



# FAIRFIELD-SUISUN SEWER DISTRICT

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GREGORY G. BAATRUP, GENERAL MANAGER

July 22, 2015

AD-100.130.10/1316

## MEMORANDUM

TO: Board of Directors

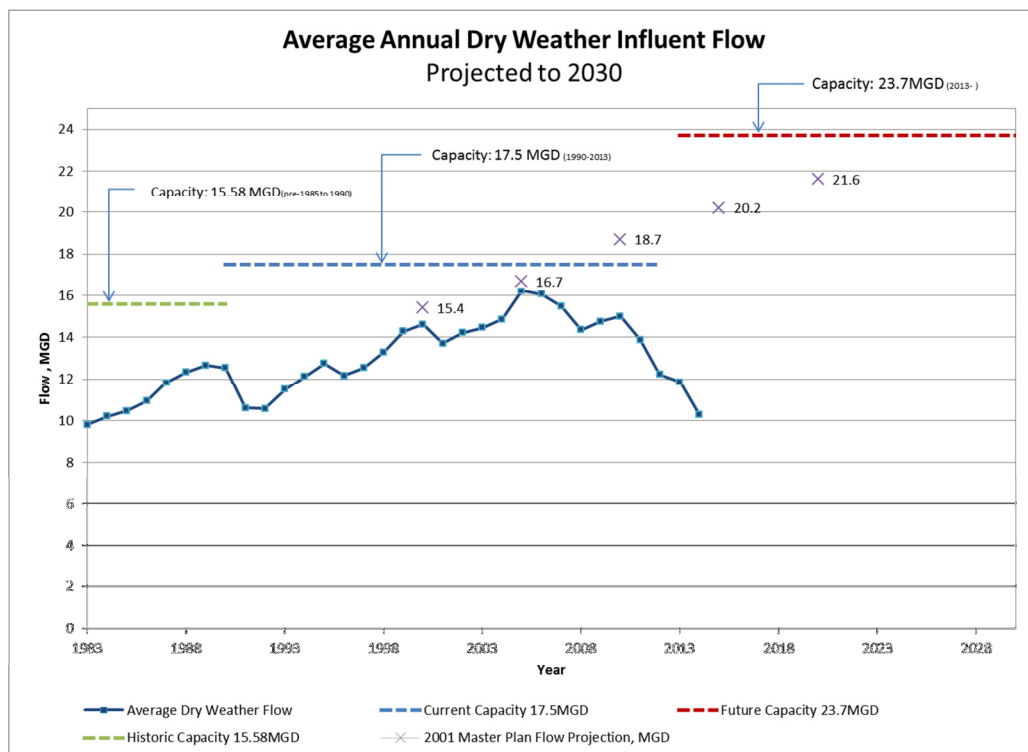
FROM: Greg Baatrup

SUBJECT: Quarterly GM Report

The following is a highlight of the more significant happenings during the second quarter of 2015.

### Operations

All treatment facilities continue to perform as expected. During the second quarter of 2015, District facilities conveyed and treated 1.03 billion gallons of sewage. The plant was 100% compliant with discharge regulations prescribed by the National Pollution Elimination System (NPDES) Permit and no Sanitary Sewer Overflows. As shown in the figure below, plant flow has dropped significantly since the peak in 2005. The Great Recession compounded by the 4<sup>th</sup> year of drought has reduced flow to its lowest in 30 years.



## **Biosolids Management**

### *Organic Materials Recovery Center (OMRC)*

On May 18<sup>th</sup> the Board of Directors approved the Initial Study/Negative Declaration as required under the California Environmental Quality Act for the development of the OMRC. This approval allowed the District to move forward with project development, including approving a lease agreement and construction of the facilities.

The Board of Directors approved the Lease Agreement with Lystek for the development of the Organic Materials Recovery Center (Lystek project) and Lystek has started preliminary design.

## **Community Outreach**

The following table presents the activities in the second quarter of 2015:

Activity	Attendees
Yippee Yogurt Career Fair	Approximately 15 school students received information about wastewater and stormwater, including careers in the industry
California Water Environment Association Tour - May 21, 2015	55 wastewater professionals toured District facilities and received presentation on the Organic Materials Recovery Center
Prescription Drug take-back event – May 16, 2015	District helped fund Prescription Take Back event where 166 participants brought 457 pounds of products for disposal. Proper disposal eliminates discharge into the sewer and landfill.
Fairfield City Hall Earth Day – April 27, 2015	Staff estimates contact with 300 attendees providing information about the District and proper management of wastes.
Earth Day Creek cleanup of Ledgewood Creek – April 25, 2015	District led 36 people and removed 2,000 pounds of trash from Ledgewood Creek.
2015 Solano Community College Earth Day	Engaged approximately 70 students in discussion of the difference between storm water and wastewater. Students were asked to fill out a 4x4 quilt piece with an environmental message.

## **Personnel**

### *New Employees*

Two employees were hired in the O&M department to fill positions that were vacated by recent retirements. New employees are Casey Mattinson, who is assigned to the Operations department and Blain Bergeman who is assigned to the Maintenance/Collection department.

### *Retirements*

Two operators, Dave Leifer and John Hall, announced their retirement effective July 2015 and District Clerk Vana Lopez announced her retirement effective August 2015

### *Recruitments*

- O&M Tech position in the Operations Department to refill a position created due to retirement
- O&M Tech position in the Maintenance Department to refill a position created when electrician accepted another position
- Administrative Support position in the Administration Department to refill a position created due to retirement of the District Clerk.

The District currently has 60 employees.

## **Administration and Finance**

### *Cell Tower Lease*

In late March 2015, staff completed negotiations on the second amendment to the land lease between the District and Crown Castle. In exchange for rent payments, the original agreement allows Crown Castle to operate a cell tower on the District's treatment plant site. The original lease was executed in 1994 and expired on July 31, 2014. A first amendment was executed allowing Crown Castle to extend the lease for two 3-month periods in exchange for \$25,000 for each extension. Crown Castle paid the District \$50,000 to extend the lease to February 2015 while the second amendment was negotiated. The second amendment was negotiated and finally executed in March 2015.

The second amendment increased the monthly rent from \$2,138 to 3,200 per month. The lease terms also include a 3.5% annual escalator, rent sharing for additional antennas on the tower and payment for the use of District electricity. The second amendment extends the lease to July 31, 2049.

### *Budget Analysis*

Revenue and Expenses are tracking according with the Budget and Long-term Financial Plan. Table 1 presents expenses and Table 2 presents the revenue through July 2015. These are actuals through June 30, but are not end-of-year figures as the District has not closed the books for FY 2014/15. Expenses in the Major Maintenance category are running higher as the expenses for the Suisun Pump Station Electrical Upgrade were realized this fiscal year and some of the expenses that were budgeted last year were not spent until this year. Expenses in Fund 2 are running higher than the budget as there has been more development activity and activity on developer projects that were put on hold due to the recession.

Connection Fee revenue is used to offset expenses in the Capital Fund. Connection Fee revenue is shown in Figures 1 through 3. Revenue has been significantly lower over the past few years due to the economic downturn but has been improving. As shown in Table 2 the actual revenue received and booked through June 30, 2015 is running about 3 percent more than budget. Anticipated revenue based on building permits is projected to be about \$860,000 more than budget.

In March, the Board of Directors adopted the Budgets for FY 2015/16 and FY 2016/17.

Table 1

## Fairfield-Suisun Sewer District

### Expense Report Summary

YTD June 30, 2015 Budget Format (CASH BASIS - prior to yearend audit)

		Budget	YTD Actual	% Used
Fund 1 – Operations				
0110	Treatment Plant O&M	6,219,300	6,151,826	98.9%
0110	Electricity and Chemicals	1,775,000	1,642,173	92.5%
0115	Laboratory	701,000	674,417	96.2%
0130	City Sewer Line Maintenance	2,301,000	2,173,764	94.5%
0140	Major Maintenance	4,517,000	5,695,351	126.1%
0170	Admin, Legal, Board, OPEB	1,729,000	1,154,420	66.8%
0160	Utility Billing – Fairfield	387,000	371,740	96.1%
0160	Utility Billing – Suisun	116,000	109,239	94.2%
0160	Financial & Personnel Services	854,000	660,494	77.3%
0150	Regulatory Programs	787,000	785,913	99.9%
Total Expenses		19,386,300	19,419,337	100.2%
Fund 2 – Construction				
0210	Project Planning	62,800	85,416	136.0%
0220	New Development Review/Inspect	38,000	40,895	107.6%
0230	Sewer System Capacity Analyses	6,000	5,073	84.6%
	Debt Service	2,431,000	2,485,019	102.2%
Total Expenses		2,537,800	2,616,403	103.1%
Fund 4 - Drainage Maintenance				
0410	Drainage Maint Admin	26,000	16,461	63.3%
0420	Local Facility Maintenance	959,000	959,000	100.0%
0430	Regional Facility Maintenance	26,000	28,912	111.2%
0440	Urban Runoff Management Program	422,900	333,377	78.8%
	Desilting	31,000	0	
Total Expenses		1,464,900	1,337,750	91.3%
Total - All Funds		23,389,000	23,373,490	99.9%

Table 2

Fairfield-Suisun Sewer District

Revenue Report Summary

YTD June 30, 2015 Budget Format (CASH BASIS - prior to yearend audit)

		Budget	YTD Actual	% Used
Fund 1 - Operations				
5010	Sewer Service Charges - FF	16,162,000	15,980,328	98.9%
5012	Sewer Service Charges - AB	1,327,000	1,006,295	75.8%
5013	Sewer Service Charges - District-billed	931,000	800,220	86.0%
5015	Sewer Service Charges - SS	3,792,000	3,744,156	98.7%
5020	Sewer Service Charges - TAFB	951,000	906,695	95.3%
5025	Sewer Service Charges - Other	-	33,938	
5305	Lease Income	-	123,671	
5405	Interest Earnings	11,000	41,648	378.6%
5450	Unrealized Gain/Loss	-	4,390	
5505	Miscellaneous/Late Pymt Charges	77,000	58,046	75.4%
	Total	23,251,000	22,699,387	97.6%
Fund 2 - Construction				
5105	Capacity Fees - FF	2,212,000	3,280,393	148.3%
5110	Capacity Fees - SS	-	13,207	
5405	Interest Earnings	1,000	5,495	549.5%
5407	Interest - Debt Service Reserve	6,000	7,496	
5410	Interest - Connection Fees	-	2,880	
	Total	2,219,000	3,309,471	149.1%
Fund 4 - Drainage Maintenance				
5205	Drainage Maintenance	1,491,000	1,546,271	103.7%
5405	Interest Earnings	2,000	3,406	170.3%
	Total	1,493,000	1,549,677	103.8%
Total - All Funds		26,963,000	27,558,535	102.2%

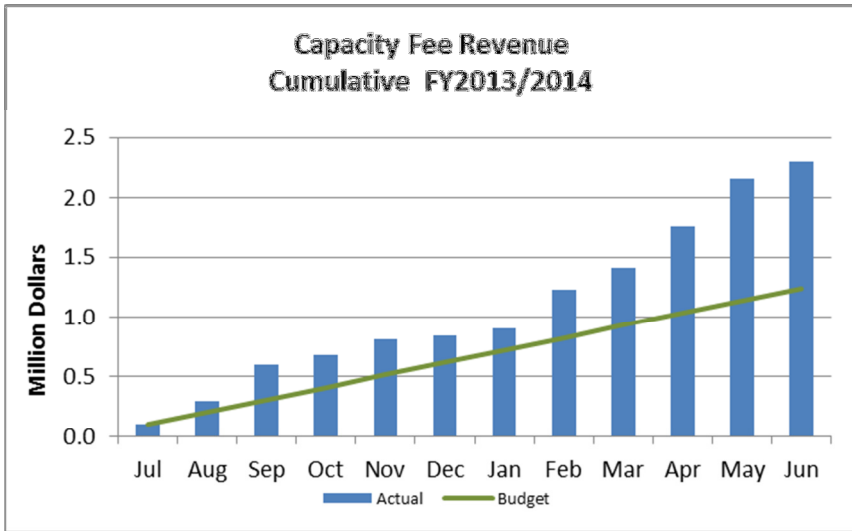


Figure 1

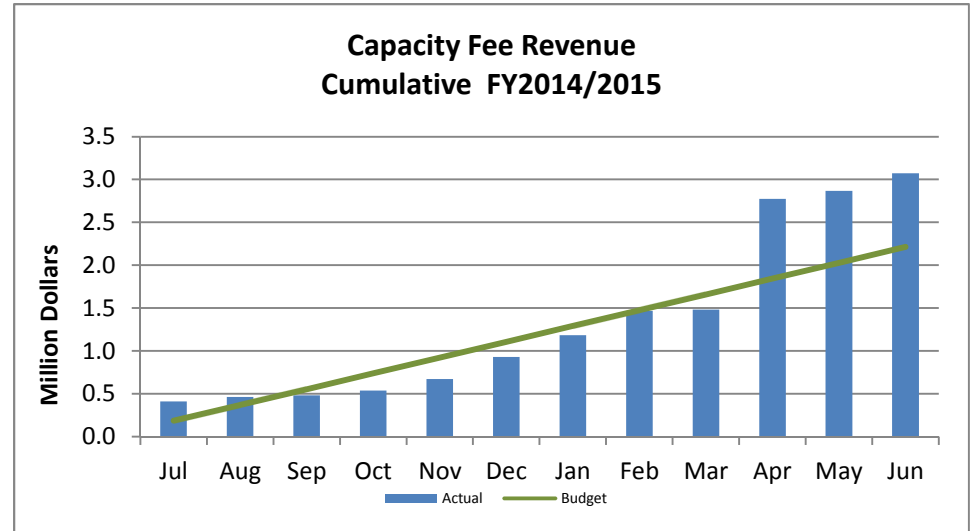


Figure 2

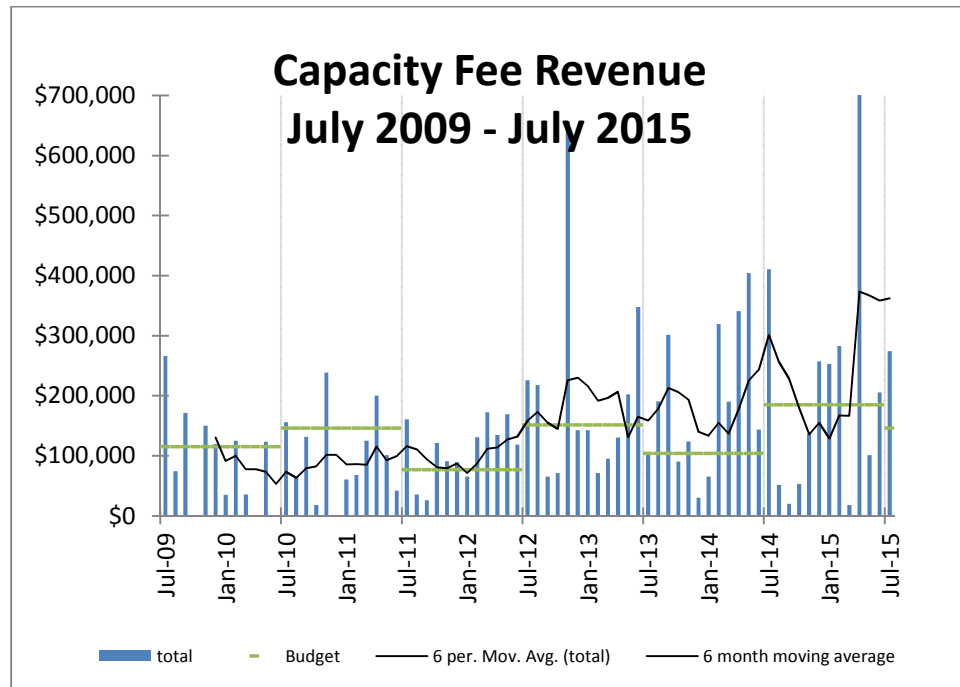


Figure 3