

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

**OPERATIONS AND CAPITAL BUDGET AMENDMENT
FISCAL YEAR 2020/21**

Presented By:

**CITY OF GARDEN GROVE
DEPARTMENT OF PUBLIC WORKS**

- Implementation of Construction and Demolition (C&D) Waste Recycling Program Ordinance (GGMC § 18.60);
- Secured grant funding from CalRecycle's Oil Payment Program and City/County Beverage Container Recycling Program to support the City's Used Motor Oil Residential Collection Program and liter abatement at City park sites;
- Funded the Discovery Science Center's School Recycling Educational Program;
- 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 Fats, Oils, and Grease ordinance (FOG) through inspections of food service establishments and review of construction plans.

DISCUSSION

Staff has conducted a mid-biennial review and budget adjustments are needed in capital expenditures to the second year of the two-year budget. The FY 2020/21 is necessary to fund the GGSD's operations based on the organizational requirements of the GGSD's sewer and refuse funds. Goals for the upcoming fiscal year include:

- Construction of the sewer main improvements construction on Sewer System Rehabilitation Plan Phase I – sewer main lining and spot repair projects 1 & 2, Sewer System Rehabilitation Plan Phase I – sewer main replacement project 1;
- Implementation of Sewer Structural Deficiency Improvement Plan;
- Construction of a grinder upstream of the Partridge Lift Station;
- 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 FOG control;
- Continue inspection and enforcement efforts related to the FOG ordinance for food service establishments;
- Continue compliance efforts related to AB 939 waste diversion (50% diversion), AB 341 (Commercial Recycling) and AB 1826 (Commercial Organics Recycling);
- Continue to implement trash reduction measures as part of the National Pollutant Discharge Elimination System Trash Amendment;
- Continue to implement Construction and Demolition (C&D) Waste Recycling Program Ordinance (GGMC § 18.60) to help comply with the CALGreen building codes to recycle, reuse, salvage or divert at least 65 percent of their debris for most construction and demolition projects;
- Continue seeking recycling grants;

- Ensure environmental compliance of GGSD's Longsdon Pit north and south closed landfills located west of Harbor Boulevard/north of Chapman Avenue; and
- Evaluate and address funding issues in solid waste and sanitary sewer regulation compliance as they arise.

By: Samuel K. Kim, P.E.
Water Services Manager

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 2020-21 AMENDED
(\$000)

<u>FUNDS AVAILABLE</u>	<u>FY 20-21 Amended Budget</u>
BEGINNING BALANCE	\$ 27,932.8
BOND PROCEEDS	0.0
REVENUES	11,464.0
ADJUSTMENT	0.0
FUNDS AVAILABLE	<u>\$ 39,396.8</u>
 <u>OPERATIONS EXPENDITURES</u>	
OPERATIONS	
LABOR	\$ 3,655.1
CONTRACTUAL SERVICES	1,577.0
COMMODITIES	299.9
VEHICLE/EQUIPMENT RENTALS	402.5
INSURANCE	41.7
ADMIN SUPPORT	607.5
DEBT SERVICE	1,206.6
CAPITAL EQUIPMENT	100.0
TOTAL OPERATIONS EXPENDITURES	<u>\$ 7,890.3</u>
 <u>SEWER CAPITAL</u>	
CAPITAL REPLACEMENT	\$ 1,716.8
NEW CAPITAL IMPROVEMENTS	<u>\$ 5,020.0</u>
CAPITAL EXPENDITURES	\$ 6,736.8
 TOTAL EXPENDITURES	 \$ 14,627.1
 FUNDS AVAILABLE	 39,396.8
EXPENDITURES	<u>14,627.1</u>
ENDING BALANCE	24,769.7

GARDEN GROVE SANITARY DISTRICT
 REFUSE SERVICES BUDGET
 FY 2020-21 AMENDED
 (\$000)

<u>FUNDS AVAILABLE</u>	<u>FY 20-21 Amended Budget</u>
BEGINNING WORKING CAPITAL	\$ 7,204.4
REVENUES	<u>3,129.8</u>
FUNDS AVAILABLE	\$ 10,334.2
<u>OPERATIONS EXPENDITURES</u>	
OPERATIONS	
LABOR	\$ 632.9
CONTRACTUAL SERVICES	784.3
COMMODITIES	27.8
INSURANCE	13.9
STREET REPAIR CHARGE	538.4
ADMIN SUPPORT	87.1
LANDFILL RESERVE	<u>500.0</u>
TOTAL OPERATIONS EXPENDITURES	\$ 2,584.4
CAPITAL EXPENDITURES	172.0
TOTAL EXPENDITURES	<u><u>\$ 2,756.4</u></u>
FUNDS AVAILABLE	\$ 10,334.2
TOTAL EXPENDITURES	<u>2,756.4</u>
ENDING WORKING CAPITAL	\$ <u>7,577.8</u>