



May 16, 2024

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 special meetings of the Boards of Directors of District No. 27 and Newhall Ranch Sanitation District meeting Tuesday, June 4, 2024.

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](http://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 Expenses:

Operations & Maintenance	\$ 99,423
Capital	46,081

Allocated Expenses:

Joint Administration	2,575
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Total Expenses	<u>\$148,079</u>
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**Newhall Ranch Sanitation District –**

Local District Expenses:

Operations & Maintenance	\$ 104,409
Capital	16,103

Allocated Expenses:

Joint Administration	23,446
Technical Support	10,903

Total Expenses	<u>\$154,861</u>
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3. Conflict of Interest and Disclosure Code. (3 and 5) At its meeting of February 27, 2024, the Districts’ code reviewing body, the Los Angeles County Board of Supervisors, adopted an amended Conflict of Interest Code and Disclosure Categories for the Sanitation Districts. The amendment consists of revisions of deletion of one position from the code as it no longer exists in the agency, changes to nine position titles, addition of eleven positions to the code, and adds one position under “Officials who manage Public Investments.” Pursuant to Government Code 87306, each District Board is required to adopt the amended code.

4. Investment Policy. (3 and 5) The agenda for upcoming meetings of the Boards of Directors contains an item regarding proposed revisions to the Districts' Investment Policy (Policy). The Policy establishes the practices under which the Districts invest reserves until such time as they are needed to meet expenses and identifies what types of investments are allowable. The current Policy already allows for investment with the County's Pooled Surplus Investment Fund; however, a narrow change is being proposed to allow investment in shared investment pools comprised of other California public agencies. This proposed change will allow investment in the broader class of all such investment pools and would allow the Districts to diversify their investments into investment pools such as the California Asset Management Program (CAMP) and California Cooperative Liquid Assets Securities System (CLASS). In May, these revisions were unanimously endorsed by the Personnel Committee, comprised of the Chairs of all active Districts. 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. 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.

5, 6, and 7. Wastewater Budget Matters for Fiscal Year 2024-25. (3) Attached is a copy of the proposed final budget for fiscal year 2024-25 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 2024-25. (5) Attached is a copy of the proposed budget for fiscal year 2024-25 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.

Very truly yours,



Robert C. Ferrante

RCF:drs  
Enclosures