

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE REAPPROPRIATING CERTAIN FY 2009-10 PROJECT BALANCES AND ENCUMBRANCES FOR THE FISCAL YEAR 2010-11.
5. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE TRANSFERRING \$4,500,000 FROM THE EMPLOYEE BENEFIT FUND RESERVE TO THE GENERAL PURPOSE FUND FOR FISCAL YEAR 2009-10.
6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE TO IMPLEMENT THE REQUIREMENTS OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 FUND BALANCE CLASSIFICATIONS, AND DELEGATION OF AUTHORITY.
7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ADOPTING AN ANNUAL BUDGET FOR THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT FOR FISCAL YEAR 2010-11.
8. A RESOLUTION OF THE GARDEN GROVE CITY COUNCIL AUTHORIZING THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT'S EXPENDITURE OF FUNDS FOR THE PROVISION OF CERTAIN ADMINISTRATIVE FUNCTIONS.
9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ADOPTING AN ANNUAL BUDGET FOR THE GARDEN GROVE HOUSING AUTHORITY FOR FISCAL YEAR 2010-11.

COMMUNITY VISION IMPLEMENTATION

Not applicable.

RECOMMENDATION

It is recommended that the attached resolutions be acted on simultaneously unless separate discussion and/or action is requested by a Councilmember.


KINGSLEY OKEREKE
Finance Director

Attachments

prop-bgt.doc (2) (FY 10-11)

Approved for Agenda Listing


Matthew Fertal
City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE ADOPTING A BASIC SERVICES, CABLE SERVICES, GRANT SERVICES, WATER SERVICES, CAPITAL IMPROVEMENTS, MOBILE HOME PARKS, SPECIAL ASSESSMENT RELATING TO STREET LIGHTING, SPECIAL ASSESSMENT RELATING TO MAIN STREET AND THE PARKING DISTRICT AND SPECIAL ASSESSMENT RELATING TO PARK MAINTENANCE BUDGETS FOR FISCAL YEAR 2010-11

WHEREAS, the City Council has given careful consideration to the budgets for Fiscal Year 2010-11; and

WHEREAS, the City Council of the City of Garden Grove in accordance with the laws of the State of California is responsible for the administration of certain special assessment districts; and

WHEREAS, each special assessment district's budget for Fiscal Year 2010-11 has had public hearing and reviews as required by state law;

NOW, THEREFORE, BE IT RESOLVED that the City Manager is hereby authorized to expend in accordance with the requirements of various grant programs, laws of the State of California, and the ordinances of the City of Garden Grove on behalf of the City Council an amount of \$162,443,757 from new appropriations and reserved fund balances.

BE IT FURTHER RESOLVED that the total of \$162,443,757 which the City Manager is authorized to expend in accordance with the grant program requirements, laws of the State of California, and the ordinances of the City of Garden Grove shall be appropriated from the estimated revenues and reserved fund balances of the following funds and funds assessed in accordance with state laws for Fiscal Year 2010-11.

Basic Funds

State Bonds Proposition I-B (AB 1266)	\$ 500,000
State Gas Tax	1,800,000
State Gas Tax 2105	800,000
State Traffic Congestion Relief	1,467,453
Development Agreement Fees	1,115,802
Cultural Arts	52,000
Park Fee	505,000
Drainage	195,000
Red Lite Enforcement Program	750,000
Traffic Offender	68,623
City Infrastructure (GASB 34 Depreciation) ①	12,595,013
Transient Occupancy Tax Sharing ②	1,540,000
General Purpose ③④	82,853,934
Golf Course	668,674
Self-Supporting Revenue	867,859
Measure M	\$ <u>1,529,080</u>
Total Basic Funds	\$107,308,438

Cable Fund

Garden Grove Cable	\$ 105,000
Total Cable Fund	\$ 105,000

Grant Funds

Community Development Block Grant (CDBG)	\$ 3,302,226
HOME (Investment Partnership Program)	1,188,701
Emergency Shelter	120,508
Homeless Prevention	19,512
Neighborhood Stabilization Program (NSP)	51,888
Justice Assistance Grant	64,394
Families And Communities Together (FACT)	283,748
Orange County Families Commission	377,496
Public Safety/Proposition 172	620,000
Air Quality Improvement	230,776
Police - Supplemental Law Enforcement Services (SLESF)	90,000
Used Oil	23,584
Transportation Equity Act for the 21 st Century (TEA 21)	2,000,000
Hazard Elimination Safety (HES)	1,581,390
County CSVC Grants	213,164
Federal Public Works Grants	3,000,000
Measure M Regional	<u>407,000</u>
Total Grant Funds	\$ 13,574,387

Mobile Home Parks Funds

Emerald Isle Mobile Home Park	\$ 934,585
Bahia Village Mobile Home Park	1,223,371
Travel Country RV Park	<u>364,827</u>
Total Mobile Home Funds	\$ 2,522,783

Special Assessment Funds

Street Lighting	\$ 1,320,721
Parking District (Maint. & Acq.)	4,061
Main Street Assessment District	24,832
Park Maintenance Assessment District	<u>700,000</u>
Total Special Assessment Funds	\$ 2,049,614

Water Funds

Water Operations	\$ 28,802,427
Water Debt Service	1,050,000
Water Capital	5,017,174
Water Replacement	<u>2,013,934</u>
Total Water Funds	\$ 36,883,535

GRAND TOTAL BASIC, CABLE, GRANT, MOBILE HOME
PARKS, SPECIAL ASSESSMENT, AND WATER FUNDS \$162,443,757

① Depreciation Not Funded In Fiscal Year 2010-11 \$ 12,595,013

② Contains Transfers To The Community Project
Redevelopment Fund:

 To Provide For Hotel Assistance Payments \$ 1,540,000

③ Contains Transfers To The General Fund From:

(a) Development Agreement Fee	\$ 1,000,000
(b) Golf Course	600,000
(c) Fleet Management	1,000,000
(d) Employee Benefit	3,000,000
(e) Insurance	100,000
(f) Deposit Trust – Buena Clinton Donations	16,100

④ Contains Transfer From The General Fund:

(a) To Provide For Self Supporting Revenue \$ (267,859)

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal
Dept.: City Manager
Subject: WATER SUPPLY PROGRAM
BUDGET FY 2010/11

From: Keith G. Jones
Dept.: Public Works
Date: June 22, 2010

OBJECTIVE

To receive City Council approval for the proposed Water Supply Program Budget for fiscal year (FY) 2010/11.

BACKGROUND

The mission of the Water Services Division is to provide a reliable water supply of the highest quality at the lowest possible cost. In keeping with this mission, three major issues must be considered:

- Increase in cost for purchased water and energy;
- Improvement of the water delivery system; and
- Federal and state water quality mandates

To comply with these issues, and in keeping with the above mission, the Water Services Division has initiated programs such as:

- Working with Orange County Water District to balance the groundwater basin's protection with rate stabilization and with water conservation measures;
- Working with the Metropolitan Water District, Orange County Water District, and the Municipal Water District of Orange County to improve water reliability by way of water conservation with grant funding; and
- Compliance with all state and federal water quality standards

During FY 2009/10, a number of operational and capital goals were met. Projects in progress or completed that are related to the Water Enterprise Fund include the following:

- Implementation of the third year of the City's Five Year Water Financial Plan;
- Implementation of the Water Master Plan: replacement of three water mains that are flow deficient, replacement of a natural gas engine at West Haven Reservoir and install exhaust stacks corrections at Well 29; and
- Completion of the FY 2009/10 Capital Replacement Projects

DISCUSSION

Major areas being addressed in the proposed FY 2010/11 Water Supply Program Budget includes: water supply budget, water cost factors, and implementation of capital improvements and replacements. This being the fourth year of the City's Five Year Water Financial Plan, the 5% rate adjustment will be applied to the current water rates to meet the essential financial needs for FY 2010/11. The capital improvement and replacement program for the upcoming fiscal year consists of the following:


- 5,000 to 10,000 linear feet of main replacement
- Replace 100 fire hydrants and 20 fire hydrant valves
- Replace 756 service lines
- Replace 3,780 small meters and test and repair or replace 400 large meters
- Replace 132 gate valves
- Replace 35 air/vacuum valves
- Design and build Well No. 31 and refit the inactive Well No. 28 with a variable frequency drive and nitrate analyzer
- Well improvements for Well No. 21
- Rebuild and/or repair sump pumps at West Garden Grove Reservoir
- Retrofit Brookhurst Street medians with sub-surface drip irrigation and planting of drought-tolerant plants and/or California natives plants
- Miscellaneous improvements and/or repairs

FINANCIAL IMPACT

This proposed budget will allow for the Water Enterprise Fund to continue meeting its financial obligations and carry out its capital improvement and replacement programs for FY 2010/11.

RECOMMENDATION

It is recommended that the City Council approve the proposed Water Supply Program Budget for FY 2010/11 as presented.


KEITH G. JONES
Director of Public Works


By: David E. Entsminger
Water Services Manager

Attachment: Water Supply Program Budget FY 2010/11

CITY OF GARDEN GROVE
DEPARTMENT OF PUBLIC WORKS
WATER SERVICES DIVISION

WATER SUPPLY PROGRAM
FISCAL YEAR 2010/11

Presented By:

CITY OF GARDEN GROVE
DEPARTMENT OF PUBLIC WORKS

CITY OF GARDEN GROVE
WATER SUPPLY PROGRAM
(CITY COUNCIL ADOPTED)

BUSINESS PRINCIPLES

1. Satisfy Bond Covenant conditions under which outstanding water revenue bonds were issued.
2. Enterprise fund should break even, not generate a deficit.
3. In order to operate efficiently, a two (2) month cash flow is required, as well as maintenance of \$500,000 in reserves for contingencies.
4. Preserve replacement sinking fund. Ideal amount of fund should approach 5% of system value.
5. Maintain system and facilities up to industry standards by adequately funding new Capital Improvement Programs.

WATER SERVICES BUDGET

FY 2009-10 - 2012-13

(\$000)

<u>FUNDS AVAILABLE</u>	FY 09-10 Projected Year End	FY 10-11 Budget	FY 11-12 Forecast	FY 12-13 Forecast
BEGINNING BALANCE	\$ 611.5	\$ 2,452.9	\$ 2,028.7	\$ 619.9
BOND PROCEEDS (annual allocation)	18,000.0	0.0	0.0	0.0
TRANSFER FROM REPLACEMENT	0.0	0.0	0.0	0.0
REVENUES	29,402.1	34,497.1	36,256.9	36,359.6
ANNUAL COMMODITY INDEX	0.0	0.0	0.0	0.0
TRANSFER FROM RESERVES	0.0	0.0	0.0	0.0
LOAN FROM GENERAL FUND	0.0	0.0	0.0	0.0
TOTAL FUNDS AVAILABLE	48,013.6	36,950.0	38,285.6	36,979.5
 <u>OPERATION EXPENDITURES</u>				
OPERATIONS				
LABOR	3,580.3	3,714.2	3,955.6	4,074.3
CONTRACTUAL SERVICES	1,106.5	1,166.8	1,407.4	1,449.6
COMMODITIES	752.3	806.5	1,032.7	1,071.6
VEHICLE / EQUIPMENT RENTALS	655.5	682.0	709.3	730.6
INSURANCE	263.3	263.3	263.3	263.3
ADMIN SUPPORT COSTS	1,969.3	1,832.9	1,887.9	1,944.5
PURCHASED WATER	13,411.7	14,707.2	14,642.7	15,979.3
LONG TERM DEBT	1,302.2	2,017.3	2,492.1	2,486.8
RESERVE DRAWDOWN PAYBACK	0.0	0.0	0.0	0.0
DEPRECIATION (REPLACEMENT)	1,819.6	1,962.2	2,297.7	2,497.8
STREET REPAIR CHARGE	2,700.0	2,700.0	1,350.0	1,350.0
REPLACEMENT SINKING FUND	0.0	0.0	0.0	0.0
RATE STABILIZATION FUND	0.0	0.0	0.0	0.0
TOTAL OPERATION EXPENDITURES	27,560.7	29,852.4	30,038.7	31,847.8
PROJECTED AMOUNT UNDER SPENT	0.0	0.0	0.0	0.0
NET OPERATION EXPENDITURES	27,560.7	29,852.4	30,038.7	31,847.8
 <u>WATER CAPITAL EXPENDITURES</u>				
REPLACEMENT WATER METERS	0.0	51.7	0.0	0.0
WATER MAINS	13,016.0	2,317.2	2,405.6	3,440.0
PRODUCTION CAPITAL	4,984.0	2,700.0	5,221.4	822.4
TOTAL CAPITAL EXPENDITURES	18,000.0	5,017.2	7,627.0	4,262.4
FUNDS AVAILABLE	48,013.6	36,950.0	38,285.6	36,979.5
WATER EXPENDITURES	45,560.7	34,921.3	37,665.7	36,110.2
ENDING BALANCE	\$ 2,452.9	\$ 2,028.7	\$ 619.9	\$ 869.3

CAPITAL IMPROVEMENTS - PUBLIC WORKS
WATER

FY 2010-11

CURRENT ESTIMATED COSTS

<u>PROJECTS</u>	<u>NEW CAPITAL</u>	<u>REPLACEMENT</u>
Water Services	\$ -	\$ 346,225
Water Meter	0	1,289,776
Fire Hydrants	0	157,516
Main Valve	0	220,417
Water Main Improvements	2,317,174	0
Production Projects	2,700,000	0
	<hr/>	<hr/>
	\$ 5,017,174	\$ 2,013,934

WATER CAPITAL PROJECTS

FIVE YEAR PLAN
(\$000)

<u>PROJECTS</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>
1. WATER MAINS	\$ 13,016	\$ 2,317	\$ 2,406	\$ 3,440	\$ 4,471
2. PRODUCTION CAPITAL	<u>4,921</u>	<u>2,700</u>	<u>5,221</u>	<u>822</u>	<u>2,781</u>
TOTAL	\$ 17,937	\$ 5,017	\$ 7,627	\$ 4,262	\$ 7,252

WATER SERVICES REPLACEMENT PROGRAM

FIVE YEAR PLAN

(\$000)

BEGINNING BALANCE	\$ -
REVENUE	52
DEPRECIATION	<u>1,962</u>
	\$ 2,014
TRANSFER TO CAPITAL	1,962
LESS REPLACEMENT COSTS	<u>(2,014)</u>
ENDING BALANCE	\$ 1,962

<u>PROJECTS</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>	<u>14-15</u>
1. WATER SERVICE	\$ 13	346	278	304	306	322
2. WATER METER	32	1,290	694	760	765	803
3. FIRE HYDRANT	9	158	194	213	214	225
4. MAIN VALVE	10	220	222	243	245	257
5. PRODUCTION	0	0	0	0	0	0
6. WATER MAIN	0	0	0	0	0	0
7. NATURAL GAS ENGINE	<u>1,756</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 1,820</u>	<u>\$ 2,014</u>	<u>\$ 1,388</u>	<u>\$ 1,520</u>	<u>\$ 1,530</u>	<u>\$ 1,607</u>

WATER REPLACEMENT PROJECTS

1. Replace deficient customer service lines on an as-needed basis.
2. Replace small and large deficient meters.
3. Replace deficient fire hydrants.
4. Replace non-repairable main line gate valves.
5. Replace production equipment as needed.
6. Replace water mains as needed.
7. Replace natural gas engines as needed.

WATER COST FACTOR

(PER ACRE FOOT)

	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>
IMPORT WATER COST	\$ 709.0	\$ 751.0	\$ 807.0	\$ 847.0	\$ 890.0
POWER COSTS	\$ 62.0	\$ 63.0	\$ 65.0	\$ 67.0	\$ 69.0
REPLENISHMENT ASSESSMENT (GROUNDWATER)	\$ 249.0	\$ 249.0	\$ 264.0	\$ 280.0	\$ 297.0
EQUITY ASSESSMENT (OVER PUMPING COSTS)	\$ 499.0	\$ 455.0	\$ 483.0	\$ 503.0	\$ 525.0
BASIN PRODUCTION PERCENTAGE	62%	62%	62%	62%	62%