology – 3 months
 - New billing system – 15 months
 - Public outreach/Prop 218 notice – 6 months
- Total – 20 to 24 months



Council Direction

- Proceed with Water Budget Rates?
 - Budget for Billing/cashiering
 - Refine Rate Methodology
- Other?



Discussion

