



May 19, 2023

Boards of Directors
County Sanitation District No. 27
and Newhall Ranch Sanitation District
of Los Angeles County

Directors:

The enclosed consolidated agenda includes the following items for the regular meeting of the Boards of Directors of District No. 27 and Newhall Ranch Sanitation District meeting Tuesday, June 6, 2023.

1. Minutes. (3 and 5) Copies of the minutes have been provided to each of the Directors.

2. District Expenses. (3 and 5) 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 lacsd.org/financial-documents. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

District No. 27 –

Local District Expenses:	
Operations & Maintenance	\$16,639
Capital	4,869
Allocated Expenses:	
Joint Administration	3,448
Total Expenses	<u>\$24,956</u>

Newhall Ranch Sanitation District –

Local District Expenses:	
Operations & Maintenance	\$ 124,186
Capital	14,471
Allocated Expenses:	
Joint Administration	17,480
Technical Support	8,149
Total Expenses	<u>\$164,286</u>

3. Resolutions. (3 and 5) California Government Code Section 65589.7 requires public agencies that provide water or sewer services to adopt written policies and procedures with specific objective standards for providing priority service to housing projects that include lower income units. The proposed Resolution, which is attached, would establish the required policies and procedures in accordance with the requirements of the law. Once adopted, these policies and procedures must be updated and approved by the Board every five years. This item is consistent with the Districts' Guiding Principle of commitment to continual improvement.

4 through 7. Wastewater Budget Matters for Fiscal Year 2023-24. (3) Attached is a copy of the proposed budget for fiscal year 2023-24 for District No. 27 with a breakdown of the items included in the sewerage system budget. The general revenue source available to the District is the pro rata share of the ad valorem (property) taxes. The sewerage system budget was prepared in accordance with the Joint Administration Agreement. In the case of Districts which contract with the City of Los Angeles for sewerage service (District No. 27), the Joint Administration Agreement states that these Districts shall pay one one-hundredth of one percent of all joint expenses. District No. 27 currently owns and operates trunk sewers within the District. However, the District does not own or operate any treatment and disposal facilities. The District contracts for these services with the City of Los Angeles. District's staff has no direct control over the City of Los Angeles costs. Thus, the portion of the proposed budget attributable to contract disposal Operations and Maintenance (O&M) and capital is a direct reflection of the City of Los Angeles O&M and capital costs. The local O&M and local capital costs only reflect the cost of operating and maintaining the District's local sewer system.

8 and 9. Wastewater Budget Matters for Fiscal Year 2023-24 (5). Attached is a copy of the proposed budget for fiscal year 2023-24 for Newhall Ranch Sanitation District (Newhall Ranch) with a breakdown of the items included in the budget. The main revenue source for Newhall Ranch is service charge revenues. The budget was prepared in accordance with the Joint Administration Agreement and other agreements and engineering reports prepared for estimating the initial startup costs of the sewerage system for this District.

Very truly yours,



Robert C. Ferrante

RCF:drs
Enclosures

Notice and Agenda

REGULAR MEETINGS — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 27/
NEWHALL RANCH SANITATION DISTRICT

To be held in the HEARING ROOM
OF THE BOARD OF SUPERVISORS
Kenneth Hahn Hall of Administration, Los Angeles, California

TUESDAY		June 6, 2023		At 9:30 A.M.
BARGER	HORVATH	HAHN (Chairperson)	MITCHELL	SOLIS

1. Recommendation: Approve minutes of the regular meeting held March 7, 2023 (both Districts)
2. Recommendation: Approve October, November, December 2022, and January and February 2023 Expenses in Total Amount of \$24,956 (District No. 27) (3) and \$164,286 (Newhall Ranch Sanitation District) (5)
3. Recommendation: Adopt Resolutions as Follows:
 - (a) *Resolution of the Board of Directors of County Sanitation District No. 27 of Los Angeles County Adopting Policies and Procedures for Providing Priority Service to Affordable Housing Projects* (Resolution) (3)
 - (b) *Resolution of the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County Adopting Policies and Procedures for Providing Priority Service to Affordable Housing Projects* (Resolution) (5)
4. Recommendation: Establish by Resolution Appropriation Limit of \$1,132,414, as Required by California Government Code Section 7910 (3)
5. Recommendation: Adopt Operating Fund Budget and Adopt Resolution Request Tax Levy of \$477,000 (3)
6. Recommendation: Authorize Appropriations per Budget (3)
7. Recommendation: Adopt Operating Fund Budget (5)
8. Recommendation: Authorize Appropriations per Budget (5)

Adjourn Newhall Ranch Sanitation District to Tuesday, June 13, 2023, at 9:30 a.m., Board of Supervisors, Kenneth Hahn Hall of Administration, Los Angeles, California

**RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 27 OF LOS ANGELES COUNTY ADOPTING POLICIES AND
PROCEDURES FOR PROVIDING PRIORITY SERVICE TO AFFORDABLE
HOUSING PROJECTS
(California Government Code Section 65589.7)**

WHEREAS, the California legislature has declared that the lack of affordable housing is a matter of vital statewide importance; and

WHEREAS, Government Code Section 65589.7 enhances the priority granted to lower-income housing by requiring that public agencies that provide water or sewer services shall adopt written policies and procedures with specific objective standards for providing priority service to housing projects that include lower income units; and

WHEREAS, the Sanitation Districts of Los Angeles County are continually evaluating system requirements and capacity, monitoring planned and proposed project development, and working to ensure there is adequate capacity for future development throughout the Sanitation Districts of Los Angeles County service areas.

NOW, THEREFORE, BE IT RESOLVED, that the following guidelines are hereby adopted by the Board of Directors of County Sanitation District No. 27 of Los Angeles County (“District”) with respect to providing priority service to housing projects that include lower income units:

- (1) The District shall devote its best efforts to plan for and, to a reasonable degree (as determined on a case-by-case basis), prioritize providing sewer connections to residential housing projects that include lower income units as specified in the housing element of a general plan adopted by the legislative body of a county or city within the District’s boundaries;
- (2) Development projects that include lower income housing units shall not be denied approval of an application for service, nor shall conditions be imposed thereon or services reduced which are applied for, unless the District makes specific findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:
 - a. Insufficient water supply or insufficient water treatment or distribution capacity;
 - b. A State Department of Health Services order prohibiting new water connections;
 - c. Insufficient sewer treatment or collection capacity;
 - d. A Regional Water Quality Control Board order prohibiting new sewer connections; or
 - e. The applicant has failed to agree to reasonable terms and conditions.

- (3) Areas with Available Capacity – In times where the District has available capacity in its wastewater collection, treatment and disposal facilities, the provision of public sewer service to residential housing developments will be on an income-neutral basis.
- (4) Areas with Limitations in Capacity – In times where the District experiences service limitations due to capacity or regulatory constraints, service priority shall be given to planned developments that include housing units affordable to lower income households in accordance with Government Code Section 65589.7 and the limitations set therein.
- (5) Procedure – Whenever housing units affordable to lower income households are identified in a city or county housing element, or amendment thereto, from any city or county within the service area of the District, and a developer where the District is the local sewer agency applies for a connection permit, the District will give highest priority to the provision of services to that development and particularly to the affordable housing units contained therein.
- (6) At least once every five (5) years, the District shall update and approve the provisions of this Resolution by subsequent Resolution.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 2023.

**COUNTY SANITATION DISTRICT NO. 27
OF LOS ANGELES COUNTY**

By: _____
Chairperson, Board of Directors

ATTEST:

Secretary to the Board

**RESOLUTION OF THE BOARD OF DIRECTORS OF NEWHALL RANCH
SANITATION DISTRICT OF LOS ANGELES COUNTY ADOPTING POLICIES AND
PROCEDURES FOR PROVIDING PRIORITY SERVICE TO AFFORDABLE
HOUSING PROJECTS
(California Government Code Section 65589.7)**

WHEREAS, the California legislature has declared that the lack of affordable housing is a matter of vital statewide importance; and

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WHEREAS, the Sanitation Districts of Los Angeles County are continually evaluating system requirements and capacity, monitoring planned and proposed project development, and working to ensure there is adequate capacity for future development throughout the Sanitation Districts of Los Angeles County service areas.

NOW, THEREFORE, BE IT RESOLVED, that the following guidelines are hereby adopted by the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County (“District”) with respect to providing priority service to housing projects that include lower income units:

- (1) The District shall devote its best efforts to plan for and, to a reasonable degree (as determined on a case-by-case basis), prioritize providing sewer connections to residential housing projects that include lower income units as specified in the housing element of a general plan adopted by the legislative body of a county or city within the District’s boundaries;
- (2) Development projects that include lower income housing units shall not be denied approval of an application for service, nor shall conditions be imposed thereon or services reduced which are applied for, unless the District makes specific findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:
 - a. Insufficient water supply or insufficient water treatment or distribution capacity;
 - b. A State Department of Health Services order prohibiting new water connections;
 - c. Insufficient sewer treatment or collection capacity;
 - d. A Regional Water Quality Control Board order prohibiting new sewer connections; or
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- (5) Procedure – Whenever housing units affordable to lower income households are identified in a city or county housing element, or amendment thereto, from any city or county within the service area of the District, and a developer where the District is the local sewer agency applies for a connection permit, the District will give highest priority to the provision of services to that development and particularly to the affordable housing units contained therein.
- (6) At least once every five (5) years, the District shall update and approve the provisions of this Resolution by subsequent Resolution.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 2023.

**NEWHALL RANCH SANITATION
DISTRICT OF LOS ANGELES COUNTY**

By: _____
Chairperson, Board of Directors

ATTEST:

Secretary to the Board

**County Sanitation District No. 27 of Los Angeles County
Final Operating Fund Budget (\$ in thousands)
Fiscal Year 2023-24**

	Adopted 2022-23 ⁽¹⁾	Proposed 2023-24 ⁽¹⁾
<u>Starting Balance</u>	\$ 9	\$ 213
 <u>Sources of Funds</u>		
Ad Valorem Tax Revenue	425	477
Interest	-	5
Total Non-Operating Revenue	425	482
Transfers from Restricted Funds	20	21
Total Transfers In	20	21
 Total Sources of Funds	\$ 445	\$ 503
 <u>Use of Funds</u>		
Joint Administration Operations	\$ 7	\$ 9
Sewer System Operations	14	7
Contract Disposal Operations	120	154
Operations and Maintenance Expense	142	170
Joint Administration Capital	1	2
Contract Disposal Capital	57	57
Capital Expense	59	59
Transfers to Designated Reserves	162	372
Transfers Out	162	372
 Total Use of Funds	\$ 362	\$ 602
 <u>Ending Balance</u>	\$ 92	\$ 115

(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 beginning balance for the Proposed FY 23-24 Budget.

**County Sanitation District No. 27 of Los Angeles County
Reserve Funds Proposed Budget (\$ in thousands)
Fiscal Year 2023-24**

	Unrestricted	Designated			Restricted	Total
	Operating	Emergency	O&M Financial Stability	Capital Projects Financial Stability	Capital Improvement	
Starting Balance	\$ 213	53	1,504	90	21	1,880
Non-Operating Revenue	482	1	38	2	1	524
Transfers In	21	-	369	8	-	398
Operations and Maintenance Expense	170	-	-	-	-	170
Capital Expense	59	-	-	-	-	59
Transfers Out	372	4	-	-	21	398
Ending Balance	115	50	1,910	100	-	2,175

**County Sanitation District No. 27 of Los Angeles County
Wastewater Budget Rate and Other Information Summary
Fiscal Year 2023-24**

	Adopted 2022-23	Proposed 2023-24
<u>Service Charge Rate (\$ per Sewage Unit)</u>	0.00	0.00
<u>Total Connection Fee Rate (\$ per Capacity Unit)</u>	1,460.00	1,460.00
<u>Projected Sewage Units</u>		
Residential/Commercial	554	554
Contract Out	-554	-554
Total Served Sewage Units	0	0

**Newhall Ranch Sanitation District
Final Operating Fund Budget (\$ in thousands)
Fiscal Year 2023-24**

	Adopted 2022-23 ⁽¹⁾	Proposed 2023-24 ⁽¹⁾
<u>Starting Balance</u>	\$ 2,580	\$ 3,035
 <u>Sources of Funds</u>		
Service Charge	\$ 975	\$ 1,672
Total Operating Revenue	975	1,672
Interest	13	76
Total Non-Operating Revenue	13	76
 Total Sources of Funds	\$ 988	\$ 1,748
 <u>Use of Funds</u>		
Joint Administration Operations	\$ 58	\$ 115
Sewer System Operations	162	210
Treatment Plant Operations	207	216
Contract Disposal Operations	518	888
Other Operational Expenditures	28	30
Operations and Maintenance Expense	974	1,460
Joint Administration Capital	5	20
Sewer System Capital	15	15
Treatment Plant Capital	16	10
Capital Expense	36	45
Transfers to Designated Reserves	1,833	2,487
Transfers Out	1,833	2,487
 Total Use of Funds	\$ 2,843	\$ 3,993
 <u>Ending Balance</u>	\$ 725	\$ 790

(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 beginning balance for the Proposed FY 23-24 Budget.

**Newhall Ranch Sanitation District Capital
Project Wastewater Budget (\$ in thousands)**

Project Name	Description	FY23-24 Budget	Estimated Completion	Total Budget (1)
Newhall Ranch Sanitation District Proposed New Wastewater Collection System	Design Support	15	6/30/29	360
	Sewer System Total	<u>15</u>		
Newhall Ranch Sanitation District Proposed New Wastewater Treatment Facility	Design Support	5	6/30/29	55
Newhall Ranch Sanitation District Proposed New Wastewater Collection System and Treatment Facility	Planning Support	5	6/30/29	1,450
	Treatment Plants Total	<u>10</u>		
	Total Capital Projects	<u><u>25</u></u>		

(1) Includes past, current, and future amounts.

**Newhall Ranch Sanitation District
Reserve Funds Proposed Budget (\$ in thousands)
Fiscal Year 2023-24**

	Unrestricted	Designated			Restricted	Total
	Operating	Emergency	O&M Financial Stability	Capital Projects Financial Stability	JSSA Reserve	
Starting Balance	\$ 3,035	-	1,086	-	284	4,405
Operating Revenue	1,672	-	-	-	-	1,672
Non-Operating Revenue	76	-	27	-	7	110
Transfers In	-	50	2,337	100	-	2,487
Operations and Maintenance Expense	1,460	-	-	-	-	1,460
Capital Expense	45	-	-	-	-	45
Transfers Out	2,487	-	-	-	-	2,487
Ending Balance	<u>790</u>	<u>50</u>	<u>3,450</u>	<u>100</u>	<u>291</u>	<u>4,681</u>

**Newhall Ranch Sanitation District
Wastewater Budget Rate and Other Information Summary
Fiscal Year 2023-24**

	<u>Adopted 2022-23</u>	<u>Proposed 2023-24</u>
<u>Service Charge Rate (\$ per Sewage Unit)</u>	696.60	696.60
<u>Industrial Waste (Surcharge) Rates</u>		
Flow (\$ per MGY)	2,667.80	2,667.80
COD (\$ per 1000 lbs)	608.10	608.10
SS (\$ per 1000 lbs)	1,494.20	1,494.20
Peak Flow (\$ per gpm)	377.40	377.40
Short Form Rate (\$ per million gallon per year)	9,033.30	9,033.30
<u>Total Connection Fee Rate (\$ per Capacity Unit)</u>	9,410.00	9,410.00
<u>Projected Sewage Units</u>		
Residential/Commercial	1,400	2,400
Total Served Sewage Units	<u>1,400</u>	<u>2,400</u>

SUMMARY OF 2023-24 APPROPRIATIONS LIMIT FOR EACH SANITATION DISTRICT

DISTRICT NUMBER	2022-23 APPRO. LMT. EXCLUDING MANDATED COSTS	POPULATION CHANGE FACTOR	APPRO. LMT.* CHANGE FACTOR	2023-24 APPRO. LMT. EXCLUDING MANDATED COSTS	2023-24 MANDATED COSTS	2023-24 APPRO. 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						N/A**		34
NR						N/A**		NR

* This column represents the net change resulting from the percent change in population and the percent change in Per Capita Income of %.

** This District is not subject to an appropriations limit as it does not receive any proceeds of taxes.