

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 20

To be held at the ANTELOPE VALLEY TRANSIT AUTHORITY  
42210 6<sup>th</sup> Street West, Lancaster, California

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

THURSDAY	June 8, 2023	At 11:30 A.M.
Governing Body	Director	Alternate
PALMDALE	LOA	ALARCON
PALMDALE	BETTENCOURT (Chairperson)	ALARCON
LOS ANGELES COUNTY	HAHN	BARGER

1. Public Comment
2. Approve Minutes of Regular Meeting Held May 11, 2023
3. Approve March 2023 Expenses in Amount of \$1,283,149

Summary: Local District expenses represent costs that are the sole responsibility of the individual District. Allocated expenses represent the District’s proportionate share of expenses made by District No. 2, the Administrative District, on its behalf pursuant to the Joint Administration Agreement. This Agreement provides for the joint administration and technical support for all of the signatory Districts along with the methodology for determining the proportionate costs for each District. A listing of Districts’ payments and previously approved budgets can be found on the Districts’ website at [lacs.org/financial-documents](http://lacs.org/financial-documents). This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

Local District Expenses:		
Operations & Maintenance		\$ 962,566
Capital		100,627
Legal		537
Allocated Expenses:		
Joint Administration		91,842
Technical Support		124,097
Legal		3,480
Total Expenses		<u>\$1,283,149</u>

4. Re: Annexation No. 103 to District
  - (a) Adopt Resolution for Making Application to Local Agency Formation Commission (LAFCO) for Annexation; Review, Consider and Find Adequate [California Environmental Quality Act \(CEQA\) Document](#); and Consent to Waiver of Protest Proceedings
  - (b) Adopt Joint Resolution with County of Los Angeles, Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Palmdale, and Antelope Valley - East Kern Water Agency Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexation

Summary: Annexation No. 103 consists of 553 proposed single-family homes in the City of Palmdale. Each annexation to the District’s service area requires adoption of two resolutions by the Board. The first resolution authorizes submittal of the annexation application to LAFCO, approves the CEQA document, and consents to a waiver of the LAFCO protest hearing. The second resolution is a joint resolution with agencies that already provide services to the proposed annexation territory agreeing to the amount of property tax revenue that will be apportioned to the District in accordance with the Revenue and Taxation Code. A data sheet, map, and Notice of Finding are attached. A link to the CEQA document is provided above.

5. Re: Implementation of Mitigation Measure in Final Environmental Impact Report (FEIR) for Palmdale Water Reclamation Plant (WRP) 2025 Facilities Plan (Plan)
  - (a) Approve and Order Executed [Acquisition and Mitigation Agreement](#) (Agreement) with Transition Habitat Conservancy (THC) in Amount of Approximately \$494,000
  - (b) Authorize Chief Engineer and General Manager, or His Designee, to Execute Documents Necessary to Implement Terms of Agreement

Summary: The Board previously approved the Plan and certified the FEIR, which requires the District to provide perpetual habitat protection for 179 Joshua trees as mitigation for construction of two recycled

## 5. Contd.

water storage reservoirs. Staff evaluated several options to fulfill this mitigation requirement and elected to partner with THC due to its experience managing conservation lands in the Antelope Valley and because THC offered the lowest cost. THC owns property containing the required number of Joshua trees in an unincorporated area of Los Angeles County southeast of the Palmdale WRP, as shown in the attached Agreement. Under the terms of the proposed Agreement, the District will pay THC approximately \$494,000 to purchase mitigation credits and fund an endowment to perform habitat protection and maintenance in perpetuity. THC will maintain ownership of the property and record a deed restriction to ensure protection of this land. Staff has determined that approval of the Agreement does not constitute a “Project” under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15378. This item is consistent with the Districts’ Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

## 6. Re: Wastewater Budget Matters for Fiscal Year 2023-24

- (a) Establish by Resolution Appropriations Limit of \$63,928,333 as required by California Government Code Section 7910
- (b) Adopt Operating Budget
- (c) Adopt Resolution Requesting Tax Levy of \$1,752,000
- (d) Authorize Appropriations per Budget

Summary: A letter discussing 2023-24 fiscal year budgetary matters accompanies the agenda. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for significant rate increases.

## 7. Re: Update on Palmdale Water Reclamation Plant (WRP) Recycled Water Use Program and Palmdale Water District’s (PWD’s) Pure Water Antelope Valley (PWAV) Project

Summary: The District and PWD previously entered into a Recycled Water Agreement that allows PWD to distribute and use recycled water from the Palmdale WRP. PWD has proposed to use this recycled water for an indirect potable reuse project, referred to as the PWAV Project. PWAV would augment groundwater supplies via direct injection of advanced treated recycled water to produce a new, drought-resilient water supply source in the area. Staff from the District and PWD will discuss the Palmdale WRP recycled water program and provide an overview of the PWAV Project.

## Adjourn

**Status Report:** Prior to or during the meeting session, the Chief Engineer and General Manager may update the Directors on various matters concerning the Districts that may be of current interest to the Directors.

**Public Comment:** Members of the public may address the Board of Directors on any item shown on the agenda or matter under the Board’s authority. A “Request to Address Board of Directors” form is available. In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Secretary to the Boards’ Office (562) 908-4288, extension 1100. Notification of 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.101 et seq. ADA Title II).

**Document Requests:** Links to supporting documents are available online at the time of posting. Agendas and supporting documents or other writings that will be distributed to Board members in connection with matters subject to discussion or consideration at this meeting that are not exempt from disclosure under the Public Records Act are available for inspection following the posting of this agenda at the office of the Secretary to the Boards of Directors located at the Districts’ Joint Administration Building, 1955 Workman Mill Road, Whittier, California, 90601, or at the time of the meeting at the address posted on this agenda.

**COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY**

**PROPOSED ANNEXATION NO. 103**

**AGENDA DATE:** Resolution Making Application to LAFCO ..... June 8, 2023

**LOCATION:** Located on the south side of Elizabeth Lake Road at Ranch Center Drive and north of Avenue S at Westland Drive, all within the City of Palmdale, as shown on the attached map.

<b>PROCESSING FEES:</b>	District	\$ 24,150.00
	Local Agency Formation Commission	8,000.00
	State Board of Equalization	<u>2,000.00</u>
	Total:	\$ <u>34,150.00</u>

**DESCRIPTION & REMARKS:** The annexation consists of 553 proposed single-family homes.

## NOTICE OF FINDING/CERTIFICATE OF FILING

ANNEXATION NO. 103 TO COUNTY SANITATION DISTRICT NO. 20

The annexation consists of 553 proposed single-family homes.

1. **BASED UPON REVIEW AND STUDY, I FIND AND CERTIFY THAT:**

- The annexation **is exempt** from the provisions of the California Environmental Quality Act, pursuant to the State CEQA Guidelines,

Section:

Reason:

- The **Negative Declaration** is adequate for consideration of the annexation.

- The **Environmental Impact Report** is acceptable for consideration of the annexation.

**ISSUED BY:**

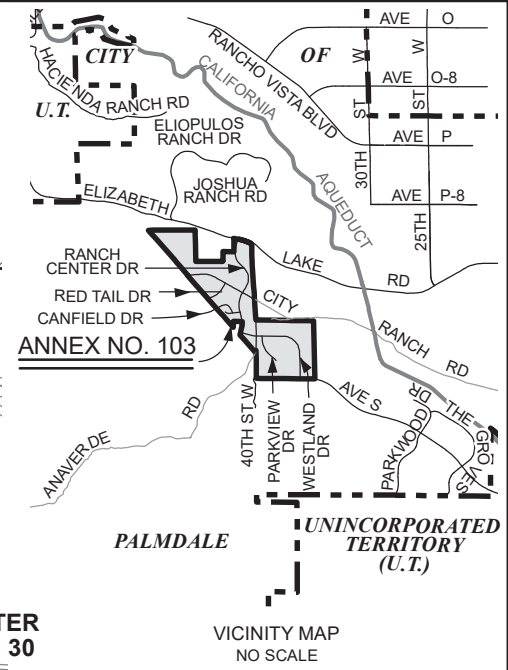
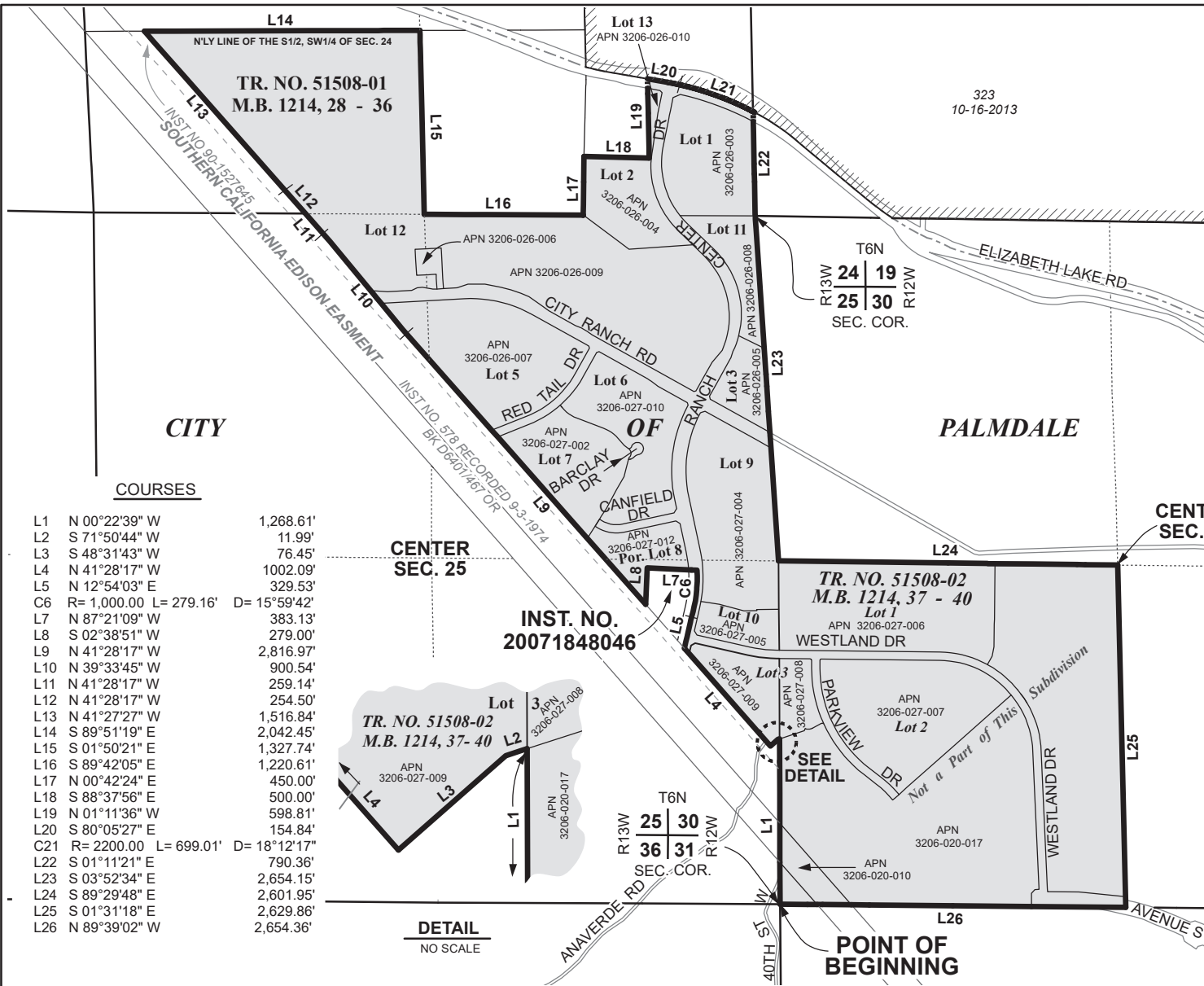
- Los Angeles County Department of Regional Planning

- City of Palmdale

2. The subject annexation has been set for consideration before the Board of Directors of County Sanitation District No. 20 at their meeting to be held on June 8, 2023, at the time and place as provided for the meeting of said date.
3. The subject annexation and all related documents are on file in the office of the Chief Engineer and General Manager, Los Angeles County Sanitation Districts, 1955 Workman Mill Road, (P.O. Box 4998) Whittier, California and may be examined by any interested person for further particulars. Telephone: (562) 908-4288, extension 2708.

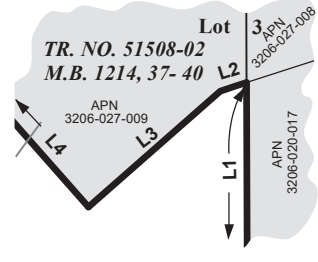


Stan Pegadiotes  
Division Engineer  
Facilities Planning Department



**COURSES**

L1	N 00°22'39" W	1,268.61'
L2	S 71°50'44" W	11.99'
L3	S 48°31'43" W	76.45'
L4	N 41°28'17" W	1002.09'
L5	N 12°54'03" E	329.53'
C6	R= 1,000.00 L= 279.16' D= 15°59'42'	
L7	N 87°21'09" W	383.13'
L8	S 02°38'51" W	279.00'
L9	N 41°28'17" W	2,816.97'
L10	N 39°33'45" W	900.54'
L11	N 41°28'17" W	259.14'
L12	N 41°28'17" W	254.50'
L13	N 41°27'27" W	1,516.84'
L14	S 89°51'19" E	2,042.45'
L15	S 01°50'21" E	1,327.74'
L16	S 89°42'05" E	1,220.61'
L17	N 00°42'24" E	450.00'
L18	S 88°37'56" E	500.00'
L19	N 01°11'36" W	598.81'
L20	S 80°05'27" E	154.84'
C21	R= 2200.00 L= 699.01' D= 18°12'17"	
L22	S 01°11'21" E	790.36'
L23	S 03°52'34" E	2,654.15'
L24	S 89°29'48" E	2,601.95'
L25	S 01°31'18" E	2,629.86'
L26	N 89°39'02" W	2,654.36'



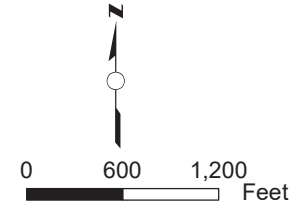
**DETAIL**  
NO SCALE

T6N  
R13W 25 30 R12W  
36 31  
SEC. COR.

T6N  
R13W 24 19 R12W  
25 30  
SEC. COR.

**"FOR TAX ASSESSMENT PURPOSES ONLY"**

- Annexation No. 103 shown thus
- Boundary of Sanitation District No. 20 prior to Annexation No. 103 shown thus
- City Boundary
- Prior Annexations shown thus
- Area of Annexation 390.949 Acres



COUNTY SANITATION DISTRICT NO. 20  
OF LOS ANGELES COUNTY, CA  
OFFICE OF CHIEF ENGINEER  
ROBERT C. FERRANTE  
CHIEF ENGINEER & GENERAL MANAGER

**ANNEXATION NO. 103**  
TO  
COUNTY SANITATION DISTRICT NO. 20

Recorded:

LA County Assessor Landbase 2022, CAMS Centerline, DPW City boundary  
LA County Sanitation Districts: AnnexationLayer and District Layer

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES ACTING IN BEHALF OF

Los Angeles County General Fund

Los Angeles County Consolidated Fire Protection District

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY, AND THE GOVERNING BODIES OF

Antelope Valley Cemetery District

Antelope Valley Mosquito & Vector Control District

Antelope Valley Resource Conservation District

City of Palmdale

Antelope Valley - East Kern Water Agency

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 20

**"ANNEXATION NO. 103"**

**WHEREAS**, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

**WHEREAS**, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 20 entitled *Annexation No. 103*;

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 20 in the annexation entitled *Annexation No. 103* is approved and accepted.
2. For each fiscal year commencing on July 1, 2022, or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District No. 20 a total of 0.4493010 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 103* for Tax Rate Areas 11426 and 14580 as shown on the attached Worksheet.
3. For each fiscal year commencing on July 1, 2022, or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District No. 20 a total of 0.4492831 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 103* for Tax Rate Area 11427 as shown on the attached Worksheet.

4. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 20 as a result of annexation entitled *Annexation No. 103*.

5. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

6. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 20 of Los Angeles County, and the governing bodies of Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Palmdale, and Antelope Valley - East Kern Water Agency, signatory hereto.

COUNTY SANITATION DISTRICT NO. 20  
OF LOS ANGELES COUNTY

\_\_\_\_\_  
Chairperson, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**(SIGNED IN COUNTERPART)**



June 2, 2023

Boards of Directors  
Los Angeles County Sanitation Districts

Dear Directors:

### **Wastewater Budget Matters for Fiscal Year 2023-24**

The agendas for the upcoming meetings of the Boards of Directors contain items relating to wastewater budget matters for fiscal year 2023-24. These items include establishing the appropriations limit on the proceeds of taxes; adopting the sewerage system final budget; requesting the tax levy; authorizing appropriations per the sewerage system budget; and, for certain Districts, actions related to the previously filed Service Charge Report.

#### **APPROPRIATIONS LIMIT**

The Constitution of the State of California places a limit on the authorization to expend the proceeds of taxes levied by state and local governments in California. In addition, the Government Code requires the governing body for each local jurisdiction to establish, by resolution, the appropriations limit for each fiscal year. The appropriations limit for fiscal year 2023-24 has been determined by adjusting the previous limit for fiscal year 2022-23 based upon population change factors for Los Angeles County and the change in the California Personal Per Capita Income. The appropriations limit has also been adjusted to include the increased operation and maintenance and capital costs of treatment processes and facilities needed to comply with state and federal requirements. All of this is in accordance with the procedures outlined in *Article XIII B* of the Constitution and *Section 7910* of the Government Code. The proposed appropriations limit and anticipated tax revenue are enclosed. This information has been available to the public at the Districts' Joint Administration Office in conformance with the requirement that the documentation used in the determination of the appropriations limit be available fifteen (15) days prior to its establishment by the Board of Directors. This item does not apply to the Newhall Ranch Sanitation District (NRSD) since this District does not receive ad valorem taxes.

#### **FINAL BUDGET FOR FISCAL YEAR 2023-24**

Enclosed for your review are the proposed final fiscal year 2023-24 budgets for the District and the Joint Outfall System (JOS), if applicable. Budgets include a list of proposed capital projects (if any) along with descriptions of the projects; a list of user fees; information on the monies set aside in various funds/reserves; and an explanation of terms used in the budget. The JOS budget will only be adopted by District No. 2, the administrative District for the JOS. Joint Administration and Joint Outfall costs are allocated to each District according to the ratio of the number of sewage units in a District to the total number of sewage units in all the Districts signatory to each agreement. A sewage unit represents the average daily sewage flow and strength (measured in terms of chemical oxygen demand and suspended solids) from a single-family home. This method of allocating costs considers flow as well as the strength of sewage from all types of users and is the most equitable way to distribute joint costs.

#### **SERVICE CHARGE REPORT**

District Nos. 4, 9, 16, 17, and NRSD only will also have an item regarding the Service Charge Report previously filed with the District Clerk. Adoption of the Report is needed for the continued collection of service



charges on the property tax roll for residential, commercial, and small industrial dischargers. This is the most cost-effective and efficient means of collecting the service charges.

Prior to considering adoption of the Report, the Board must hold a public hearing. The date, time, and location of the public hearing will be held as listed on the agenda. Notice of the public hearing was published twice in newspapers of general circulation within the District. Public testimony will be accepted at the hearing and all written comments must be received at or by this time. After all public input has been received by the Board, the public hearing will be closed, and the Board will consider adoption of the Report. A copy of the Service Charge report is attached for Districts considering this action.

#### SUMMARY OF REQUIRED ACTIONS

At the June Board meetings, it will be recommended that the Boards of Directors adopt a resolution establishing the appropriations limit on the proceeds of taxes; adopt the budget for fiscal year 2023-24; adopt a resolution requesting the tax levy; authorize appropriations in the sewerage system budget; and adopt the Service Charge Report (District Nos. 4, 9, 16, and 17 only), all as shown on the agenda.

Very truly yours,



Robert C. Ferrante

RCF:gc

Enclosures

**County Sanitation District No. 20 of Los Angeles County**  
**Final Operating Fund Budget (\$ in thousands)**  
**Fiscal Year 2023-24**

	<u>Adopted</u> <u>2022-23 <sup>(1)</sup></u>	<u>Proposed</u> <u>2023-24 <sup>(1)</sup></u>
<b><u>Starting Balance</u></b>	<b>\$ 25,366</b>	<b>\$ 30,102</b>
 <b><u>Sources of Funds</u></b>		
Service Charge	\$ 26,257	\$ 26,954
Industrial Waste Charges	457	507
Contract Revenue	394	453
Agricultural and Recycled Water Sales	273	368
Total Operating Revenue	27,381	28,282
 Ad Valorem Tax Revenue	 1,749	 1,752
Interest	127	753
Total Non-Operating Revenue	1,876	2,504
 Loan Proceeds	 3,800	 -
Total Capital Revenue	3,800	-
 Transfers from Designated Funds	 -	 1,821
Transfers from Restricted Funds	641	2,275
Total Transfers In	641	4,097
 <b>Total Sources of Funds</b>	<b>\$ 33,699</b>	<b>\$ 34,883</b>
 <b><u>Use of Funds</u></b>		
Joint Administration Operations	\$ 2,396	\$ 2,701
Sewer System Operations	446	569
Treatment Plant Operations	11,307	13,203
Other Operational Expenditures	140	137
Operations and Maintenance Expense	14,290	16,611
 Joint Administration Capital	 170	 382
Sewer System Capital	1,400	4,471
Treatment Plant Capital	4,490	3,392
Capital Expense	6,060	8,245
 Bond Repayment	 10,917	 10,917
Debt Service	10,917	10,917
 Transfers to Designated Reserves	 4,540	 -
Transfers Out	4,540	-
 <b>Total Use of Funds</b>	<b>\$ 35,806</b>	<b>\$ 35,773</b>
 <b><u>Ending Balance</u></b>	<b>\$ 23,259</b>	<b>\$ 29,212</b>

(1) The Adopted FY 22-23 Budget is presented as adopted by the Board in 2022. The ending balance reflects the estimate at that time, and therefore will not match the current estimated starting balance for the Proposed FY 23-24 Budget.

**County Sanitation District No. 20 of Los Angeles County  
Capital Project Wastewater Budget (\$ in thousands)**

Project Name	Description	FY23-24 Budget	Estimated Completion	Total Budget (1)
District 20 Trunk Sewers Group 2 Rehabilitation	Rehabilitation of corroded sewer	2,003	6/30/25	4,400
District 20 Trunk Sewers Group 1 Rehabilitation	Rehabilitation of corroded sewer	1,158	6/30/25	2,500
Trunk C Sewer Rehabilitation	Rehabilitation of corroded sewer	610	6/30/24	1,900
District 20 Non-Reinforced Concrete Sewer Rehabilitation (Misc Projects)	Rehabilitation of corroded sewer	600	6/30/30	7,300
35th Street East Relief Trunk Sewer - Streambed Stabilization	Improvements to sewer and streambed	100	6/30/26	2,000
	Sewer System Total	<u>4,471</u>		
Palmdale WRP Effluent Management System Modifications	Process infrastructure improvements	2,000	6/30/25	3,700
Palmdale WRP TWAS Pipeline Replacement	Improvements to secondary treatment facilities	450	6/30/25	500
Palmdale WRP Influent Pump Station Modifications	Process infrastructure improvements	350	6/30/25	800
Palmdale WRP Purchase of EIR Mitigation Land	Infrastructure improvements	250	6/30/26	1,000
Palmdale WRP Miscellaneous Maintenance and E&I Capital Improvement Projects	Infrastructure improvements	100	6/30/31	2,005
Palmdale WRP Installation of Reservoir No. 2 Liner Vents and Subgrade Repairs	Infrastructure improvements	100	12/31/24	150
Palmdale WRP GW Nitrate Mgmt - Engineering and Consultants	Technical support	90	6/30/31	1,910
Palmdale WRP Storage Reservoir No. 3	Infrastructure improvements	52	12/31/27	17,502
	Treatment Plants Total	<u>3,392</u>		
	Total Capital Projects	<u><u>7,863</u></u>		

(1) Includes past, current, and future amounts

**County Sanitation District No. 20 of Los Angeles County  
Reserve Funds Proposed Budget (\$ in thousands)  
Fiscal Year 2023-24**

	<b>Unrestricted</b>	<b>Designated</b>			<b>Restricted</b>	<b>Total</b>
	Operating	Emergency	O&M Financial Stability	Capital Projects Financial Stability	Capital Improvement	
Starting Balance	\$ 30,102	274	15,036	5,105	2,037	<b>52,554</b>
Operating Revenue	28,282	-	-	-	-	<b>28,282</b>
Non-Operating Revenue <sup>(1)</sup>	2,504	7	376	128	51	<b>3,066</b>
Capital Revenue <sup>(2)</sup>	-	-	-	-	188	<b>188</b>
Transfers In	4,097	17	3,295	-	-	<b>7,408</b>
Operations and Maintenance Expense	16,611	-	-	-	-	<b>16,611</b>
Capital Expense	8,245	-	-	-	-	<b>8,245</b>
Debt Service	10,917	-	-	-	-	<b>10,917</b>
Transfers Out	-	-	-	5,133	2,275	<b>7,408</b>
Ending Balance	<u><b>29,212</b></u>	<u><b>298</b></u>	<u><b>18,706</b></u>	<u><b>100</b></u>	<u><b>-</b></u>	<u><b>48,317</b></u>

(1) Non-operating revenue for Designated and Restricted Reserves represents projected interest revenue.

(2) Capital revenue for the Capital Improvement Fund represents projected Connection Fee Revenue.

**County Sanitation District No. 20 of Los Angeles County  
Wastewater Budget Rate and Other Information Summary  
Fiscal Year 2023-24**

	<u>Adopted 2022-23</u>	<u>Proposed 2023-24</u>
<b><u>Service Charge Rate (\$ per Sewage Unit)</u></b>	610.64	622.52
<b><u>Industrial Waste (Surcharge) Rates</u></b>		
Flow (\$ per MGY)	2,787.00	2,841.00
COD (\$ per 1000 lbs)	621.70	633.80
SS (\$ per 1000 lbs)	1,249.00	1,273.30
Peak Flow (\$ per gpm)	594.20	605.80
Short Form Rate (\$ per million gallon per year)	8,870.00	9,043.00
<b><u>Total Connection Fee Rate (\$ per Capacity Unit)</u></b>	2,097.52	2,097.52
<b><u>Projected Sewage Units</u></b>		
Residential/Commercial	42,999	43,299
Industrial Waste	390	378
Contract In	26	24
Total Served Sewage Units	<u>43,414</u>	<u>43,701</u>

# Sanitation Districts of Los Angeles County Wastewater Budget Explanation and Glossary of Terms Fiscal Year 2023-24

## INTRODUCTION

The budget package for each District consists of the following sections:

- **Operating Fund Wastewater Budget:** Details of the sources and uses of funds for the Operating Fund, which is the only Unrestricted Reserve fund as described in the District’s wastewater reserve policy. The budget for the upcoming fiscal year is compared to the final adopted budget for the current fiscal year.
- **Proposed Capital Projects:** Shows major capital projects budgeted expenditures for the fiscal year. If a District has no major capital projects budgeted, this section is omitted.
- **Designated and Restricted Reserve Budget:** Provides beginning and ending balances of each category of reserves along with major inflows to and outflows from that reserve.
- **Rate and Other Information Summary:** Shows current and budgeted rates for the various user fees; summary of projected sewage units; and other metrics.

## TERMS USED IN THE BUDGET

Below are explanations of budget line items and other terms used in the budgets. *Note that some terms may not apply for certain Districts.*

<b>Ad Valorem Taxes Revenue</b>	The District’s share of Ad Valorem (property) taxes paid by property owners in the District.
<b>Agricultural and Recycled Water Sales Revenue</b>	Sales of reclaimed water.
<b>Bond Proceeds</b>	Funds received from the issuance of bonds.
<b>Bond Repayment</b>	Interest and principal payments toward bond debt.
<b>Capital Payments by Districts</b>	Payments received by Joint Outfall System Districts to be used toward system’s capital expenditures.
<b>Composting Facility Capital Expenditures</b>	Capital expenditures related to upgrade, repair, or expansion of composting facilities.
<b>Composting Facility Operations and Maintenance Expenditures</b>	Expenditures related to operating and maintaining composting facilities.
<b>Contract Disposal Capital Expenditures</b>	Capital expenditures related to conveyance and treatment of wastewater performed by another entity.

<b>Contract Disposal Operations and Maintenance Expenditures</b>	Expenditures related to the operation and maintenance for conveyance and treatment of wastewater performed by another entity.
<b>Contract Revenue</b>	Commodity and energy revenue; leases; and other similar sources of revenue.
<b>District Sewer System Capital Expenditures</b>	Capital expenditures related to rehabilitation or expansion of the District’s sewers and pumping plants.
<b>District’s Sewer System Operations Expenditures</b>	Expenditures related to operating and maintaining the District’s sewers and pumping plants.
<b>Field Office Capital Expenditures</b>	Capital expenditures related to upgrade, repair, or expansion of field offices.
<b>Grant Revenue</b>	Grant proceeds received, generally state and/or federal grants toward capital projects.
<b>Industrial Waste Revenue</b>	Fees paid by large industrial users of the District’s wastewater system.
<b>Interest Revenue</b>	Interest generated by District’s Reserves.
<b>Joint Administration Capital Expenditures</b>	The District's share of Joint Capital Expenses minus Joint Capital Revenues.
<b>Joint Administration Operations Expenditures</b>	The District's share of Joint Administration Operating Expenditures less any operational or non-operational Joint Administration Revenues.
<b>Joint Outfall Capital Expenditures</b>	The District's share of the Joint Outfall capital payment.
<b>Joint Outfall Operations Expenditures</b>	The District's share of Joint Outfall System Operating Expenditures less any operational or non-operational Joint Outfall System Revenues.
<b>Loan Proceeds</b>	Funds received from loans taken out to finance capital projects, primarily State Revolving Fund Clean Water Loans.
<b>Loan Repayment</b>	Interest and principal payments toward loans, primarily State Revolving Fund Clean Water Loans.
<b>Operating Fund Ending Balance</b>	Projected balance in the Operating Fund as of June 30 at the end of the fiscal year shown.
<b>Operating Fund Starting Balance</b>	Projected cash balance in the Operating Fund as of July 1 at the beginning of the fiscal year shown.

<b>Operating Payments by Districts</b>	Payments received by Joint Outfall System Districts to be used for system’s net operating expenditures.
<b>Other Capital Expenditures</b>	Capital expenditures not related to District’s sewers, treatment plants, composing facilities, field offices, or contract disposal.
<b>Other Operational Expenditures</b>	The District’s operational expenditures that are not directly related to the District’s facilities, such as insurance, annexations, and certain regulatory work.
<b>Service Charge Revenue</b>	Fees paid by residential, commercial, and small industrial users of the District’s wastewater system. These fees are generally collected on the property tax bill as a separate line item.
<b>Total Served Sewage Units</b>	Total number of Sewage Units (single family home equivalent dischargers) that are served by treatment plants owned by the Districts.
<b>Transfers from Designated Funds</b>	Funds transferred from Designated Funds when projected operating reserve balance is below target; these funds are to be used toward operating expenditures.
<b>Transfers from Districts</b>	Payments received from Joint Outfall System Districts to fund the Joint Outfall reserves per June 1, 2022, Joint Outfall Agreement.
<b>Transfers from Restricted Funds</b>	Funds transferred from Restricted Funds to be used toward capital expenditures.
<b>Transfers to Designated Reserves</b>	Surplus funds at the end of the fiscal year not required for operating or cash-flow purposes that are transferred to designated reserves. Designated reserves are primarily used to help stabilize future rates and to set aside funds for future capital projects.
<b>Transfers to Joint Outfall System</b>	Individual District’s contribution to the Joint Outfall System reserves per June 1, 2022, Joint Outfall Agreement.
<b>Treatment Plant Capital Expenditures</b>	Capital expenditures related to upgrade, repair, or expansion of treatment plants.
<b>Treatment Plant Operations Expenditures</b>	Expenditures related to operating and maintaining treatment plants.



## SUMMARY OF 2023-24 APPROPRIATIONS LIMIT FOR EACH SANITATION DISTRICT

DISTRICT NUMBER	2022-23 APPROX. LMT. EXCLUDING MANDATED COSTS	POPULATION CHANGE FACTOR	<sup>1</sup> APPROX. LMT. CHANGE FACTOR	2023-24 APPROX. LMT. EXCLUDING MANDATED COSTS	2023-24 MANDATED COSTS	2023-24 APPROX. LMT. INCLUDING MANDATED COSTS	ESTIMATED AD VALOREM TAX REVENUES	DISTRICT NUMBER
1	\$ 21,508,177	0.9925	1.0366	\$ 22,294,667	\$ 2,356,197	\$ 24,650,864	\$ 4,760,000	1
2	37,012,065	0.9925	1.0366	38,365,485	3,560,414	41,925,899	9,195,000	2
3	26,207,171	0.9949	1.0391	27,232,398	2,944,559	30,176,957	7,107,000	3
4	3,427,067	0.9960	1.0402	3,564,885	-	3,564,885	912,000	4
5	54,415,077	0.9925	1.0366	56,404,873	4,253,252	60,658,125	15,977,000	5
8	10,208,198	0.9932	1.0373	10,588,922	973,272	11,562,194	2,595,000	8
9	1,309,005	0.9925	1.0366	1,356,871	-	1,356,871	130,000	9
14	61,039,763	0.9942	1.0383	63,380,443	13,979,874	77,360,317	2,285,000	14
15	21,602,258	0.9932	1.0373	22,407,081	3,073,779	25,480,860	10,442,000	15
16	15,219,485	0.9947	1.0388	15,810,387	1,833,820	17,644,207	7,564,000	16
17	2,097,999	0.9925	1.0366	2,174,717	241,943	2,416,660	789,000	17
18	16,264,689	0.9925	1.0366	16,859,440	1,954,791	18,814,231	5,503,000	18
19	6,365,940	0.9925	1.0366	6,598,723	646,098	7,244,821	2,013,000	19
20	49,077,840	0.9933	1.0374	50,914,574	13,013,759	63,928,333	1,752,000	20
21	61,977,849	0.9944	1.0386	64,367,402	2,507,412	66,874,814	6,235,000	21
22	14,422,233	1.0001	1.0445	15,063,593	2,086,760	17,150,353	5,730,000	22
23	7,248,681	0.9925	1.0366	7,513,744	54,987	7,568,731	662,000	23
27	1,092,466	0.9925	1.0366	1,132,414	-	1,132,414	477,000	27
28	1,231,929	0.9935	1.0376	1,278,264	79,731	1,357,995	874,000	28
29	1,022,657	0.9925	1.0366	1,060,052	93,478	1,153,530	169,000	29
SBC	28,543,925	0.9925	1.0366	29,587,691	833,055	30,420,746	7,548,000	SBC
SCV	26,223,857	1.0041	1.0486	27,499,173	8,570,272	36,069,445	9,092,000	SCV
34						<sup>2</sup> N/A		34
NR						<sup>2</sup> N/A		NR

<sup>1</sup> This column represents the net change resulting from the percent change in population and the percent change in Per Capital Income of 4.44%

<sup>2</sup> This District is not subject to an appropriations limit as it does not receive any proceeds of taxes.