

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Matthew J. Fertal	From:	Keith G. Jones	
Dept.:	General Manager	Dept:	Public Works	
Subject:	GARDEN GROVE SANITARY DISTRICT ANNUAL BUDGET FOR FISCAL YEAR 2009/10		Date:	June 9, 2009

OBJECTIVE

To receive District Board approval for the proposed Garden Grove Sanitary District (GGSD) Budget for fiscal year 2009/10.

BACKGROUND

During fiscal year 2008/09, a number of operational goals were met along with the completion of capital improvement projects. Accomplishments related to the GGSD include:

- Sewer line improvements awarded and under construction: Harbor Boulevard and Buaro Street, Trask Avenue and Gilbert Street, Partridge Lift Station, Tiffany Lift Station;
- Harbor Boulevard and Edinger Avenue sewer line improvement design completed;
- Removal and replacement of 120 manhole rings and covers;
- Inspection of 3,400 manholes out of 9,700 manholes;
- Continued implementation of the sewer main cleaning program, manhole inspection program, insect spraying program, and electrical mechanical maintenance program for the District's lift stations;
- Continued flow monitoring throughout the system;
- Repaired 60 sewer main defects identified through CCTV inspections;
- Completion of CCTV work for 826,000 feet of sewer main;
- Hired a consultant engineer to design capital improvement projects at Buaro St. and at Harbor Boulevard and Edinger;
- Compliance with the Statewide General Waste Discharge Requirements (WDRs);
- Compliance with AB 939 waste diversion goals;
- Demonstration of AB 939 "good faith effort": Four (4) public education events related to recycling; annual Recycle GGSD Newsletter, Department of Conservation Beverage Container Recycling Grant Project, California Integrated Waste Management Board Used Oil Recycling Grant Program, free compost giveaway, and receipt of three tire recycling grants;
- Compliance with all South Coast Air Quality Management and Orange County Health Care Agency regulations and rules related to closed landfills.

DISCUSSION

Each year it is necessary to adopt an annual budget to fund the District's operations, based on the organizational requirements of the District's sewer and refuse funds.

Goals for the upcoming fiscal year include:

- Completion of design and specifications for capital improvement projects;
- Expand the manhole inspection program and replace deteriorated manhole rings and covers;
- Continue replacement of sewer main defects identified through CCTV inspections;
- Continue to implement Statewide General WDRs, including expansion of capital improvement and operation and maintenance programs to address capacity and structural deficiencies (dependent upon funding);
- Continue the public education program for fats, oils, and grease control;
- Continue inspection and enforcement efforts related to the grease ordinance for food service establishments;
- Continue compliance efforts related to AB 939 waste diversion;
- Continue public education on topic of recycling, including the benefits of recycling used motor oil, oil filters, and household hazardous waste;
- Ensure environmental compliance related to GGSD's inactive Longsdon Pit landfill and;
- Evaluate and address funding issues in solid waste and sanitary sewer regulation compliance as they arise.

FINANCIAL IMPACT

The GGSD revenues continue to stay strong. The proposed budget will allow for the GGSD to continue meeting its obligations under the WDR mandates by continuing with its capital improvement and replacement programs.

COMMUNITY VISION IMPLEMENTATION

This proposed budget is consistent with maintaining and enhancing the District's assets, maximizing their value, longevity, and usefulness to the health and safety to the community.

GARDEN GROVE SANITARY DISTRICT ANNUAL
BUDGET FOR FISCAL YEAR 2009/10
June 9, 2009
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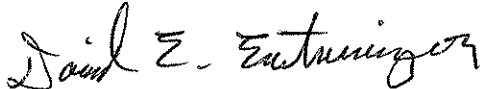
RECOMMENDATION

It is recommended that the District Board:

- Approve the proposed Garden Grove Sanitary District Budget for fiscal year 2009/10 as presented.

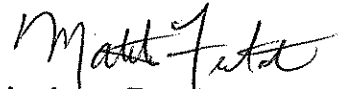


KEITH G. JONES
Director of Public Works



By: David E. Entsminger
Water Services Manager

Approved for Agenda Listing



Matthew Ferial
General Manager

Attachment: GGSD Budget Report

GARDEN GROVE SANITARY DISTRICT
A SUBSIDIARY DISTRICT OF THE
CITY OF GARDEN GROVE

OPERATIONS AND CAPITAL BUDGET
FISCAL YEAR 2009/10

Presented By:

CITY OF GARDEN GROVE
DEPARTMENT OF PUBLIC WORKS

GARDEN GROVE SANITARY DISTRICT

BUSINESS PRINCIPLES

1. Enterprise fund should break even, not operate in a deficit.
2. In order to operate efficiently, a two month cash flow is required, as well as maintenance of \$500,000 in reserves for contingencies.
3. Establish uniform service throughout the district.
4. Develop a replacement sinking fund. Ideal amount of fund should approach 5% of system value.
5. Improve system and facilities up to industry standards by adequately funding new Capital Improvement Programs.
6. Satisfy Debt Covenant conditions under which outstanding Sanitary District debt was issued.
7. Implement the 10-year financial plan.

GARDEN GROVE SANITARY DISTRICT
SEWER BUDGET
FY 2008-09 - 2010-11
(\$000)

	2008-09 Adopted Budget	FY 08-09 Projected Year End	FY 09-10 Proposed Budget	FY 10-11 Forecast
<u>FUNDS AVAILABLE</u>				
BEGINNING BALANCE	\$ 3,155.0	\$ 16,815.5	\$ 11,182.9	\$ 23,239.7
BOND PROCEEDS (Annual Allocation)	18,000.0	0.0	18,000.0	0.0
REVENUES	9,511.9	9,463.9	10,003.1	10,603.3
RATE ADJUSTMENT	0.0	0.0	0.0	0.0
FUNDS AVAILABLE	30,666.9	26,279.4	39,186.0	33,843.0
<u>OPERATION EXPENDITURES</u>				
OPERATIONS				
LABOR	2,067.3	1,993.3	2,216.3	2,174.4
CONTRACTUAL SERVICES	1,116.9	1,116.9	1,115.8	1,171.6
COMMODITIES	246.1	246.1	237.1	249.0
VEHICLE / EQUIPMENT RENTALS	203.5	203.5	216.4	227.2
INSURANCE	41.7	41.7	41.7	41.7
ADMIN SUPPORT COSTS	395.0	395.0	535.5	562.3
BOND ISSUANCE COSTS	0.0	0.0	0.0	0.0
DEBT SERVICE	1,463.3	1,463.3	1,488.4	1,488.4
LATERAL LOAN PROGRAM	45.0	45.0	45.0	45.0
OPERATING RESERVE	770.0	770.0	770.0	770.0
SEWER SYSTEM CONTINGENCY RESERVE	232.0	232.0	232.0	232.0
TOTAL OPERATION EXPENDITURES	6,580.8	6,506.8	6,898.2	6,961.6
<u>SEWER CAPITAL</u>				
CAPITAL REPLACEMENT	1,221.1	1,221.1	1,161.8	1,196.7
NEW CAPITAL IMPROVEMENTS	7,368.6	7,368.6	7,886.3	5,900.0
CAPITAL EXPENDITURES	8,589.7	8,589.7	9,048.1	7,096.7
TOTAL EXPENDITURES	15,170.5	15,096.5	15,946.3	14,058.3
FUNDS AVAILABLE	30,666.9	26,279.4	39,186.0	33,843.0
EXPENDITURES	15,170.5	15,096.5	15,946.3	14,058.3
ENDING BALANCE	\$ 15,496.4	\$ 11,182.9	\$ 23,239.7	\$ 19,784.7

CAPITAL IMPROVEMENTS - PUBLIC WORKS
SEWER

FY 2009-10

DESCRIPTION	CURRENT ESTIMATED COSTS	
	NEW CAPITAL	REPLACEMENT
Sewer Main Improvements	7,886,262	1,161,831
TOTAL	<u>\$ 7,886,262</u>	<u>\$ 1,161,831</u>

SEWER CAPITAL PROJECTS

FIVE YEAR PLAN

(\$000)

<u>PROJECTS</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>
1. SEWER MAINS	\$ 7,368	\$ 7,886	\$ 5,900	\$ 8,200	\$ 4,600
TOTAL	\$ 7,368	\$ 7,886	\$ 5,900	\$ 8,200	\$ 4,600

SEWER REPLACEMENT PROGRAM

FIVE YEAR PLAN

(\$000)

BEGINNING BALANCE	\$ 0
REVENUES	<u>0</u>
DEPRECIATION RESERVES - TRANSFER	<u>0</u>
DEPRECIATION - TRANSFER	<u>\$ 1,162</u>
LESS REPLACEMENT COSTS	<u>(1,162)</u>
ENDING BALANCE	<u><u>\$ 0</u></u>

<u>PROJECTS</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>
1. SEWER MAIN REPLACEMENT	\$ 1,021	\$ 962	\$ 997	\$ 1,033	\$ 1,070
2. MANHOLE REHABILITATION	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
TOTAL	<u><u>\$ 1,221</u></u>	<u><u>\$ 1,162</u></u>	<u><u>\$ 1,197</u></u>	<u><u>\$ 1,233</u></u>	<u><u>\$ 1,270</u></u>

SEWER REPLACEMENT PROJECTS

1. Replace deficient sewer mains on an as-needed basis.
2. Replace deficient manholes as needed.

GARDEN GROVE SANITARY DISTRICT
SOLID WASTE BUDGET
FY 2007-08 - 2008-09
(\$000)

	FY 08-09 Adopted Budget	FY 08-09 Projected Year End	FY 09-10 Proposed Budget	FY 09-11 Forecast
<u>FUNDS AVAILABLE</u>				
BEGINNING BALANCE	\$ 1,223.6	\$ 1,223.6	\$ 280.4	\$ 11.0
REVENUES	8,354.0	8,019.0	8,272.0	8,520.2
RATE ADJUSTMENT	0.0	0.0	0.0	0.0
FUNDS AVAILABLE	<u>\$ 9,577.6</u>	<u>\$ 9,242.6</u>	<u>\$ 8,552.4</u>	<u>\$ 8,531.2</u>
<u>OPERATIONS EXPENDITURES</u>				
OPERATIONS (REFUSE)				
LABOR	\$ 388.0	\$ 337.5	\$ 403.8	\$ 403.8
CONTRACTUAL SERVICES	7,085.9	7,085.9	7,086.0	7,298.6
COMMODITIES	25.9	7.5	14.5	14.5
VEHICLE / EQUIPMENT RENTALS	0.0	0.0	0.0	-
INSURANCE	13.9	13.9	13.9	13.9
ADMIN SUPPORT	309.9	309.9	315.7	325.2
OPERATING RESERVE	207.5	207.5	207.5	207.5
LANDFILL RESERVE	1,000.0	1,000.0	500.0	250.0
TOTAL OPERATIONS EXPENDITURES	<u>\$ 9,031.1</u>	<u>\$ 8,962.2</u>	<u>\$ 8,541.4</u>	<u>\$ 8,513.5</u>
FUNDS AVAILABLE	9,577.6	9,242.6	8,552.4	8,531.2
EXPENDITURES	<u>9,031.1</u>	<u>8,962.2</u>	<u>8,541.4</u>	<u>8,513.5</u>
ENDING BALANCE	<u>\$ 546.5</u>	<u>280.4</u>	<u>11.0</u>	<u>17.7</u>

GARDEN GROVE SANITARY DISTRICT
RESOLUTION NO.

A RESOLUTION OF THE GARDEN GROVE SANITARY DISTRICT
ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2009-10

WHEREAS, the Garden Grove Sanitary District has given careful consideration to the adoption of the Budget for Fiscal Year 2009-10.

NOW, THEREFORE, BE IT RESOLVED that the General Manager is hereby authorized to expend in accordance with laws of the State of California on behalf of the Garden Grove Sanitary District an amount of \$25,649,604 from new appropriations for the planned activities shown below:

Expenditures

Sewer	\$ 17,108,144
Refuse	<u>8,541,460</u>
 TOTAL EXPENDITURES	 \$ 25,649,604

BE IT FURTHER RESOLVED that the total of \$25,649,604, which the General Manager is authorized to expend in accordance with the Laws of the State of California shall be appropriated from the following funds for the Fiscal Year 2009-10.

Funding

Fund 630 -	Garden Grove Sanitary District/ Sewer Operations	\$ 7,783,051
Fund 631 -	Garden Grove Sanitary District/ Sewer Capital ①	7,886,262
Fund 632 -	Garden Grove Sanitary District/ Sewer Replacement	1,161,831
Fund 634 -	Garden Grove Sanitary District/ Sewer System Contingencies ②	277,000
Fund 660 -	Garden Grove Sanitary District/ Refuse	<u>8,541,460</u>
	TOTAL FUNDING	<u>\$ 25,649,604</u>

Transfers In The Garden Grove Sanitary District Sewer Funds:

- | | | |
|-------|---|--------------|
| ① (a) | Sewer Operations Fund To Sewer Capital Fund | \$ 7,886,262 |
| ② (b) | Sewer Operations Fund To Sewer Systems Contingencies Fund | \$ 277,000 |

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