

# POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



**COSTA MESA SANITARY DISTRICT**  
**COSTA MESA, CA**







Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**Costa Mesa Sanitary District  
California**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2019**

*Christopher P. Morrill*  
Executive Director/CEO

## Popular Annual Financial Reporting Award

The Government Finance Officers Association (GFOA) encourages governments to demonstrate accountability and transparency in the Popular Annual Financial Reporting program by making financial information of the highest quality readily accessible to the general public and other interested parties. The GFOA recognizes governments that meet certain standards based on information presented, reader appeal, understandability, distribution, and other elements. The District met these requirements and received an award for the 2019 PAFR, the fifth consecutive year for this achievement. The PAFR is presented in conformity with generally accepted accounting principles.

The information in this report is drawn from our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020, and Adopted Budget Document for the fiscal year 2019-21, which can both be found online at [www.cmsdca.gov](http://www.cmsdca.gov)





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## A MESSAGE FROM THE

# GENERAL MANAGER



On behalf of the Board of Directors and staff of the Costa Mesa Sanitary District's (District) it is my pleasure to present to you our Popular Annual Financial Report (PAFR). The District is committed to openness and transparency because we believe openness will strengthen our democracy and promote efficiency and effectiveness in government while transparency promotes accountability and provides information for citizens about what their government is doing. This PAFR is a demonstration of the District's commitment to openness and transparency by sharing with you a summary of the financial activities of District, including sources of revenues, expenditures, assets, liabilities and reserves for the fiscal year ending June 30, 2020.

The PAFR draws directly from our Comprehensive Annual Financial Report (CAFR) that is more detailed and contains audited information. While the budget document is a plan for spending money, the CAFR describe the actual expenditures that occurred over the course of one fiscal year and will identify fund balances and the financial condition of the District. However, the CAFR can be difficult to read and understand so the PAFR is intended to convey the financial results of District operations to anyone who does not necessarily have a background in public finance.

For the fifth year, the District's PAFR earned the prestigious Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association (GFOA) in 2019. The information presented in this year's report has been summarized reflecting the District's more detailed 2020 CAFR. The CAFR is prepared in conformity with generally accepted accounting principles and audited by Teaman, Ramirez & Smith, Inc. Certified Public Accountants. The District received an unmodified (clean) audit opinion that the financial statements present fairly, in all material respects, the financial position of the District. The 2020 CAFR is available for review on the District's website at [www.cmsdca.gov](http://www.cmsdca.gov).

I hope the Popular Annual Financial Report assists you in understanding the District's financial picture and future commitments. Please do not hesitate to contact the District if you have any questions, comments and or feedback at 949-645-8400 or e-mail [info@cmsdca.gov](mailto:info@cmsdca.gov).

Respectfully,

Scott Carroll, SDA, ICMA-CM  
General Manager

### Vision

Leading a community  
that is free from solid  
waste and wastewater  
pollution

### Mission

To protect public  
health and the  
environment for  
current and future  
generations

### Core Values We believe in

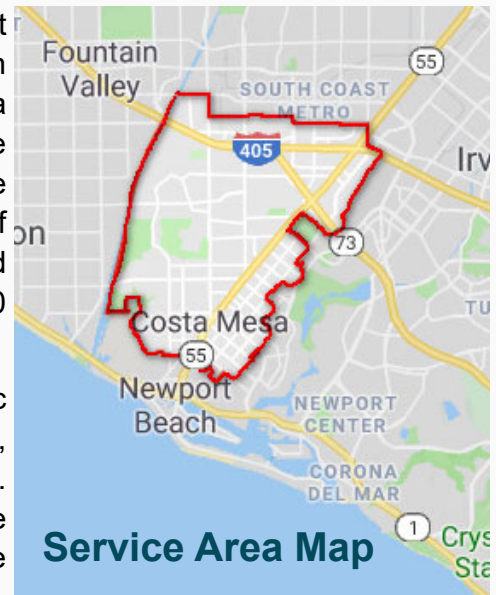
Balance	Dedication
Integrity	Fiduciary Responsibility
Respect	Professional Development
Teamwork	Transparency



# ABOUT THE DISTRICT

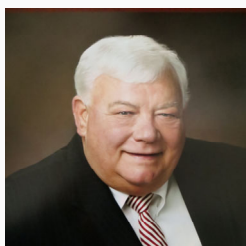
The Costa Mesa Sanitary District is a California Special District established and incorporated in February 1944 pursuant to Division VI, Part 1 of the Health and Safety Code of the State of California (sometimes referred to as the Sanitary District Act of 1923). The District is located in the City of Costa Mesa, in the County of Orange and provides solid waste and wastewater services to the City of Costa Mesa, sections of Newport Beach and some unincorporated Orange County areas. The District serves approximately 116,700 residents.

The District throughout its history has used the combination of public and private services. The private services include a trash hauler, recycler, legal counsel, treasury, engineering and inspection services. The solid waste and wastewater charges are collected on the property tax bill as special assessments by the County of Orange Treasurer-Tax Collector.



The affairs of the Costa Mesa Sanitary District are directed by a five-member Board of Directors elected at large by the registered voters residing in the District. The Directors are residents and have the same concerns as their constituents. The Board members, who serve four-year staggered terms, are responsible for establishing policy and ordinances, adopting the budget, appointing the District's General Manager, District Counsel, District Treasurer and District Engineer. The General Manager is responsible for carrying out the policies and ordinances of the Board and for overseeing the day-to-day operations. The District Counsel provides legal advice to the Board of Directors while the District Treasurer is responsible for ensuring the safety of District funds by making prudent investments. The District Engineer provides engineering design, plan check and inspection services for the wastewater system and the Capital Improvement Program (CIP).

## Board of Directors



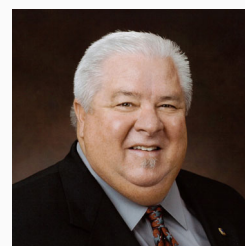
**President**  
**James Ferryman**  
Term 2016-2020



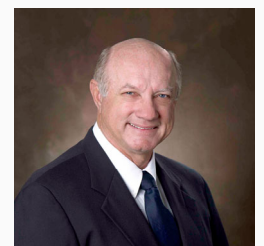
**Vice President**  
**Robert Ooten**  
Term 2018-2022



**Secretary**  
**Arlene Schafer**  
Term 2018-2022



**Director**  
**Michael Scheafer**  
Term 2018-2022



**Director**  
**Arthur Perry**  
Term 2016-2020

## Appointed Officials

Scott Carroll, General Manager  
Alan Burns, District Counsel

Marc Davis, District Treasurer  
Michael Benesh, District Engineer



# Community Relations & Recognition



## ▼ Community Events

Costa Mesa Sanitary District participates in various community events throughout the year such as Concerts in the Park, Orange County Sanitation District Open, Costa Mesa Newport-Harbor Lions Club Fish Fry, and Zero Waste Home by providing recycling tips and giveaways.



## ▼ Hosted District Event

Citizens Environmental Protection Academy is a free educational series of presentations, demonstrations, and facility tours that give our residents a behind-the-scenes look at how our trash and wastewater are processed and recycled.



## ▼ Recognition

Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for our Comprehensive Annual Financial Report for the years ended 2011 through 2019.

Government Finance Officers Association Award for Outstanding Achievement in Popular Annual Financial Reporting for our Popular Annual Financial Report for the year ended 2015 through 2019.



## ▼ Contributed

\$5,025 to 5 local schools and foundations to promote District programs and services.

\$7,400 to 18 local schools for collecting and recycling 10,162 pounds of household batteries through the Alkaline Battery Recycling Contest.



# Solid Waste & Wastewater Rates

Combining financial forecasting with strategizing has allowed the District to successfully stabilize wastewater and solid waste rates for several consecutive years while still meeting service demand. Rate stabilization is important to the local economy because it gives people the opportunity to purchase more goods and it allows businesses to reinvest for continued growth and success. For fifteen consecutive years (2003-2019) the District's solid waste rate was stabilized. In addition, the Board of Directors approved two solid waste rate decreases (2013 & 2014). This was made possible because the District had excess funds in the Solid Waste Fund Balance. The District does not have capital expenditures in solid waste (e.g. refuse fleet and trash carts), so funds were returned to ratepayers by reducing their rates and maintaining those rates until the District's objective of maintaining a minimum fund balance was achieved. The solid waste rate stabilization plan allowed the District to implement the curbside Organics Recycling Program in 2015 and continued the service for four years without a rate adjustment. The District achieved its objective of obtaining a minimum solid waste fund balance and on May 23, 2019 the Board of Directors approved a five-year solid waste rate increase. The District will undergo a wastewater rate study in FY 2020-21 to ensure continued long-term health of the fund. For three consecutive years (2017-2020) the District's wastewater rate was stabilized.

## Solid Waste Rates

Customer Class	Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20	
	Per Month	Per Year	Per Month	Per Year	Per Month	Per Year
Single Family	\$18.00	\$216.00	\$18.00	\$216.00	\$18.74	\$224.88

## Wastewater Collection Rates

Customer Class	Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20	
	Per Month	Per Year	Per Month	Per Year	Per Month	Per Year
Residential (Per Dwelling Unit)						
Single Family	\$7.70	\$92.38	\$7.70	\$92.38	\$7.70	\$92.38
Multi Family	\$4.52	\$54.21	\$4.52	\$54.21	\$4.52	\$54.21
Non-Residential (Per 1,000 sq. ft.)						
Commercial – Ave Strength	\$3.42	\$41.09	\$3.42	\$41.09	\$3.42	\$41.09
Commercial – High Strength	\$3.73	\$44.81	\$3.73	\$44.81	\$3.73	\$44.81
Industrial	\$8.79	\$105.48	\$8.79	\$105.48	\$8.79	\$105.48

## Local Economy



The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates. The District continues to benefit from its unique geographical location. The local economy is primarily based on retail commercial business and light manufacturing of electronics, pharmaceuticals, and plastics. The District's service area includes several major regional facilities: John Wayne Airport, Orange Coast College, Vanguard University, State of California Fairview Developmental Center, Orange County Department of Education, Orange County Fairgrounds, Segerstrom Performing Arts Center, South Coast Repertory Theater, and the South Coast Plaza shopping complex. The volume of sales generated by South Coast Plaza, on the strength of 250 stores and 30 restaurants, secures its place as the second highest sales-volume shopping center in California.

As an independent special district having the ability to adjust service rates as required, the District's operating revenues are somewhat insulated from the local economy. The District has a secure revenue stream in the form of an annual charge, which is collected on the District's behalf by the County of Orange via the property tax bills.



# Demographics & Economic Statistics

Calendar Year	City of Costa Mesa (a)		County of Orange (b)		
	District Service Population	Unemployment Rate	Population	Personal Income* (in thousands)	Personal Income Per Capita
2011	110,008	7.80%	3,055,745	154,131,535	50,440
2012	111,675	6.80%	3,090,132	161,743,827	52,342
2013	112,174	5.60%	3,114,363	169,792,810	54,519
2014	112,784	5.60%	3,145,515	173,305,650	55,096
2015	113,204	4.50%	3,169,776	183,052,341	57,749
2016	112,822	3.70%	3,172,532	196,920,661	62,071
2017	113,825	2.70%	3,190,400	208,653,019	65,400
2018	113,615	2.30%	3,185,968	220,684,684	69,268
2019	113,003	6.50%	3,175,692	227,732,561	71,711
2020	c	c	c	c	c

Notes: a) Approximate population of Costa Mesa Sanitary District is the same as the population of the City of Costa Mesa. b) The District has chosen to use County data since the District believes that the County data is

\* Total personal income estimates are in thousands of dollars, not adjusted for inflation.

## Economic Factors & Next Year's Budgets



The Coronavirus Disease 2019 (COVID-19) pandemic is unprecedented and many local government agencies have been impacted with major revenue reductions. However, the accounts of the District are presented as enterprise funds. An enterprise fund is a proprietary fund type used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered mainly through user charges. The District is financially well insulated from the Covid-19 financial impacts. The District's revenues are primarily derived from solid waste and wastewater fees placed on the property tax rolls through the County of Orange. The County appropriates revenues to the District throughout the year. With the possible downturn of the economy there may be a chance of delay in receiving the annual charges due to residents not paying their property tax bill on time. Nevertheless, the District will eventually receive the annual charges revenue plus delinquent revenues which includes penalty and interest on the outstanding amount. The Covid-19 crisis is causing an economic

impact across the globe which may decrease District investment earnings over the next few years.

As of June 30, 2020, the District is 94.8% funded for its pension liability, while its other post-employment benefits are fully funded. The Board of Directors plans to continue this practice of ensuring that both liabilities are fully funded with existing resources.

The District continues to focus on replacing wastewater force mains because of the dangers these pipelines have on public safety if they fail. As a result, the District successfully completed replacing the Canyon Pump Station force main and rehabilitating the pump station. In addition, the District successfully relocated the Indus mainline before the pipeline was crushed by an apartment building that was pushing down on the sewer main and compromising the structural integrity of the line. The District also repaired sixty-seven manhole covers and surface areas around the manholes to ensure the safety of motorists and the District rehabilitated ten brick manholes by installing cured-in-place-pipe liners. The District purchased a new wastewater combination cleaning truck to ensure the entire wastewater system is cleaned within eighteen months.

In 2021, the District will continue focusing on replacing its infrastructure to ensure the collection system is operating at its optimum level by completing the following projects: Headquarter Improvements, Sewer Siphon Improvements, Iowa, 19<sup>th</sup> Street and Aviemore Pump Station Force Main Replacements, Ductile Iron Pipe Rehabilitation Phase 2, Calcium Removal Phase 1, and Westbluff Pump Station Rehabilitation.



# STRATEGIC GOALS



The District's Board of Directors is aware of the need to ensure the District's financial stability. Through a coordinated strategic process, the Board has established a series of policies and plans to effectively meet the District's anticipated future needs. The cornerstone of these policies is the District's Strategic Plan for Fiscal Years 2020-2025 that serves as a framework for planning and decision making over the next five years (See below). The District utilizes this information to anticipate future expense obligations and to develop and estimate service rates to ensure these expense obligations are fully funded.

## Solid Waste Goals

- Focus on generating less contaminated materials
- Collect sharps and pharmaceuticals
- Provide a convenient method of disposing Household Hazardous Waste (HHW)
- Biomass conversion of solid waste material
- Provide a program for collecting large items
- Improve waste stream and recycling reporting
- Exemplifying sustainability internally
- Recycle green waste and food scraps
- Enhance Code Enforcement presence
- Collect and retire American flags

## Wastewater Goals

- Prevent Sanitary Sewer Overflows (SSOs)
- Clean the District's entire mainline system
- Maintain the asset management system
- Audit & update the Sewer System Management Plan (SSMP)
- Perform preventative maintenance at all lift stations
- Rehabilitate and/or replace infrastructure before reaching the end of its life cycle
- Repair infrastructure after deficiencies have been identified
- Enforce the District's Fats, Oils & Grease (FOG) Program
- Clean lift station wet wells to remove grease and control odors
- Monitor inflow after significant weather events
- Closed Circuit Televis (CCTV) pipeline
- Inventory equipment and replacement parts
- Assess the capacity of the wastewater collection system
- Plan check designs and perform inspections in accordance with the
- Standard Plans and Specifications for the Construction of Sanitary Sewers
- Make GIS data remotely accessible
- Incentivize residential property owners to maintain private sewer laterals



# FINANCIAL STATEMENTS

## Financial Highlights

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred inflows/outflows of resources, and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

Net position may gradually serve over time as a useful indicator of a government's financial position. Net position of the District was \$63,127,109 and \$62,377,469 for the years ended June 30, 2020 and June 30, 2019, respectively.

One of the largest portions of the District's net position reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. Investments in capital assets as of June 30, 2019 represent \$43,588,263, or 69%, of the total net position. The District uses the capital assets to provide services to customers within the District's area. Consequently, these assets are not available for future spending.

Unrestricted net position represents 31% of the District's net position, which comprises assets that may be used to meet the District's ongoing obligations to citizens and creditors in accordance with the District's fiscal policies. As of June 30, 2020, unrestricted net position increased from \$18,930,206 to \$19,538,846, or a \$608,640 increase. The increase in unrestricted net position is primarily attributable to the increase in the California Local Agency Investments Fund (LAIF) and Money Market for the fiscal year.

So, is the District better off or worse off as a result of the year's activities? The District's overall financial position is better off by \$749,640 over the prior year. The following Statement of Revenues, Expenses and Changes in Net Position will show where the changes from the prior fiscal year occurred.

### Condensed Statement of Net Position

	FY 2018	FY 2019	FY 2020
<b>Assets:</b>			
Current	\$ 18,198,848	\$19,908,689	\$20,571,373
Noncurrent	36,459	43,528	54,494
Capital Assets	44,564,961	43,447,263	43,588,263
<b>Total assets</b>	<b>62,800,268</b>	<b>63,399,480</b>	<b>64,214,130</b>
<b>Deferred outflows of resources</b>			
<b>Pension and OPEB related</b>	<b>590,601</b>	<b>458,945</b>	<b>398,189</b>
<b>Liabilities:</b>			
Current	1,226,117	1,220,265	1,180,916
Noncurrent	154,747	147,885	228,778
<b>Total liabilities</b>	<b>1,380,864</b>	<b>1,368,150</b>	<b>1,409,694</b>
<b>Deferred inflows of resources</b>			
<b>Pension and OPEB related</b>	<b>182,858</b>	<b>112,806</b>	<b>75,516</b>
<b>Net position:</b>			
Net investment in capital assets	44,564,961	43,447,263	43,588,263
Unrestricted	17,262,186	18,930,206	19,538,846
<b>Total net position</b>	<b>\$61,827,147</b>	<b>\$62,377,469</b>	<b>\$63,127,109</b>



# Condensed Statement of Revenues, Expenses and Changes in Net Position

The Condensed Statement of Revenues, Expenses and Changes in Net Position shows how the District's net position changed during the years. In the case of the District, net position increased by \$749,640 and \$550,322 for the years ended June 30, 2020 and 2019, respectively. A closer examination of the sources of changes in net position reveals that:

- Solid waste and wastewater assessments increased by \$224,287 due to an increase in the new customers and a 4.1% rate increase in the Solid Waste assessment.
- Permit, inspection, and connection fees increased by \$103,044 due to additional home renovation and remodeling projects received during the year.
- Non-operating revenues decreased by \$294,728, in which \$215,787 is primarily attributable to the decrease in Investment Earnings for the fiscal year and \$160,215 is result of the loss on the sale of assets. Additional container charges, property taxes and the regional Waste Disposal Agreement (WDA) from OC Waste & Recycling revenues had increased during the fiscal year.

	FY 2018	FY 2019	FY 2020
<b>Revenues:</b>			
Operating	\$ 11,419,014	\$ 11,372,000	\$ 11,709,883
Non-operating	416,994	1,147,748	853,020
<b>Total revenues</b>	<b>11,836,008</b>	<b>12,519,748</b>	<b>12,562,903</b>
<b>Expenses:</b>			
Operating	11,148,683	11,979,426	11,813,263
<b>Total expenses</b>	<b>11,148,683</b>	<b>11,979,426</b>	<b>11,813,263</b>
Change in net position	687,325	540,322	749,640
Capital contributions	-	10,000	-
Net position at beginning of year	61,317,324	61,827,147	62,377,469
Prior period adjustment	(177,502)	-	-
<b>Net position at end of year</b>	<b>\$ 61,827,147</b>	<b>\$ 62,377,469</b>	<b>\$ 63,127,109</b>

## Total District Revenues

A closer examination of the sources of changes in total revenues reveals that:

- The annual solid waste assessment increased \$244,187 as a result of implementing the first year of the five-year Solid Waste Rate Study adopted by the Board in June 2019 and increase in accounts.
- Wastewater assessments submitted to the County were higher than the prior year; however, the actual revenues collected by the County were lower creating a receivable. Revenues decreased by \$19,900.
- Permits and inspection fees increased by \$22,502 due to an increase in development and building within the District's service area.
- Connection fees increased by \$80,542 due to an increase in the number of fixtures as a result of customer home renovations and remodeling.
- Investment earnings decreased by \$215,787 primarily as a result of unrealized losses associated with the change in fair market value of the District's investments.
- The loss on sale of assets increased by \$154,935 as a result of the disposal of the Port Generator and the Vacall Sewer Truck.

	FY 2018	FY 2019	FY 2020
<b>Operating revenues:</b>			
Trash assessments	\$ 4,965,640	\$ 4,907,485	\$ 5,151,672
Sewer assessments	5,662,878	5,644,174	5,624,274
Permits and inspection fees	229,124	215,070	237,572
Connection fees	146,575	161,484	242,026
Other services	414,797	443,787	454,339
<b>Total operating revenues</b>	<b>11,419,014</b>	<b>11,372,000</b>	<b>11,709,883</b>
<b>Non-operating revenues:</b>			
Investment earnings	50,834	661,506	445,719
Taxes	313,456	328,943	364,570
Other revenues	52,704	159,779	(160,215)
Gain on disposal of assets	-	(5,280)	6,095
Rental income	-	2,800	196,851
<b>Total non-operating revenues</b>	<b>416,994</b>	<b>1,147,748</b>	<b>853,020</b>
<b>Total revenues</b>	<b>\$ 11,836,008</b>	<b>\$ 12,519,748</b>	<b>\$ 12,562,903</b>

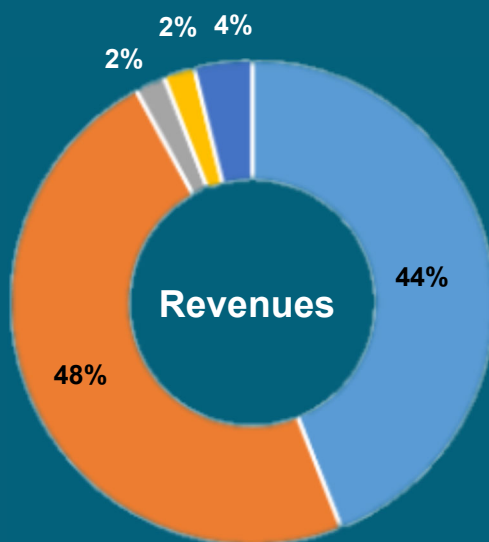
# Total District Expenses

A closer examination of the sources of changes in total expenses reveals that:

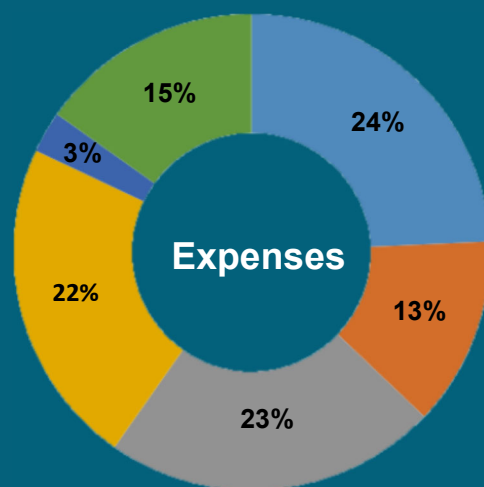
- Solid waste disposal expenses increased by \$180,403 as a result of the hauler receiving a 5.8% Consumer Price Index (CPI) rate increase.
- Wastewater disposal expenses decreased by \$529,559 as a result of prior year one-time recorded maintenance expense for the Grade 5 Pipe Rehab #314 and the Force Main Evaluation #323 projects. Expenses did not meet the Capitalization Policy.
- Recycling and disposal charges expenses increased by \$273,058 as a result of the Coronavirus Disease 2019 (Covid-19) pandemic. Solid waste tonnages have been increasing since the Stay-At-Home Order was issued in March 2020.
- Administration and other expenses decreased by \$196,790 as compared to the prior year. The District did not pay settlements and fees as of June 30, 2020. There was no election held during the year. Professional Development and Training expenses decrease due to the Covid-19 pandemic. Many scheduled conferences and training sessions were cancelled. Electricity costs have decreased since the District installed the photovoltaic solar panels at headquarters.

	FY 2018	FY 2019	FY 2020
<b>Operating Expenses:</b>			
Solid waste disposal	\$ 2,662,441	\$2,688,765	\$2,869,168
Wastewater disposal	1,407,130	2,044,275	1,514,716
Recycling and disposal charges	2,368,457	2,402,171	2,675,229
Administration and other	2,479,154	2,825,154	2,628,364
Repairs and maintenance	492,526	333,411	333,200
Depreciation	1,738,975	1,685,650	1,792,586
<b>Total operating expenses</b>	<b>\$ 11,148,683</b>	<b>\$ 11,979,426</b>	<b>\$ 11,813,263</b>

# Operating Revenues and Expenses



- Trash assessments
- Wastewater assessments
- Permits and inspection fees
- Connection fees
- Other services and charges



- Solid waste disposal
- Wastewater disposal
- Recycling and disposal charges
- Administration and other
- Repairs and maintenance
- Depreciation



# DISTRICT FUNDS

## Solid Waste Fund

The District is one of the few agencies in Orange County that offers a co-mingled services method of recycling which allows residents to mix their trash and recycling materials in the same standardized containers without any sorting. The trash is taken to a recycling facility where it is mechanically and hand sorted to remove the recyclables. The District reached 50% diversion prior to the year 2000 and is in full compliance with all State mandates. The District currently has approximately a 50% diversion rate with a goal of 75%.

Special programs offered to District residents include: Christmas Tree Recycling, Medication Disposal, Large Item Pickups, House Hold Hazardous Waste, Sharps, Electronic and Universal Waste Collections, U.S Flag Drop Off, as well as school fundraising programs such as Alkaline Battery Recycling.



Provides **22,972** household units with solid waste disposal.



DiscoveryCube

Partnered with the Discovery Science Center and the Outdoors Program to provide **1,392** students with a school or Traveling Scientist assembly and fieldtrip to the Eco Challenge Exhibit or a local nature center.

### Solid Waste Customers Breakdown:

Single Family Residential  
**21,008 Units \$3,862,500**

Multi-Family Residential  
**2,935 Units \$1,192,100**

Total Estimated Assessment:  
**\$5,054,600**



Collected **10,143** Organic tonnage are taken to CR&R's Anaerobic Digestion Facility to be converted into renewable natural gas, which is used to fuel CR&R's collection fleet.



Alkaline Battery Recycling Contest among local schools recycled **10,162** pounds of alkaline batteries

**11,794** tons of material were recycled.



Completed **5,250** large item collections or **335.56** tons of material.



Collected and recycled **52** tons of Christmas trees for the two weeks following Christmas Day or **4,169** trees.



Collected **130** worn, faded or damaged American flags that were respectfully disposed/retired by a local Boy Scout troop.



Completed **663** Door-to-Door household hazardous waste collections.



**605** pounds of pharmaceuticals and **1,756** pounds of sharps were properly disposed of and diverted away from the landfills.

# Wastewater Fund

The purpose of our wastewater system is to collect and convey all wastewater produced within the District to the Orange County Sanitation District (OCSD) treatment plants in Fountain Valley and Huntington Beach. This is accomplished through establishing specifications for the construction of sewer lines, inspecting lines for compliance with those specifications, conducting preventive maintenance of the system, repairing and replacing defective elements of the system, and managing flow rates to stay within the capacity of the collection system. The collection system includes 224 miles of sewer mains ranging from 8-inches to 30-inches in diameter and approximately 5,650 sewer manholes within the system, which are used as access points for cleaning and inspection purposes. There are 20 sewer pumping stations located within the collection system that are necessary to convey flow from low lying areas to higher elevations where the liquid waste can again flow by gravity.



Two cleaning crews are out in the field on a daily basis conducting the routine maintenance on the sewer system and cleaned a total of **730,826** linear feet of sewer main this fiscal year.

## Wastewater Customers Breakdown:

Single Family Residential	21,023 Units	\$1,938,800
Multi-Family Residential	24,674 Units	\$1,336,600
Commercial	1,582 Units	\$1,348,700
Industrial	776 Units	\$990,700

**Total Estimated Assessment: \$5,614,800**

Commercial Buildings Square Feet	31,466,800
Industrial Buildings Square Feet	9,392,700

**Total Square Footage: 40,859,500**



One crew maintains **20** sewer pump stations by performing annual preventive maintenance on control panels and pumps, and they routinely exercise emergency backup generators and by-pass pumps to ensure equipment is ready to operate during emergencies, such as power outages.



**460** gallons of Fat, Oil and Grease were collected and recycled for dog food, candles, soaps.



Generated **370** permits for projects that required reconfiguration or construction of a new and/or existing sewer lateral.



Sewer Spill Occurrence (SSO) is when sewage that is released from the sewer system due to a blockage or pump station failure. In total of **3.57** SSO's per **100** miles occurred resulting in **6,314** gallons of sewage spilled.



CMSD was able to recover **2,677** gallons of sewage spilled which was returned to the sewer system for proper treatment.



In total of **\$11,195** was refunded to **38** homeowners that participated in our Sewer Inspection Rebate Program (SIRP) by performing a closed circuit television (CCTV) video of their sewer lateral or installing a clean-out.

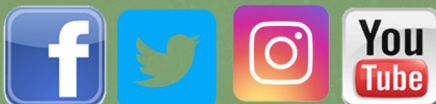


## Special Tribute

For the past 38 years, engineering services were provided by a private firm in which the president of the firm, Robin Hamers, also served as the District Engineer. On January 9, 2020, Mr. Hamers unexpectedly passed away. Because of Mr. Hamers' contributions to CMSD and his dedication to protecting the community's health and environment, on January 27, 2020, the Board of Directors approved renaming the Corporate Yard the Robin Hamers Yard. One of his proudest achievements was designing and constructing CMSD's Corporate Yard. The Yard gave CMSD a location to safely secure its equipment and supplies, as well as giving CMSD a staging area for maintenance activities. In 2018, Mr. Hamers designed and constructed the expansion of the Yard that allowed CMSD to centralize its emergency equipment and enhance its response time to sanitary sewer overflows. Mr. Hamers' presence will truly be missed.



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Copies of the Popular Annual Financial Report, Comprehensive Annual Financial Report and Budget Document are available online at [www.cmsdca.gov](http://www.cmsdca.gov).  
Hard copies can be requested by calling (949) 845-8400.

This report was prepared by Costa Mesa Sanitary District, Finance Department.