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

Garden Grove Sanitary District

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: William E. Murray

Dept.: General Manager Dept: Public Works

Subject: Garden Grove Sanitary District Date: June 23, 2020

Update

BACKGROUND

On June 25, 2019, Council adopt the City's two-year budget for FY 2019/20 and FY 2020/21. During FY 2019/20, a number of operational goals were met along with the completion of capital improvement projects. Accomplishments related to the GGSD include:

- Adoption of the Sewer System Management Plan (SSMP);
- Design of Sewer System Rehabilitation Plan Phase I sewer main lining and spot repair projects 1 & 2 (2 out of 6 projects);
- Design of Sewer System Rehabilitation Plan Phase I sewer main replacement project 1 (1 out of 4 projects);
- Design and construction of the Ward Street Sewer Project;
- Removal and replacement of 42 manhole rings and covers;
- Inspection of approximately 2,250 manholes out of 5,100 manholes;
- Completion of closed circuit television (CCTV) work for 92,000 linear feet of sewer line and approximately 370,000 linear feet of cleaning;
- Continued implementation of the Sewer Main Cleaning Program, Manhole Inspection Program, Hot Spot Cleaning Program, CCTV Roving Checks Program and Electrical Mechanical Maintenance Program for the GGSD's lift stations;
- Completion of the Root Control Program covering 17,500 linear feet of sewer lines;
- Treated 2,350 manholes through the Insect Spraying Program;
- Diverted 4 possible sewer system overflows;
- · Continued flow monitoring throughout the system;
- Repaired 17 sewer main defects identified through the Sanitary Sewer Rehabilitation Plan;
- Completion of the cleaning of 630 hot spots;
- Compliance with the State Water Resources Control Board's Statewide General Waste Discharge Requirement (WDR) mandates;
- Compliance with waste diversion goals of AB 939 (50% diversion), AB 341 (Commercial Recycling) and AB 1826 (Commercial Organics Recycling);
- Compliance with National Pollutant Discharge Elimination System Trash Amendment;

- 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;

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- 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)

FUNDS AVAILABLE	FY 20-21 Amended Budget	
BEGINNING BALANCE BOND PROCEEDS REVENUES ADJUSTMENT FUNDS AVAILABLE	\$ 	27,932.8 0.0 11,464.0 0.0 39,396.8
OPERATIONS EXPENDITURES	*	00,000.0
OPERATIONS LABOR CONTRACTUAL SERVICES COMMODITIES VEHICLE/EQUIPMENT RENTALS INSURANCE ADMIN SUPPORT DEBT SERVICE CAPITAL EQUIPMENT TOTAL OPERATIONS EXPENDITURES	\$	3,655.1 1,577.0 299.9 402.5 41.7 607.5 1,206.6 100.0 7,890.3
SEWER CAPITAL		
CAPITAL REPLACEMENT NEW CAPITAL IMPROVEMENTS CAPITAL EXPENDITURES	\$ \$	1,716.8 5,020.0 6,736.8
TOTAL EXPENDITURES	\$	14,627.1
FUNDS AVAILABLE EXPENDITURES ENDING BALANCE		39,396.8 14,627.1 24,769.7

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

FUNDS AVAILABLE	-	FY 20-21 Amended Budget	
BEGINNING WORKING CAPITAL	\$	7,204.4	
REVENUES		3,129.8	
FUNDS AVAILABLE	\$	10,334.2	
OPERATIONS EXPENDITURES			
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		500.0	
TOTAL OPERATIONS EXPENDITURES	\$	2,584.4	
CAPITAL EXPENDITURES		172.0	
TOTAL EXPENDITURES	\$	2,756.4	
FUNDS AVAILABLE	\$	10,334.2	
TOTAL EXPENDITURES		2,756.4	
ENDING WORKING CAPITAL	\$	7,577.8	