

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 4

To be held in person and via teleconference per Brown Act, Section 54953(b)&(c), at the:

OFFICE OF THE DISTRICT **BEVERLY HILLS CITY HALL***
 1955 Workman Mill Road and 455 N. Rexford Drive, 4th Floor
 Whittier, CA 90601 Beverly Hills, CA 90210

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. You may find further information at: <http://www.lacsd.org/agendas>

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

WEDNESDAY February 14, 2024 At 1:30 P.M.

Governing Body	Director	Alternate
BEVERLY HILLS	GOLD	NAZARIAN*
LOS ANGELES CITY	KREKORIAN	MC OSKER (Chairperson)
WEST HOLLYWOOD	ERICKSON	BYERS

1. Public Comment
2. Receive and Order Filed as Follows:
 - (a) Certificate of Mr. John Erickson, Presiding Officer of the City of West Hollywood
 - (b) Action Appointing Ms. Chelsea Byers as Alternate Director of the City of West Hollywood
3. Approve Minutes of Regular Meeting Held December 13, 2023
4. Approve October and November 2023 Expenses in Amount of \$31,773

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. This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

Local District Expenses:	
Operations & Maintenance	\$16,178
Capital	13,717
Allocated Expenses:	
Joint Administration	1,119
Technical Support	759
Total Expenses	<u>\$31,773</u>

5. Receive and Order Filed [Annual Comprehensive Financial Report](#) (ACFR) for Fiscal Year Ending June 30, 2023

Summary: The Districts’ ACFR for the fiscal year ending June 30, 2023, which includes the annual audit required by state and federal laws, has been previously distributed to the Directors. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to protect financial and facility assets through prudent investment and maintenance programs.

6. Adopt Purchasing Policy (Policy)

Summary: As part of the continuing effort to ensure the Districts follows best practices as it relates to financial matters, revisions to the Policy are being recommended. The Policy establishes rules for purchase of materials, supplies, equipment, services, and construction projects. Proposed revisions to the Policy clarify several sections and modify the provisions for emergency orders and contracts. In September 2023, the Personnel Committee, comprised of the Chairpersons of all active Districts, unanimously endorsed the proposed revisions. Subsequent minor modifications requested by District No. 14 and District No. 20 that only apply to the smaller Districts have also been incorporated. A letter summarizing the proposed changes is attached. 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: Wastewater Revenue Program

- (a) Order Wastewater Service Charge Report, Containing Description of Each Parcel and Amount of Proposed Wastewater Service Charge for Fiscal Year 2024-25 for Each Parcel; Filed with Clerk of Board of Directors of District(s)
- (b) Establish Date, Time, and Place for Public Hearing on Report; Order Publication of Required Public Notices

Summary: Filing of the Service Charge Report is required each year to collect the wastewater service charge on the property tax roll. The current service charge rate per single-family home is \$12.50 per month (\$150 per year) and no increase is recommended for fiscal year 2024-25. A letter discussing the service charge rate, the fiscal year 2024-25 preliminary budget, and related matters accompanies the agenda. Staff recommends that the Public Hearing be held at the Board meeting scheduled for June 12, 2024. 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.

8. Report on Districts’ Operations During February 1st and 4th -6th Storms

Summary: The Chief Engineer and General Manager will provide a report on Districts’ operations during the recent storms.

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.



January 11, 2024

Boards of Directors
Los Angeles County Sanitation Districts

Directors:

Purchasing Policy

The agenda for upcoming meetings of the Boards of Directors contains an item regarding proposed revisions to the Districts' Purchasing policy, which establishes rules for purchase of materials, supplies, equipment, services, and construction projects. In September, these revisions were unanimously endorsed by the Personnel Committee, comprised of the Chairs of all of the active Districts. The proposed revisions are as follows:

- Improvements to the wording that delineates what actions require Board approval and what actions the Purchasing Agent (Chief Engineer and General Manager) is authorized to take. (Section 2.1)
- Addition of a provision that requires that Board approval to reject bids, in addition to solicit bids, be obtained for large projects. (Section 2.2)
- Clarification of the language that describes when a change order requires board approval. Board approval is not required for change orders up to 25% of the original cost only if the additional cost is for additional quantities under the same terms, or it is for additional work under the substantially the same terms and general scope as the original order or contract. Otherwise, board approval is required for any change order over \$100,000. The previous language was not clear. (Section 2.11)
- Modification of the board approval requirements for emergency and urgent purchases. Previously, such purchases over \$100,000 required obtaining concurrence from the Chairperson of the Board before undertaking any response and reporting of the action at the next regular board meeting. The revised policy now requires that for actions over \$500,000 for Joint Outfall or Solid Waste operations or \$200,000 for all other operations*, the Purchasing Agent must notify and seek concurrence from the chairperson of the Board as soon as practicable and report such action to the Board at its next meeting. In addition, confirming approval by the board is required for any such action over \$100,000 after the contract or order details, including costs, are finalized. The section was also restructured to make it clear when the reporting requirements apply. (Section 3)
- Clarification of the requirements for disposition of surplus property to ensure board approval is obtained for sale or disposal of any property over \$100,000 in value. The previous wording potentially did not capture all such situations. (Section 5.1)

* In response to direction given by District No. 14 and District No. 20 at their November 2023 meetings, staff revised the emergency notification requirement to \$200,000 for smaller Districts.

- Addition of a section to make it clear that the Purchasing Agent may designate staff to carry out the Policy. (Sections 7.4 and 7.6)

CONCLUSION

The proposed Policy will be presented to each Board for adoption over the next several months. If approved, the new Policy will take effect after adoption by all of the Boards.

Very truly yours,

A handwritten signature in black ink that reads "Robert C. Ferrante". The signature is written in a cursive style with a large, stylized initial 'R'.

Robert C. Ferrante

RCF:MAE



**LOS ANGELES COUNTY
SANITATION DISTRICTS**
Converting Waste Into Resources

Robert C. Ferrante
Chief Engineer and General Manager

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PURCHASING POLICY

Rules, Regulations, and Policies for the Purchase
or Lease of Materials, Supplies, Equipment,
Services, and Construction Projects, and for the
Sale and Disposition of Districts' Property

Proposed 2023 Revisions for Consideration by Boards

For clarity only substantive changes are shown; formatting and other minor edits are not shown.

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**RULES, REGULATIONS AND POLICIES FOR THE PURCHASE OR LEASE OF
MATERIALS, SUPPLIES, EQUIPMENT, SERVICES, AND CONSTRUCTION PROJECTS
AND FOR THE SALE AND DISPOSITION OF DISTRICTS' PROPERTY**

SECTION 1. GENERAL

- 1.1 The County Sanitation Districts of Los Angeles County ("Districts" or individually "District") are special districts organized and operating pursuant to the County Sanitation District Act, California Health and Safety Code, Sections 4700, et seq.
- 1.2 Health and Safety Code section 4763 provides that all powers of the District shall be exercised by the District Board unless otherwise specified. Pursuant to Health and Safety Code section 4840, each of the Districts has found and declared by resolution that it is for the interest or advantage of the Districts to enter into an agreement for the maintenance of a centralized and joint administrative organization to carry out the purposes there set forth, which powers include:
 - a. To purchase or lease personal property, including materials, equipment, supplies and services that are necessary or convenient for the construction, maintenance, and operation of their sewerage and refuse transfer and disposal systems (Health and Safety Code 4740), and
 - b. To sell or dispose of interests in property that are no longer required for District purposes (Health and Safety Code sections 4743), and
 - c. To sell or dispose of by-products from the operation of their sewerage and refuse transfer and disposal systems (Health and Safety Code section 4743).
- 1.3 Each District hereby confirms said action by approving this Policy by resolution.
- 1.4 The Purchasing Agent is its Chief Engineer and General Manager or his or her designee.
- 1.5 The Board of Directors hereby delegates to the Purchasing Agent the authority set forth in the following rules, regulations, and policies, which shall be known as the Districts' Purchasing Policy (Policy) and shall, among other things, constitute the policies and procedures, including bidding regulations to advertise and receive bids in accordance with all applicable statutes and regulations, required by Government Code Sections 54201, et seq.
- 1.6 The Purchasing Agent shall develop detailed procedures as needed to implement the requirements of this Policy.
- 1.7 As the administrative District, as described in the Amended Joint Administration Agreement, District No. 2 is authorized to issue purchase orders or enter into contracts on behalf of each of the other Districts. When Board approval is required by this Policy, the Board of District No. 2 shall approve, execute, or authorize purchases, agreements leases, contracts, etc., that involve joint or shared costs. The Purchasing Agent may seek concurrence from other Districts' Boards for such actions.

- 1.8 The Districts are subject to the requirements of the California Uniform Public Construction Cost Accounting Act (“CUPCCAA”) Public Contract Code § § 22000 – 22045 and this Policy sets forth purchasing procedures consistent with CUPCCAA.
- 1.9 The Districts have adopted Job Order Contracting (JOC), indefinite delivery, indefinite quantity, alternative delivery method under the provisions of the Joint Powers Agreement with Sourcewell adopted May 27, 2020. JOC is to be utilized for projects that do not require detailed engineering design and when the Purchasing Agent determines JOC is the most cost-effective method for completing the project.
- 1.10 This Policy is not intended to describe every requirement of laws and regulations that govern Districts’ purchases and therefore additional requirements, processes and limits may apply. In the event of a conflict between this Policy and any law, regulation, or other agreement, the more stringent provisions shall prevail.

SECTION 2. PROCEDURES FOR PURCHASE OR LEASE OF MATERIALS, SUPPLIES, EQUIPMENT, SERVICES, AND CONSTRUCTION PROJECTS

- 2.1 Board approval shall be obtained before any purchase order is issued or, contract is executed, or change order or extra work claim is granted that has a value of greater than \$100,000 regardless of the method of solicitation or whether it falls under CUPCCAA, except as allowed under Section 2.11. The Purchasing Agent is authorized to take necessary actions to issue or execute purchase orders, contracts, change orders or extra work claims with a value of \$100,000 or less.
- 2.2 Board approval to solicit or reject bids or proposals shall be obtained for all significant projects and purchases as determined by the Purchasing Agent or when required by law.
- 2.3 The following limits govern solicitation of bids or proposals not falling under CUPCCAA:
 - a. \$5,000 or Less The Purchasing Agent may make purchases or leases in accordance with procedures that the Purchasing Agent deems appropriate.
 - b. More than \$5,000 up to \$50,000 The Purchasing Agent shall solicit bids or proposals from a minimum of three vendors, if available.
 - c. More than \$50,000 The Purchasing Agent shall solicit bids or proposals by formal invitation with a thoroughly documented scope and terms. All such solicitations shall be posted on the Districts’ web site.
- 2.4 For Projects that are procured pursuant to CUPCCAA, the following limits apply as required in Public Contract Code 22032:
 - a. \$60,000 or Less The Purchasing Agent shall solicit informal quotes or perform with District’s own workforces (“Force Account”).
 - b. More than \$60,000 up to \$200,000 The Purchasing Agent shall let to contract by the informal procedures set forth in CUPCCAA.

- c. More than \$200,000 The Purchasing Agent shall let to contract by formal bidding procedures that comply with the requirements of the Public Contract Code.
- 2.5 The Purchasing Agent need not comply with the solicitation requirements of sections 2-3 when the Purchasing Agent determines that any of the following reasons or circumstances exist:
- a. An emergency condition as described in section 3 of this Policy.
 - b. Construction or repair completion dates cannot be met, and delays will lead to costs that exceed possible savings from following the bid requirements.
 - c. Patented, licensed, or proprietary materials or services are required.
 - d. Compatibility with existing equipment is necessary.
 - e. Single-Source Procurement – Prior experience has proven that a particular-make or type of equipment, material, supply, service is more satisfactory or economical from one supplier than any other available product or service from other suppliers.
 - f. Sole Source Procurement – Equipment, material, supply, or service is only available from one source.
 - g. Piggybacking – The procurement is available at pricing established by and available through an existing governmental purchasing cooperative or a City, County, State, or Federal contract.
- 2.6 The following may be purchased by means of a Purchase Order:
- a. Purchases of materials, supplies, equipment, and services of any dollar value.
 - b. Projects procured using the procedures set forth in CUPCAA and JOC.
- 2.7 The following shall be procured by a contract:
- a. Whenever a contract is needed to clarify or supplement the terms and conditions and related documents associated with a purchase order.
 - b. When required by any law or regulation.
- 2.8 A request for proposals may be issued when the purchase involves one or more of the following: significant unknown conditions or scope; evaluation of the providers’ abilities; selection factors other than price; or it is required or allowed by law.
- 2.9 All dollar limits in this policy are exclusive of taxes and delivery fees.
- 2.10 Projects, purchases, and contracts shall not be split or separated for purposes of evading the dollar limits given in this Policy or mandated by law. For recurring orders, blanket orders, or multi-year orders, the dollar limits in this Policy are to be applied considering the annual estimated purchases.

2.11 When the purchase of materials, supplies, equipment, or services, including maintenance and public works projects, has previously been authorized by the Board of Directors, the Purchasing Agent may, during the term of the original authorization, purchase additional ~~quantities of such~~ materials, supplies, equipment, or services, including maintenance and public works projects, under the same terms as the board-approved order, without Board approval as follows:

- If the change is for additional quantities under the same terms, up to 25% of the original amount authorized by the Board regardless of dollar value.
- If the change is under substantially the same terms and within the general scope of the original order, up to 25% of the original amount authorized by the Board regardless of dollar value.
- If the change order involves work outside of the original scope or under different terms of the original order, up to \$100,000 regardless of percentage. ~~up to 25 percent of the cost originally authorized without additional Board approval, not to exceed \$100,000.~~
- ~~Thereafter, if exceeding 25 percent of the original cost of \$100,000 or greater, Board approval is required.~~

2.112.12 The law requires that private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management services shall be selected based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. The Purchasing Agent shall comply with the requirements of Government Code Section 4525 et seq. When in the best interest of the Districts, such services shall be obtained by issuing a request for competitive proposals utilizing a two-envelope process (one for qualifications and one for costs) in accordance with the procedures described in Government Code Section 4527 and 4528.

2.122.13 The Purchasing Agent may purchase used equipment without following the bid procedures in this Policy and without prior authorization by the Board of Directors if savings can be realized only by making such purchase before the next regular meeting of the District Board of Directors. Any such purchase in excess of \$100,000 shall be reported to the Board of Directors at its next regular meeting.

2.132.14 The Purchasing Agent is authorized to participate in research studies or programs with other public, private, or academic organizations, or become a member of an organization, if the resulting research or membership has the potential to benefit District facilities or services or otherwise further a statutory purpose of the District, and the District's contribution will not exceed \$100,000 per year, without approval by the Board of Directors.

2.142.15 The Purchasing Agent is authorized to arrange for utility services as required for operation of District facilities, including executing agreements and contracts as required to obtain utility services without Board approval.

2.152.16 The Purchasing Agent is authorized to execute service agreements and similar agreements related to software, internet, and other information services purchases without obtaining Board approval beyond the purchasing approvals otherwise required in the Policy.

~~2.162.17~~ The Purchasing Agent is authorized to purchase dirt, used asphalt, and other similar materials for solid waste site operations at rates determined necessary and appropriate (including at no charge when appropriate) to provide materials in quantities required without Board approval.

SECTION 3. EMERGENCY AUTHORITY

3.1 Pursuant to Public Contract Code, Section ~~110222050~~, The Purchasing Agent shall have the authority to take immediate action, including the expenditure of District funds, to repair, restore, replace, or protect District facilities, or to prevent or correct damage caused by District operations, for protection of public health, safety, property, or the environment, without prior authorization of the Board of Directors upon his or her finding that:

- a. It is necessary to repair, restore, replace, or protect District facilities or prevent or correct damage caused by District operations for protection of public health, safety, property, or the environment;
- b. It is infeasible to secure prior authorization of the Board of Directors or to contract for such work in accordance with formal competitive bidding procedures.

~~3.2 The amount of expenditures authorized by section 3-1 is unlimited, except that the Purchasing Agent shall not incur an indebtedness that is anticipated to exceed \$100,000 without the concurrence of the Chairperson of the Board of Directors, or, in his or her absence, the concurrence of any other Board member. If the Purchasing Agent, after reasonable effort under the circumstances, is unable to contact the Chairperson or other board member, the Purchasing Agent is authorized to take immediate action without the prior concurrence of the Chairperson or other Board member.~~

~~3.3 The Purchasing Agent shall report any action taken pursuant to section 3-1 and that exceeds \$5100,000 to the Board of Directors at its next regular board meeting.~~

3.2 The Purchasing Agent shall have the authority to issue a purchase order or execute a contract agreement that would normally require prior Board authorization if any delays to the issuance of the purchase order would result in significant economic losses, such as downtime at an energy or commodity-producing facility or delays to other contractors or District forces or when there are tangible benefits to the Districts such as associated with project staging costs and/or minimizing project impacts to surrounding communities. When possible, the order shall be issued to a vendor who has previously been awarded similar work because of a formal bid process. An analysis of the economic and any other factors justifying the issuance of the purchase order shall be documented. ~~Action confirming the issuance of the purchase order shall be obtained from the Board of Directors at its next regular board meeting.~~

3.3 The Purchasing Agent is authorized to take immediate action under the provisions of 3.1 and 3.2 when necessary. For any action under the provisions of 3.1 or 3.2 that, for Joint Outfall or Solid Waste Operations, exceeds \$500,000 in cost or \$200,000 in cost for all other operations, the Purchasing Agent shall (i) notify and seek concurrence from the chairperson of the Board of Directors as soon as practicable; and (ii) report any such action to the Board of Directors at its next board meeting. In addition, the Purchasing Agent shall obtain confirming approval from the Board of Directors for any action that exceeds \$100,000 after the contract or order details, including costs, are finalized.

SECTION 4. BIDDING REGULATIONS

- 4.1 The Purchasing Agent shall establish bidding procedures that are in the best interest of the Districts, and that comply with all applicable provisions of law and this Purchasing Policy and the specific requirements of this Section.
- 4.2 As used in this Section, the word “bid” shall include any offer to provide materials, equipment, supplies and services, including maintenance and public works projects, to the Districts.
- 4.3 Procurements shall be awarded to the lowest responsive, responsible bidder.
- 4.4 The Purchasing Agent shall have the right to reject all bids, to accept one part of a bid and reject another in accordance with bid specifications, to waive technical defects, and to consider alternate bids if to do so best serves the interests of the Districts.
- 4.5 All bids submitted to the Districts that do not substantially comply with the instructions for bidding or that contain unauthorized conditions, limitations, or provisions, or that substitute items shall be deemed non-responsive and may be rejected by the Purchasing Agent. The Purchasing Agent may waive minor errors, omissions, or irregularities and accept bids if the error, omission, or irregularity does not affect the award or provide any other advantage to the bidder.
- 4.6 In the event of a discrepancy, the bid price shown for the unit price or for a lump sum item shall take precedence over the bid price shown for the total.
- 4.7 Any bids received after a bid date and time will not be considered.
- 4.8 Contractors must supply such bidders’ security, payment bonds, or performance bonds required by law or District specifications. The Purchasing Agent shall establish reasonable minimum requirements for bonds and surety companies.
- 4.9 All bids shall remain confidential until the time for bid opening. All responses to Requests for Proposals shall remain confidential until a contract or purchase order has been awarded.
- 4.10 All methods of procurement, including bids, requests for quotations, requests for proposals, etc., must be conducted in a manner that is fair and transparent.
- 4.11 The Purchasing Agent shall maintain written records of all purchasing activity as required by law or the District’s document retention practices or policy. Electronic records, including but not limited to scanned documents, emails, and purchasing data in the District’s accounting and asset management systems, shall be considered adequate written records for this purpose.

SECTION 5. DISPOSITION OF DISTRICT PROPERTY

- 5.1 The Purchasing Agent shall sell or dispose of property that is no longer required for District purposes in such manner and for such consideration as the Purchasing Agent determines will best benefit the District. Property having a combined current value of \$100,000 or greater, shall not be sold or disposed of without prior authorization of the District’s Board of Directors.

5.2 The Purchasing Agent may exchange used District property in connection with a purchase of materials, supplies, or equipment, subject to the limitations in this section.

5.3 Disposition of all real property, regardless of value, requires Board approval.

SECTION 6. OUTREACH PROGRAM

6.1 Policy Statement

- a. The Districts reaffirm a commitment to cost efficiency, fair and open public processes, and equal opportunity for purchasing and contracting.
- b. The Districts support and encourage participation by businesses owned and controlled by minorities (“MBE”), women (“WBE”), disabled veterans (“DVBE”), disadvantaged (“DBE”), small business enterprises (“SBE”), and other disadvantaged businesses and historically underutilized businesses (“HUB”).
- c. Therefore, the Districts have adopted the following Outreach Program (“Program”):

6.2 The Program

- a. **Public Works Contracts:** Districts’ staff shall encourage participation by all members of the community including MBE/WBE/DVBE/DBE/SBE businesses in the process of bidding for public works contracts as defined by Section 1101 of the California Public Contract Code by means of an outreach program.
- b. **Purchases of Materials, Supplies, Equipment or Services:** Districts’ staff shall periodically review purchases of materials, supplies, equipment, or services for possible participation by MBE/WBE/DVBE/DBE/SBE businesses. Districts’ staff shall determine the availability of MBE/WBE/DVBE/DBE/SBE businesses in the applicable trade or industry and will notify them of contract opportunities.
- c. **Federal and State Projects:** Projects that are funded in whole or in part by the federal and/or state government shall be administered according to requirements of the respective state and/or federal programs.

6.3 The Program shall not apply to contracts let pursuant to emergency authority delegated to the Purchasing Agent as provided for elsewhere in this Policy.

6.4 Certification

- a. MBE/WBE/DVBE/DBE/SBE businesses shall have been certified as such by one or more of the following agencies: the City of Los Angeles, Department of Public Works; WMBE Clearinghouse, Los Angeles, California (California Public Utilities Commission); California Department of Transportation (CalTrans); Los Angeles County Metropolitan Transportation Authority (MTA); County of Los Angeles, Consumer and Business Affairs, Office of Small Business; or such other agencies deemed authoritative by the Purchasing Agent. Certifications from other agencies may be accepted on a case-by-case basis.

- b. The Purchasing Agent shall accept small businesses certified as such under the Federal Government's Small Business Administration 8(a) program and the State of California's Office of Small and Minority Businesses.
- 6.5 All businesses that have been certified in accordance with the procedures set forth above shall be placed in a database that categorizes them according to type of industry, trade, or commodity.
- 6.6 Districts' Goals and Reporting
- a. To encourage participation, an aspirational goal of 20% of Purchase Orders issued to MBE/WBE/DVBE/DBE/SBE businesses has been established for the Program. The goal will be communicated to prospective bidders in the specifications for each project.
 - b. Contractors awarded projects of \$100,000 and greater in value will be required to report levels of participation by MBE/WBE/DVBE/DBE/SBE suppliers and subcontractors. The information will be used by the Districts for statistical purposes.
 - b-c. Progress toward meeting the goals in this section shall be reported to the Board once per year.
- 6.7 The following methods shall be utilized by Districts' staff as appropriate to increase awareness of opportunities for MBE/WBE/DVBE/DBE/SBE business participation in contracting opportunities:
- a. Participate in working groups with other local agencies, such as OneLA Regional Collaborative.
 - b. Maintain a database that contains pertinent information on various certified MBE/WBE/DVBE/DBE/SBE firms, including the type of trade or industry in which the business is engaged.
 - c. Actively participate in business fairs sponsored by various city and county agencies, as well as MBE/WBE/DVBE/DBE/SBE business associations.
 - d. Notify contractor associations regarding bidding opportunities.
 - e. Place notices in local newspapers and trade journals regarding upcoming projects.
- 6.8 Efforts shall be made to eliminate or minimize requirements that have the potential to discourage or prevent disadvantaged businesses from participating in bids including:
- a. Insurance requirements shall not be more than what would be appropriate for the risk associated with the scope of work.
 - b. Bonds, licenses, experience requirements, etc. shall not be more than what is required by law or what is needed to ensure the quality of the work and the qualifications of the vendor.
 - c. When it will not unduly impact the Districts ability to operate efficiently, the scope of work associated with each bid or proposal solicitation shall be structured to maximize opportunities for vendors that have limited size or capabilities.

SECTION 7. ADMINISTRATIVE AND BUSINESS TRANSACTIONS

- 7.1 The Purchasing Agent is authorized to procure and pay for required regulatory fees, permit fees, taxes, etc. for payments to government agencies without Board approval.
- 7.2 The Purchasing Agent is authorized to procure and pay for legally required newspaper notices without board approval.
- 7.3 The Purchasing Agent is authorized to procure temporary property rights, that do not exceed \$100,000, necessary to accommodate construction of Districts' projects without approval by the Board of Directors.
- 7.4 The Purchasing Agent ~~or his or her designee~~ is authorized to settle and reject claims against the Districts not to exceed \$100,000.
- 7.5 The Purchasing Agent is authorized to issue Purchase Orders and enter into Contracts greater than \$100,000 without board approval, if the next board meeting is not expected to take place for more 30 days, and delay of the order or contract until the next board meeting would result in significant economic losses, regulatory issues, or delays to critical work. The Purchasing Agent shall request approval at the next meeting of the Board of Directors, not to exceed 90 days from the date the purchase order or contract was issued.

7.57.6 The Board authorizes the Purchasing Agent to designate staff, as he or she determines is appropriate, to carry out the actions authorized in this Policy.

SECTION 8. PURCHASING POLICY ADOPTION

This Policy will become effective after approval by all of the Districts Boards and supersedes the Purchasing Policy for each individual District. This Policy will be reviewed on an annual basis and any modifications must be approved by the Boards. After each review, the matter will be referred to the Personnel Committee (comprised of the Chairpersons of the Board of Directors of each active County Sanitation District of Los Angeles County) for its consideration.



February 9, 2024

Boards of Directors
Los Angeles County Sanitation Districts

Directors:

Wastewater Revenue Program for Fiscal Year 2024-25

The agendas for the upcoming meetings of the Boards of Directors contain an item regarding the District's service charges for residential, commercial, and small industrial dischargers which are collected on the property tax roll.

Service charge rate ordinances have previously been adopted by the Boards and no changes are being proposed to these ordinances. However, to continue to collect the service charge on the property tax roll the Boards must take certain actions. Specifically, pursuant to state law, the Boards must: (1) order a Service Charge Report be filed with the District Clerk, (2) establish the date, time, and place for a public hearing on the report; and (3) order the publication of the required notices.

BUDGET FOR FISCAL YEAR 2024-25

Enclosed for your review is the preliminary budget for fiscal year 2024-25; 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 funds and reserves were established and funded in accordance with the District's *Wastewater Financial Reserve Policy*. For the Joint Outfall System (JOS) Districts, a preliminary budget for the JOS for fiscal year 2024-25, and information on JOS reserves has also been included to provide more detail on the District's share of Joint Outfall expenses, but will only be adopted by District No. 2, the administrative District for the JOS.

A final budget will be presented to the Board for consideration in June as part of the overall budgetary process, adoption of which will authorize budget appropriations.

SERVICE CHARGE AND SURCHARGE RATES

No change to previously-adopted rates is proposed for fiscal year 2024-25. Multi-family residential units will pay 60% of the adopted single-family home rate and condominiums will pay 75% of the adopted single-family home rate. Likewise, commercial and industrial dischargers will pay in proportion to their use of the wastewater management system compared to a single-family home. Dischargers with verified low water usage (particularly seniors and retirees) may qualify for a reduced charge.

LOW WATER REBATE PROGRAM

Because the cost of metering wastewater discharges from individual parcels is impractical and cost prohibitive, discharges are estimated using standard loading factors based on the size and types of facilities located on the parcel. With the ongoing efforts by local communities to conserve water and install low-flow plumbing fixtures, many parcels may be discharging at lower rates than is currently estimated. The Districts' low water rebate program allows parcel owners to apply for a reduction in their service charge rate based on their actual water usage. Staff has conducted a concerted public outreach program, including information on the program in our Proposition 218 notices, newspaper advertisements, and the Districts' website, to ensure that parcel owners are aware of the program.

SUMMARY OF REQUIRED ACTIONS

As previously discussed, the Board must order the filing of a Service Charge Report (enclosed) with the District Clerk. The Boards must also schedule a public hearing and instruct the District Clerk to publish newspaper notices to inform the public of the hearing. After the close of its public hearing, the Boards will consider adoption of the Service Charge Report, as is required under the California Health and Safety Code for the District to continue to collect the previously approved wastewater service charge as a separate line item on the property tax roll. This is the most cost-effective and efficient means of collecting the service charges. It is recommended that the public hearing be set for the date, time and location listed on the agenda.

At the June Board meetings, final budgets will be presented to the Boards of Directors for consideration as part of the overall budgetary process, adoption of which will authorize budget appropriations. In addition, the Boards must take certain administrative actions that are required of all agencies that receive ad valorem taxes. These include establishing by resolution the amount of the tax levy Districts will request from the Los Angeles County Tax Collector and adopting a limit on authorized expenditures of tax proceeds.

Very truly yours,



Robert C. Ferrante

RCF:gc
Enclosures

COUNTY SANITATION DISTRICT NO. 4 SERVICE CHARGE REPORT FOR FISCAL YEAR 2024-25

INTRODUCTION

County Sanitation District No. 4 of Los Angeles County encompasses all or portions of the cities of Beverly Hills, Los Angeles, and West Hollywood.

District No. 4, unlike other Sanitation Districts within the urbanized Los Angeles basin, does not own treatment and disposal facilities. Although District No. 4 owns and operates several large trunk sewers within the District, the District contracts for treatment and disposal services with the City of Los Angeles. These services are essential to protect the public health of the people served by the system.

District No. 4 must provide the revenue required to operate and maintain its facilities and pay its proportionate share of the operation and maintenance and capital costs of the facilities owned by the City of Los Angeles. The general revenue sources currently available to the District include a pro rata share of the ad valorem (property) taxes, service charges, industrial wastewater surcharges, interest income, contract revenue and reserves. Any surplus will be transferred to designated reserves to meet targeted reserve requirements.

PROPOSED SYSTEM DESCRIPTION

The supplemental revenue required under the *Master Service Charge Ordinance of County Sanitation District No. 4 of Los Angeles County* will be allocated among classes of developed parcels of real property on the basis of use of the sewerage system. The revenue derived from the service charge will be used for operation and maintenance and capital costs.

All industrial dischargers in District No. 4 discharging more than 1.0 million gallons per year are required to file a wastewater surcharge statement as prescribed in the *Wastewater Ordinance* to pay their appropriate share of the costs based on their use of the sewerage system. All other users of the sewerage system, except for contractual and local government users, will pay service charges.

The basic term used to define the service charge is a sewage unit. A sewage unit represents the average daily quantity of sewage flow and strength from a single-family home measured in terms of flow, chemical oxygen demand, and suspended solids. The number of sewage units (SU) per unit of measure shall be determined by the following formula:

$$\text{SU} = A \left(\frac{\text{FLOW}_{\text{avg}}}{\text{FLOW}_{\text{sfh}}} \right) + B \left(\frac{\text{COD}_{\text{avg}}}{\text{COD}_{\text{sfh}}} \right) + C \left(\frac{\text{SS}_{\text{avg}}}{\text{SS}_{\text{sfh}}} \right)$$

Where:

- A = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which is attributable to flow;
- B = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which is attributable to COD;
- C = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which is attributable to suspended solids;

**COUNTY SANITATION DISTRICT NO. 4
SERVICE CHARGE REPORT FOR FISCAL YEAR 2024-25**

- FLOW_{sfh} = Average flow of wastewater from a single-family home in gallons per day;
- COD_{sfh} = Average loading of COD in the wastewater from a single-family home in pounds per day;
- SS_{sfh} = Average loading of suspended solids in the wastewater from a single-family home in pounds per day;
- FLOW_{avg} = Estimated flow of wastewater which will enter the sewerage system from a user in gallons per day;
- COD_{avg} = Estimated loading of COD which will enter the sewerage system from a user in pounds per day;
- SS_{avg} = Estimated loading of suspended solids which will enter the sewerage system from a user in pounds per day.

For fiscal year 2024-25, the proportions of the total operation and maintenance and capital costs attributable to flow, chemical oxygen demand, and suspended solids have been assigned the following values:

A	=	0.3049
B	=	0.3348
C	=	0.3603

The service charge for each sewage unit is determined by dividing the total required supplemental revenue by the total number of sewage units in the District. The service charge for each parcel is determined by multiplying the service charge for each sewage unit by the number of sewage units attributable to the parcel, which in turn, is determined by the class of real property and the sewage unit formula and the flow, COD and SS loadings from **Table 1**, which shows the corresponding value for each class of real property in District No. 4.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2024-25 is \$150 per sewage unit. Parcels with significantly lower water usage may be eligible for a reduced rate pursuant to the terms of the *Master Service Charge Ordinance of County Sanitation District No. 4 of Los Angeles County*.

DESCRIPTION OF PARCELS RECEIVING SERVICES AND IDENTIFICATION OF AMOUNT OF CHARGE FOR EACH PARCEL

All parcels of real property within the 2024-25 Tax Rate Areas as shown in **Table 2** are receiving or benefiting from the services and facilities of District No. 4. Additionally, the parcels listed in **Table 3**, which do not fall within the Tax Rate Areas shown in **Table 2**, are receiving or benefiting from the services and facilities of District No. 4. Said parcels are more particularly described in maps prepared in accordance with Section 327, Revenue and Taxation Code, which are on file in the office of the County Assessor, which maps are hereby incorporated herein by reference.

All commercial and institutional parcels assessed a service charge based on the Los Angeles County Assessor's current tax roll shall be charged on the basis of not less than one (1.0) sewage unit.

No charge shall be imposed on the owner or owners of any parcels as to which the fair market value of improvements is less than \$1,000 as determined on the basis of the Assessor's current tax roll. This assumption is predicated on the fact that this type of parcel would be a vacant piece of land; however, should subsequent evaluation reveal that the property is not vacant, then an appropriate service charge would be levied.

TABLE 1
LOADINGS FOR EACH CLASS OF LAND USE

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW</u> (Gallons per Day)	<u>COD</u> (Pounds per Day)	<u>SUSPENDED SOLIDS</u> (Pounds per Day)
RESIDENTIAL				
Single Family Home	Dwelling Unit	260	1.22	0.59
Condominiums	Dwelling Unit	195	0.92	0.44
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
COMMERCIAL				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft ²	100	0.43	0.23
Supermarket	1000 ft ²	150	2.00	1.00
Shopping Center	1000 ft ²	325	3.00	1.17
Regional Mall	1000 ft ²	150	2.10	0.77
Office Building	1000 ft ²	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft ²	300	1.29	0.68
Restaurant	1000 ft ²	1,000	16.68	5.00
Indoor Theatre	1000 ft ²	125	0.54	0.28
Car Wash:				
Tunnel – No Recycling	1000 ft ²	3,700	15.86	8.33
Tunnel – Recycling	1000 ft ²	2,700	11.74	6.16
Wand	1000 ft ²	700	3.00	1.58
Bank, Credit Union	1000 ft ²	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft ²	100	0.43	0.23
Animal Kennels	1000 ft ²	100	0.43	0.23
Gas Station	1000 ft ²	100	0.43	0.23
Auto Sales	1000 ft ²	100	0.43	0.23
Wholesale Outlet	1000 ft ²	100	0.43	0.23
Nursery/Greenhouse	1000 ft ²	25	0.11	0.06
Manufacturing	1000 ft ²	200	1.86	0.70
Light Manufacturing	1000 ft ²	25	0.23	0.09
Lumber Yard	1000 ft ²	25	0.23	0.09
Warehousing	1000 ft ²	25	0.23	0.09
Open Storage	1000 ft ²	25	0.23	0.09
Drive-in Theatre	1000 ft ²	20	0.09	0.05
Night Club	1000 ft ²	350	1.50	0.79
Bowling/Skating	1000 ft ²	150	1.76	0.55
Club & Lodge Halls	1000 ft ²	125	0.54	0.27
Auditorium, Amusement	1000 ft ²	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1000 ft ²	100	0.43	0.23
Campground, Marina, Recreational Vehicle Park	Sites, Slips, or Spaces	55	0.34	0.14

TABLE 1
LOADINGS FOR EACH CLASS OF LAND USE

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW</u> (Gallons per Day)	<u>COD</u> (Pounds per Day)	<u>SUSPENDED SOLIDS</u> (Pounds per Day)
COMMERCIAL				
Convalescent Home	Bed	125	0.54	0.28
Horse Stables	Stalls	25	0.23	0.09
Laundromat	1000 ft ²	3,825	16.40	8.61
Mortuary, Funeral Home	1000 ft ²	100	1.33	0.67
Health Spa, Gymnasium:				
With Showers	1000 ft ²	600	2.58	1.35
Without Showers	1000 ft ²	300	1.29	0.68
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
INSTITUTIONAL				
College/University	Student	20	0.09	0.05
Private School	1000 ft ²	200	0.86	0.45
Library, Museum	1000 ft ²	100	0.43	0.23
Post Office (Local)	1000 ft ²	100	0.43	0.23
Post Office (Regional)	1000 ft ²	25	0.23	0.09
Church	1000 ft ²	50	0.21	0.11

TABLE 2
TAX RATE AREAS IN SANITATION DISTRICT NO. 4

000043	000193	000490	000944	001319
001320	001329	001349	001362	001364
002407	002411	002420	009970	012150
013623				

TABLE 3
PARCEL NUMBERS SERVED BY SANITATION DISTRICT NO. 4
OUTSIDE OF TAX RATE AREAS

4240005011	4336007037	5548020061	5555022028	5555022029	5555022030
5555022031					

**County Sanitation District No. 4 of Los Angeles County
Preliminary Operating Fund Budget (\$ in thousands)
Fiscal Year 2024-25**

	Adopted 2023-24 ⁽¹⁾	Proposed 2024-25 ⁽¹⁾
<u>Starting Balance</u>	\$ 3,773	\$ 3,066
<u>Sources of Funds</u>		
Service Charge	\$ 3,789	\$ 3,925
Industrial Waste Charges	15	18
Total Operating Revenue	3,804	3,943
Ad Valorem Tax Revenue	912	1,024
Interest	94	77
Total Non-Operating Revenue	1,006	1,101
Transfers from Restricted Funds	2,431	2,073
Total Transfers In	2,431	2,073
Total Sources of Funds	\$ 7,240	\$ 7,117
<u>Use of Funds</u>		
Joint Administration Operations	\$ 13	\$ 14
Sewer System Operations	67	80
Contract Disposal Operations	3,271	3,451
Other Operational Expenditures	11	10
Operations and Maintenance Expense	3,362	3,555
Joint Administration Capital	2	2
Contract Disposal Capital	2,429	2,071
Capital Expense	2,431	2,073
Transfers to Designated Reserves	2,151	1,391
Transfers Out	2,151	1,391
Total Use of Funds	\$ 7,944	\$ 7,019
<u>Ending Balance</u>	\$ 3,069	\$ 3,163

(1) The Adopted FY 23-24 Budget is presented as adopted by the Board in 2023. The ending balance reflects the estimate at that time, and therefore may not match the current estimated starting balance for the Proposed FY 24-25 Budget.

**County Sanitation District No. 4 of Los Angeles County
Reserve Funds Proposed Budget (\$ in thousands)
Fiscal Year 2024-25**

	Unrestricted	Designated			Restricted	Total
	Operating	Emergency	O&M Financial Stability	Capital Projects Financial Stability	Capital Improvement	
Starting Balance	\$ 3,066	172	40,561	1,026	6,822	51,647
Operating Revenue	3,943	-	-	-	-	3,943
Non-Operating Revenue	1,101	4	1,014	26	171	2,316
Transfers In	2,073	10	-	1,765	-	3,848
Operations and Maintenance Expense	3,555	-	-	-	-	3,555
Capital Expense	2,073	-	-	-	-	2,073
Transfers Out	1,391	-	384	-	2,073	3,848
Ending Balance	<u>3,163</u>	<u>187</u>	<u>41,191</u>	<u>2,816</u>	<u>4,919</u>	<u>52,277</u>

**County Sanitation District No. 4 of Los Angeles County
Wastewater Budget Rate and Other Information Summary
Fiscal Year 2024-25**

	Adopted 2023-24	Proposed 2024-25
<u>Service Charge Rate (\$ per Sewage Unit)</u>	150.00	150.00
<u>Industrial Waste (Surcharge) Rates</u>		
Flow (\$ per MGY)	528.00	528.00
COD (\$ per 1000 lbs)	111.20	111.20
SS (\$ per 1000 lbs)	335.30	335.30
Peak Flow (\$ per gpm)	45.60	45.60
Short Form Rate (\$ per million gallon per year)	2,129.00	2,129.00
<u>Total Connection Fee Rate (\$ per Capacity Unit)</u>	1,710.00	1,710.00
<u>Projected Sewage Units</u>		
Residential/Commercial	25,262	26,164
Industrial Waste	79	62
Contract Out	-25,340	-26,227
Total Served Sewage Units	0	0

Sanitation Districts of Los Angeles County

Wastewater Budget Explanation and Glossary of Terms

Fiscal Year 2024-25

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 may also be omitted from the preliminary budgets if the proposed projects are still being finalized.
- **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.*

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

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

Operating Payments by Districts	Payments received by Joint Outfall System Districts to be used for Joint Outfall system’s net operating expenditures.
Other Capital Expenditures	Capital expenditures not related to District’s sewers, treatment plants, composing facilities, field offices, or contract disposal.
Other Operational Expenditures	The District’s operational expenditures that are not directly related to the District’s facilities, such as insurance, annexations, and certain regulatory work.
Service Charge Revenue	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.
Total Served Sewage Units	Total number of Sewage Units (single family home equivalent dischargers) that are served by treatment plants owned by the Districts.
Transfers from Designated Funds	Funds transferred from Designated Funds when projected operating reserve balance is below target; these funds are to be used toward operating expenditures.
Transfers from Districts	Payments received from Joint Outfall System Districts to fund the Joint Outfall reserves per June 1, 2022, Joint Outfall Agreement.
Transfers from Restricted Funds	Funds transferred from Restricted Funds to be used toward capital expenditures.
Transfers to Designated Reserves	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.
Transfers to Joint Outfall System	Individual District’s contribution to the Joint Outfall System reserves per June 1, 2022, Joint Outfall Agreement.
Treatment Plant Capital Expenditures	Capital expenditures related to upgrade, repair, or expansion of treatment plants.
Treatment Plant Operations Expenditures	Expenditures related to operating and maintaining treatment plants.