

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

**OPERATIONS AND CAPITAL BUDGET
FISCAL YEAR 2017/18 and 2018/19**

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 replacement 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 2016-17 - 2018-19
(\$000)

	2016-17 Adopted Budget	FY 16-17 Projected Year End	FY 17-18 Proposed Budget	FY 18-19 Proposed Budget
<u>FUNDS AVAILABLE</u>				
BEGINNING BALANCE	\$ 25,000.0	\$ 24,424.0	\$ 25,305.1	\$ 20,918.0
BOND PROCEEDS (Annual Allocation)	0.0	0.0	0.0	0.0
REVENUES	9,500.0	9,792.1	9,498.4	10,448.0
ADJUSTMENT	0.0	0.0	0.0	0.0
FUNDS AVAILABLE	<u>34,500.0</u>	<u>34,216.1</u>	<u>34,803.5</u>	<u>31,366.0</u>
<u>OPERATION EXPENDITURES</u>				
OPERATIONS				
LABOR	3,049.9	2,277.2	3,240.2	3,323.7
CONTRACTUAL SERVICES	1,285.3	295.1	1,326.1	1,381.9
COMMODITIES	336.5	228.5	344.0	354.3
VEHICLE / EQUIPMENT RENTALS	286.3	283.7	334.8	341.5
INSURANCE	41.7	41.7	41.7	41.7
ADMIN SUPPORT COSTS	720.0	720.0	678.6	678.6
BOND ISSUANCE COSTS	0.0	0.0	0.0	0.0
DEBT SERVICE	1,464.2	1,466.5	1,196.6	1,201.0
CAPITAL EQUIPMENT	0.0	8.3	18.0	0.0
ENTERPRISE RESOURCE PLANNING	0.0	0.0	300.0	300.0
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>7,183.9</u>	<u>5,321.0</u>	<u>7,480.0</u>	<u>7,622.7</u>
<u>SEWER CAPITAL</u>				
CAPITAL REPLACEMENT	1,850.0	2,084.9	1,905.5	1,962.7
NEW CAPITAL IMPROVEMENTS	5,000.0	1,505.1	4,500.0	4,500.0
CAPITAL EXPENDITURES	<u>6,850.0</u>	<u>3,590.0</u>	<u>6,405.5</u>	<u>6,462.7</u>
TOTAL EXPENDITURES	14,033.9	8,911.0	13,885.5	14,085.4
FUNDS AVAILABLE	34,500.0	34,216.1	34,803.5	31,366.0
EXPENDITURES	<u>14,033.9</u>	<u>8,911.0</u>	<u>13,885.5</u>	<u>14,085.4</u>
ENDING BALANCE (Reserved for Capital)	\$ 20,466.1	\$ 25,305.1	\$ 20,918.0	\$ 17,280.6

CAPITAL IMPROVEMENTS - PUBLIC WORKS
SEWER
(\$000)

FY 2017-18

DESCRIPTION	CURRENT ESTIMATED COSTS	
	NEW CAPITAL	REPLACEMENT
Sewer Main Improvements	4,500	1,906
TOTAL	<u>\$ 4,500</u>	<u>\$ 1,906</u>

FY 2018-19

DESCRIPTION	CURRENT ESTIMATED COSTS	
	NEW CAPITAL	REPLACEMENT
Sewer Main Improvements	4,500	1,963
TOTAL	<u>\$ 4,500</u>	<u>\$ 1,963</u>

SEWER CAPITAL PROJECTS

FIVE YEAR PLAN

(\$000)

<u>PROJECTS</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>
1. SEWER MAINS	\$ 5,000	\$ 4,500	\$ 4,500	\$ 4,300	\$ 4,000
TOTAL	\$ 5,000	\$ 4,500	\$ 4,500	\$ 4,300	\$ 4,000

SEWER REPLACEMENT PROGRAM

FIVE YEAR PLAN

(\$000)

BEGINNING BALANCE	\$ 0
REVENUES	<u>0</u>
DEPRECIATION RESERVES - TRANSFER	<u>0</u>
DEPRECIATION - TRANSFER	<u>\$ 1,906</u>
 LESS REPLACEMENT COSTS	 <u>(1,906)</u>
ENDING BALANCE	<u><u>\$ 0</u></u>

<u>PROJECTS</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>
1. SEWER MAIN REPLACEMENT	\$ 1,650	\$ 1,706	\$ 1,763	\$ 1,822	\$ 1,882
2. MANHOLE REHABILITATION	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
TOTAL	<u><u>\$ 1,850</u></u>	<u><u>\$ 1,906</u></u>	<u><u>\$ 1,963</u></u>	<u><u>\$ 2,022</u></u>	<u><u>\$ 2,082</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
 REFUSE SERVICES BUDGET
 FY 2016-17 - FY 2018-19
 (\$000)

<u>FUNDS AVAILABLE</u>	<u>FY 16-17 Adopted Budget</u>	<u>FY 16-17 Projected Year End</u>	<u>FY 17-18 Proposed Budget</u>	<u>FY 18-19 Proposed Budget</u>
BEGINNING BALANCE	\$ 133.9	\$ 4,281.2	\$ 5,105.9	\$ 5,574.3
REVENUES	<u>2,299.0</u>	<u>2,638.0</u>	<u>2,815.9</u>	<u>3,041.4</u>
FUNDS AVAILABLE	<u>\$ 2,432.9</u>	<u>\$ 6,919.2</u>	<u>\$ 7,921.8</u>	<u>\$ 8,615.7</u>
 <u>OPERATIONS EXPENDITURES</u>				
OPERATIONS (REFUSE)				
LABOR	\$ 490.2	\$ 584.7	\$ 510.0	\$ 523.8
CONTRACTUAL SERVICES	525.3	278.5	515.0	525.1
COMMODITIES	26.9	31.2	27.1	26.9
INSURANCE	13.9	13.9	13.9	13.9
STREET REPAIR CHARGE	500.0	500.0	500.0	500.0
ADMIN SUPPORT	205.0	205.0	81.5	81.5
ENTERPRISE RESOURCE PLANNING	0.0	0.0	200.0	200.0
OPERATING RESERVE	100.0	100.0	0.0	0.0
LANDFILL RESERVE	100.0	100.0	500.0	500.0
TOTAL OPERATIONS EXPENDITURES	<u>\$ 1,961.3</u>	<u>\$ 1,813.3</u>	<u>\$ 2,347.5</u>	<u>\$ 2,371.2</u>
 FUNDS AVAILABLE	 2,432.9	 6,919.2	 7,921.8	 8,615.7
EXPENDITURES	<u>1,961.3</u>	<u>1,813.3</u>	<u>2,347.5</u>	<u>2,371.2</u>
ENDING BALANCE	471.6	5,105.9	5,574.3	6,244.5