

- Completion of design of Capital Improvement Projects at Belgrave Pump Station, Lenore Avenue – Lamplighter Street, Monarch Street – Lampson Avenue, Lampson Avenue – Brookhurst Street, and on Lampson Avenue between Leroy Street and Ocean Breeze Drive;
- Compliance with the State Water Resources Control Board’s Statewide General Waste Discharge Requirement (WDR) mandates;
- Compliance with AB 939 waste diversion goals;
- Compliance with all South Coast Air Quality Management District and Orange County Health Care Agency regulations and rules related to the management of closed landfills; and
- Enforce the grease ordinance through inspections of food service establishments.

DISCUSSION

Each year it is necessary to adopt an annual budget to fund the GGSD’s operations based on the organizational requirements of the GGSD’s sewer and refuse funds. In 2012, City Council approved future automatic adjustments in sewer rates and charges to account for inflation, based on the Engineering News Report Construction Cost Index – Los Angeles. During FY 2012/13, a 2.5% rate adjustment was implemented and during the FY 2013/14, a 0% rate adjustment will be implemented. Goals for the upcoming fiscal year include:

- Completion of design and specifications for capital improvement projects;
- Continue the Manhole Inspection Program and replace deteriorated manhole rings and covers;
- Continue replacement of sewer main defects identified through CCTV inspections;
- Continue to implement State Water Resources Control Board’s Statewide General WDR mandates, 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 the topic of recycling, including the benefits of recycling used motor oil, oil filters, and household hazardous waste;
- Ensure environmental compliance related to two GGSD’s Longsdon Pit Landfills located in northern and southern areas within the City; 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.

RECOMMENDATION

It is recommended that the Garden Grove Sanitary District Board:

- Adopt the attached Resolutions approving the Fiscal Year 2013/14 Budget, and reappropriating project balances and encumbrances from Fiscal Year 2012/13.



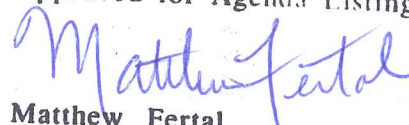
WILLIAM E. MURRAY, P.E.
Director of Public Works/City Engineer



By: David E. Entsminger
Water Services Manager

Attachment 1: GGSD Budget Report FY 2013-14
and 2013-14 Annual Budget Resolution
Attachment 2: Resolution re-appropriating
balance from 2012/13
Attachment 3: Resolution setting FY 2013-14
appropriations limit

Approved for Agenda Listing



Matthew Fertal
General Manager

GARDEN GROVE SANITARY DISTRICT

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GARDEN GROVE SANITARY DISTRICT ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2013-2014

WHEREAS, the Garden Grove Sanitary District has given careful consideration to the adoption of the Budget for Fiscal Year 2013-2014.

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 \$15,055,160 from new appropriations for the planned activities shown below:

Expenditures

Sewer	\$ 11,784,660
Refuse	<u>3,270,500</u>
TOTAL EXPENDITURES	\$ 15,055,160

BE IT FURTHER RESOLVED that the total of \$15,055,160, 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 2013-14.

Funding

Fund 630 - Garden Grove Sanitary District/ Sewer Operations	\$ 8,057,766
Fund 631 - Garden Grove Sanitary District/ Sewer Capital *	2,167,106
Fund 632 - Garden Grove Sanitary District/ Sewer Replacement	1,559,788
Fund 660 - Garden Grove Sanitary District/ Refuse	<u>3,270,500</u>
TOTAL FUNDING	<u>\$ 15,055,160</u>

* Transfer In The Garden Grove Sanitary District Sewer Funds:

Sewer Operations Fund (Fund 630)	\$ 2,167,106
To Sewer Capital Fund - (Fund 631)	

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

OPERATIONS AND CAPITAL BUDGET
FISCAL YEAR 2013/14

Presented By:

CITY OF GARDEN GROVE
DEPARTMENT OF PUBLIC WORKS

GARDEN GROVE SANITARY DISTRICT
SEWER BUDGET
FY 2012-13 - 2014-15
(\$000)

	2012-13 Adopted Budget	FY 12-13 Projected Year End	FY 13-14 Proposed Budget	FY 14-15 Forecast
<u>FUNDS AVAILABLE</u>				
BEGINNING BALANCE	\$ 189.1	\$ 189.1	\$ 1,048.1	\$ 1,881.2
BOND PROCEEDS (Annual Allocation)	0.0	0.0	0.0	0.0
REVENUES	10,620.0	10,620.0	11,058.0	11,498.0
RATE ADJUSTMENT	0.0	0.0	0.0	0.0
FUNDS AVAILABLE	<u>10,809.1</u>	<u>10,809.1</u>	<u>12,106.1</u>	<u>13,379.2</u>
<u>OPERATION EXPENDITURES</u>				
OPERATIONS				
LABOR	2,613.7	2,613.7	2,754.3	2,864.0
CONTRACTUAL SERVICES	1,168.2	1,168.2	1,168.0	1,215.0
COMMODITIES	233.5	233.5	245.9	266.0
VEHICLE / EQUIPMENT RENTALS	253.7	253.7	266.4	277.0
INSURANCE	41.7	41.7	41.7	43.0
ADMIN SUPPORT COSTS	524.6	524.6	558.2	581.0
BOND ISSUANCE COSTS	0.0	0.0	0.0	0.0
DEBT SERVICE	1,463.3	1,463.3	1,463.5	1,463.0
LATERAL LOAN PROGRAM	0.0	0.0	0.0	0.0
OPERATING RESERVE	0.0	0.0	0.0	0.0
SEWER SYSTEM CONTINGENCY RESERVE	0.0	0.0	0.0	0.0
TOTAL OPERATION EXPENDITURES	<u>6,298.7</u>	<u>6,298.7</u>	<u>6,498.0</u>	<u>6,709.0</u>
<u>SEWER CAPITAL</u>				
CAPITAL REPLACEMENT	1,462.3	1,462.3	1,559.8	1,606.6
NEW CAPITAL IMPROVEMENTS	2,000.0	2,000.0	2,167.1	4,250.0
CAPITAL EXPENDITURES	<u>3,462.3</u>	<u>3,462.3</u>	<u>3,726.9</u>	<u>5,856.6</u>
TOTAL EXPENDITURES	9,761.0	9,761.0	10,224.9	12,565.6
FUNDS AVAILABLE	10,809.1	10,809.1	12,106.1	13,379.2
EXPENDITURES	<u>9,761.0</u>	<u>9,761.0</u>	<u>10,224.9</u>	<u>12,565.6</u>
ENDING BALANCE	\$ 1,048.1	\$ 1,048.1	\$ 1,881.2	\$ 813.6

CAPITAL IMPROVEMENTS - PUBLIC WORKS
SEWER

FY 2013-14

DESCRIPTION	CURRENT ESTIMATED COSTS	
	NEW CAPITAL	REPLACEMENT
Sewer Main Improvements	2,167,106	1,559,788
TOTAL	<u>\$ 2,167,106</u>	<u>\$ 1,559,788</u>

SEWER CAPITAL PROJECTS

FIVE YEAR PLAN

(\$000)

<u>PROJECTS</u>	<u>12-13</u>	<u>13-14</u>	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>
1. SEWER MAINS	<u>\$ 2,000</u>	<u>\$ 2,167</u>	<u>\$ 4,250</u>	<u>\$ 3,000</u>	<u>\$ 3,250</u>
TOTAL	<u>\$ 2,000</u>	<u>\$ 2,167</u>	<u>\$ 4,250</u>	<u>\$ 3,000</u>	<u>\$ 3,250</u>

SEWER REPLACEMENT PROGRAM

FIVE YEAR PLAN

(\$000)

BEGINNING BALANCE	\$ 0
REVENUES	<u>0</u>
DEPRECIATION RESERVES - TRANSFER	<u>0</u>
DEPRECIATION - TRANSFER	<u>\$ 1,560</u>
LESS REPLACEMENT COSTS	<u>(1,560)</u>
ENDING BALANCE	<u><u>\$ 0</u></u>

<u>PROJECTS</u>	<u>12-13</u>	<u>13-14</u>	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>
1. SEWER MAIN REPLACEMENT	\$ 1,262	\$ 1,360	\$ 1,407	\$ 1,455	\$ 1,504
2. MANHOLE REHABILITATION	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
TOTAL	<u><u>\$ 1,462</u></u>	<u><u>\$ 1,560</u></u>	<u><u>\$ 1,607</u></u>	<u><u>\$ 1,655</u></u>	<u><u>\$ 1,704</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 2012/13 - 2014/15
(\$000)

<u>FUNDS AVAILABLE</u>	FY 12-13 Adopted Budget	FY 12-13 Projected Year End	FY 13-14 Proposed Budget	FY 14-15 Forecast
BEGINNING BALANCE	\$ 272.3	\$ 272.3	\$ 90.9	\$ 70.4
REVENUES	<u>3,187.1</u>	<u>3,187.1</u>	<u>3,250.0</u>	<u>3,315.9</u>
FUNDS AVAILABLE	\$ 3,459.4	\$ 3,459.4	\$ 3,340.9	\$ 3,386.3
 <u>OPERATIONS EXPENDITURES</u>				
OPERATIONS (REFUSE)				
LABOR	\$ 469.5	\$ 401.8	\$ 486.8	\$ 496.5
CONTRACTUAL SERVICES	1,767.0	1,767.0	1,767.1	1,802.4
COMMODITIES	14.5	14.5	14.5	14.8
INSURANCE	13.9	13.9	13.9	13.9
STREET REPAIR CHARGE	500.0	500.0	500.0	500.0
ADMIN SUPPORT	171.3	171.3	188.2	192.0
OPERATING RESERVE	100.0	100.0	100.0	100.0
LANDFILL RESERVE	<u>400.0</u>	<u>400.0</u>	<u>200.0</u>	<u>200.0</u>
TOTAL OPERATIONS EXPENDITURES	\$ 3,436.2	\$ 3,368.5	\$ 3,270.5	\$ 3,319.6
FUNDS AVAILABLE	3,459.4	3,459.4	3,340.9	3,386.3
EXPENDITURES	<u>3,436.2</u>	<u>3,368.5</u>	<u>3,270.5</u>	<u>3,319.6</u>
ENDING BALANCE	23.2	90.9	70.4	66.7

RESOLUTION NO.

A RESOLUTION OF THE GARDEN GROVE SANITARY DISTRICT
 REAPPROPRIATING CERTAIN FY 2012-13
 PROJECT BALANCES AND ENCUMBRANCES FOR THE FISCAL YEAR 2013-14

WHEREAS, the Garden Grove Sanitary District has reviewed the estimated Fiscal Year 2012-13 Revenues, Expenditures and Fund Balances as projected to the end of the fiscal year, and has given careful consideration to the closing of appropriations for Fiscal Year 2012-13; and

WHEREAS, the Garden Grove Sanitary District has reviewed and given careful consideration of the recommended Fiscal Year 2013-14 budgets; and

WHEREAS, certain projects begun in Fiscal Year 2012-13 or prior fiscal years require continuing appropriations to complete the projects; and

WHEREAS, unexpended balances of Fiscal Year 2012-13 or prior fiscal years are estimated to be available within these certain projects on June 30, 2013; and

WHEREAS, certain purchase orders are estimated to have encumbered balances on June 30, 2013;

NOW, THEREFORE, BE IT RESOLVED that the uncommitted, unexpended balances of appropriations on June 30, 2013, of the projects below be appropriated to the Reserve for continuing projects within their respective funds;

PKG-TBL	PACKAGE DESCRIPTION
0010-630	CITY COUNCIL
0010-660	CITY COUNCIL
0021-630	OPERATIONS
0021-660	OPERATIONS
0023-630	RESRCH/LEGISLATION
0060-630	PUBLIC INFORMATION
0060-660	PUBLIC INFORMATION
1020-630	GENERAL ACCOUNTING
1020-660	GENERAL ACCOUNTING
1021-630	FINANCIAL PLANNING
1021-660	FINANCIAL PLANNING
1030-630	UTILITY BILLING
1031-660	REFUSE BILLING
1034-630	REVENUE OPERATIONS
1034-660	REVENUE OPERATIONS
3000-630	PUBL WORKS GEN ADMN
3000-660	PUBL WORKS GEN ADMN

3010-630 ENVIRONMENTAL MGMT
3010-660 ENVIRONMENTAL MGMT
3213-632 CONCRETE REPL/CAPIT
3230-632 DEDICATED FAC/SWR
3240-630 CAP IMPV PLANNING
3240-660 CAP IMPV PLANNING
3800-630 SEWER OPERATIONS
3810-630 SEWER INSP
3820-634 SEWER LATER/LN PRGM
3900-660 REFUSE SERVICES
3950-660 WASTE MGMT/RECYCLNG
7275-632 CONCRETE REPL/CAPTL
7374-631 LENORE43
7375-631 WSTMNSTER-CLNTN43
7396-631 GETAWAY LINE
7800-630 GGSD CAPITAL IMP
7800-631 GGSD CAPITAL IMP
7801-635 CHAPMAN PROJECT 72
7802-631 HARBOR RELOC-SEWER
7806-631 TIFFANY/BELGRAVE LS
7810-630 GGSD REPLACEMENT
7810-632 GGSD REPLACEMENT
7811-631 GILBERT-TRASK
7813-631 HARBOR-HEIL
7815-631 BELGRAVEAVEBAILEYST
7816-631 LAMPSON 20,21,22,23
7816-632 LAMPSON 20,21,22,23
7817-631 STANTON PROJECT 3
7818-631 HASTER 25, 26
7820-631 LAMPSON EUCLID 32
7821-631 DEANANNE 65
7822-631 LENORE 43, 46, 68, 75
7823-631 TRAYLOR DEANN 59, 65
7824-631 WARD ST 96, 99
7828-631 GG BL INTCEP BRKHST
9503-660 GGSD RES/CASH FLOW
9504-630 GGSD OPERATING RES
9504-660 GGSD OPERATING RES
9507-634 GGSD SYSTEM/CNTG RS
9509-660 LANDFILL RESERVE

BE IT FURTHER RESOLVED that for the projects listed above the amount of unexpended balance of appropriations on June 30, 2013, be reappropriated for Fiscal Year 2013-14 from the Reserve for continuing projects of the respective funds.

BE IT FURTHER RESOLVED that the encumbered balances of purchase order on June 30, 2013, be appropriated to the Reserve for encumbrances of the respective funds and that the amount of encumbered balances of purchase orders on June 30, 2013, be reappropriated for Fiscal Year 2013-14 from the Reserve for encumbrances of the respective funds.

Garden Grove Sanitary District
INTER-DEPARTMENT MEMORANDUM

To:	Matthew Fertal	From:	Kingsley Okereke
Dept:	General Manager	Dept:	Finance
Subject:	ADOPTION A RESOLUTION SETTING THE FISCAL YEAR 2013-14 GARDEN GROVE SANITARY DISTRICT APPROPRIATIONS LIMIT	Date:	June 25, 2013

OBJECTIVE

The purpose of this memorandum is for the District Board to review and adopt the attached Appropriations Limit Resolution for the Garden Grove Sanitary District setting the appropriations limit for Fiscal Year 2013-14.

BACKGROUND

In November 1979, the citizens of California passed Proposition 4 (Gann Initiative amending Article XIII B) which placed limitations on the finances of state and local governments. It also provided a method of calculating and adopting the limitations. The League of California Cities has developed guidelines from the legislation and Article XIII B for consistent statewide implementation. The District is utilizing these guidelines in the calculation process.

DISCUSSION

The Fiscal Year 2013-14 appropriations limit for the Garden Grove Sanitary District is \$11,058,988. The recommended budget appropriations subject-to-limit is \$2,423,000. The difference of \$8,635,988 is the "gap" from which additional appropriations can be made.

Section 7900 et seq. of the Government Code requires local governments to adopt a resolution setting the limitations at a regularly scheduled meeting or noticed special meeting. There is no requirement in the State Code for a public hearing prior to adoption of the resolution.

FINANCIAL IMPACT

Not applicable

ADOPTION A RESOLUTION SETTING THE FISCAL YEAR 2013-14 GARDEN GROVE
SANITARY DISTRICT APPROPRIATIONS LIMIT

June 25, 2013

Page 2

RECOMMENDATION

It is recommended that the District Board:

- Adopt the Appropriations Limit Resolution for the Garden Grove Sanitary District setting the appropriations limit for Fiscal Year 2013-14 at \$11,058,988.

Mershal de Skidman

KINGSLEY OKEREKE

Finance Director

for Kingsley Okereke

Attachments: Resolution
EXHIBIT "A"

GARDEN GROVE SANITARY DISTRICT

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GARDEN GROVE SANITARY DISTRICT ESTABLISHING THE AMOUNT OF INCREASE IN APPROPRIATIONS IN ACCORDANCE WITH ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION AS AMENDED BY PROPOSITION 111

WHEREAS, Chapter 1205 statutes of 1980 became effective January 1, 1981;

WHEREAS, Article XIII B of the California Constitution was amended by Proposition 111 to change the price and population factors that may be used by local jurisdictions in setting their appropriations limit; and

WHEREAS, the amendments specify that the appropriations limit may increase annually by a factor comprised of the change in population combined with either the change in California per capita personal income or the change in the local assessment roll due to local non-residential construction.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the appropriations limit for Fiscal Year 2013-2014 in accordance with Exhibit "A" is \$11,058,988 excluding user fees.

EXHIBIT "A"

ARTICLE XIII-B CALCULATIONS

2013-2014 BUDGET

Per Capita Change = 5.12% (Personal Income)
Population Change = 0.78%

Per Capita converted to a ratio: $\frac{5.12 + 100}{100} = 1.0512$

Population converted to a ratio: $\frac{0.78 + 100}{100} = 1.0078$

Calculation of factor for FY 2013-14: $1.0512 \times 1.0078 = 1.059399$

Conversion of the factor to a ratio eliminates minus numbers.

1.059399 converted to a % = 5.9399%

$\$10,438,926 \times 5.9399\% = \$620,062$

$\$620,062 + \$10,438,926 = \$11,058,988$