

**CITY OF HUNTINGTON BEACH  
LEGAL NOTICE**

**ORDINANCE NO. 4104  
Adopted by the City Council on NOVEMBER 21, 2016**

“AN ORDINANCE OF THE CITY OF HUNTINGTON BEACH AMENDING CHAPTER 14.12 OF THE HUNTINGTON BEACH MUNICIPAL CODE PERTAINING TO WATER FEES”

SYNOPSIS:

The Water Master Plan (WMP) was last updated in 2012 and adopted by City Council in February 2013. Staff, along with a consultant, began updating the WMP in early 2015 and identified new water infrastructure projects in addition to re-prioritizing all of the new and old projects. This update was completed near the middle of 2016. The WMP was presented to City Council at the October 17, 2016 Study Session.

The WMP is comprised of eight (8) chapters that examine and analyze various aspects of the City's water system. It addresses specific needs for the replacement and rehabilitation of the aging infrastructure in addition to any remaining water system deficiencies.

The WMP estimates a total current replacement value of over \$1.4 billion for the City's existing complex water infrastructure system. To continue to provide reliable water to the City, the water system requires on-going replacement and rehabilitation of typical infrastructure such as water wells, pipes and valves that have operational lives of less than 100 years.

The WMP lists remaining projects from the 2012 WMP, as well as also newly identified improvement projects and programs needed for the next twenty (20) years. A total of forty four (44) projects and programs were identified which include water well replacements, aging pipe replacements, treatment for odor in well water, and corrosion control of large diameter pipelines. In today's dollars, it would take an estimated \$128.2 million over next 20 years to replace and rehabilitate the aging infrastructure identified in the updated WMP. This equates to approximately \$6.4 million per year (\$128.2M/20 Years), or 0.5 percent annually when compared to the value of the City's existing water system (\$6.4M/\$1,400M). The Water Master Plan Fund has an approximate balance of \$28.1 million for WMP projects from collection of Capital Facility Charge and remaining funds from past collection of Capital Facilities Surcharge.

Although the WMP identified 20 years of capital improvement needs, fourteen (14) improvement projects and programs were identified for immediate needs, and are proposed to be included in the City's 2016/17 Capital Improvement Program budget. The anticipated cost is approximately \$6.6 million to complete these 14 projects, which would leave approximately \$21.5 million (\$28.1M less \$6.6M) thereafter in the Water Master Plan Fund.

Following the adoption of the WMP by City Council, Staff will utilize existing Water Master Plan Fund on identified projects. The next step is to prepare the Water Financial Plan Update (FPU) which will focus on various financially sustainable ways to provide the necessary funds to maintain a reliable water infrastructure.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting held November 21, 2016 by the following roll call vote:

**AYES:** Posey, O'Connell, Sullivan, Katapodis, Hardy, Delgleize, Peterson

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

**THE FULL TEXT OF THE ORDINANCE IS AVAILABLE IN THE CITY CLERK'S OFFICE.**

**This ordinance is effective 30 days after adoption.**

**CITY OF HUNTINGTON BEACH  
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HUNTINGTON BEACH, CA 92648  
714-536-5227  
ROBIN ESTANISLAU, CITY CLERK**