

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 34

To be held at the OFFICE OF THE DISTRICT  
1955 Workman Mill Road, Whittier, California

**For the public to join the meeting virtually, click <https://us02web.zoom.us/j/8091438308> or enter the Meeting ID 809 143 8308 into the Zoom app on your smartphone or computer. Alternatively, you may join by phone by calling (669) 900-9128 and entering the Meeting ID. The meeting is not required to be broadcast via Zoom, but as a courtesy for public attendance. You may find further information at: <http://www.lacsd.org/agendas>**

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

WEDNESDAY		June 28, 2023		At 1:30 P.M.
BOWMAN	EICH	DAVITT (Chairperson)	GUNTER	WALKER

1. Public Comment
2. Approve Minutes of Regular Meeting Held February 22, 2023
3. Approve January, February, and March 2023 Expenses in Amount of \$1,770

**Summary:** Local District expenses represent costs incurred for operations, maintenance, and capital projects 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](http://lacsd.org/financial-documents). This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

Allocated Expenses

Joint Administration	<u>\$1,770</u>
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Total Expenses	<u>\$1,770</u>
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4. Adopt Resolution of the Board of Directors of County Sanitation District No. 34 of Los Angeles County Adopting Policies and Procedures for Providing Priority Service to Affordable Housing Projects (Resolution)

**Summary:** 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.

5. Re: Wastewater Budget Matters for Fiscal Year 2023-24
  - (a) Adopt Operating Budget
  - (b) 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.

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.

**RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION  
DISTRICT NO. 34 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. 34 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. 34  
OF LOS ANGELES COUNTY**

By: \_\_\_\_\_  
Chairperson, Board of Directors

**ATTEST:**

\_\_\_\_\_  
Secretary to the Board



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. 34 of Los Angeles County  
Final Operating Fund Budget  
Fiscal Year 2023-24**

	<b>Adopted 2022-23 <sup>(1)</sup></b>	<b>Proposed 2023-24 <sup>(1)</sup></b>
<b><u>Starting Balance</u></b>	<b>\$ 475</b>	<b>\$ 506</b>
 <b><u>Sources of Funds</u></b>		
La Canada Flintridge	\$ 8,415	\$ 10,269
Total Operating Revenue	8,415	10,269
Interest	2	13
Total Non-Operating Revenue	2	13
 <b>Total Sources of Funds</b>	<b>\$ 8,417</b>	<b>\$ 10,282</b>
 <b><u>Use of Funds</u></b>		
Joint Administration Operations	\$ 7,412	\$ 8,515
Operations and Maintenance Expense	7,412	8,515
Joint Administration Capital	1,005	1,766
Capital Expense	1,005	1,766
 <b>Total Use of Funds</b>	<b>\$ 8,417</b>	<b>\$ 10,282</b>
 <b><u>Ending Balance</u></b>	<b>\$ 475</b>	<b>\$ 506</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.

# 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.